

# **ANSELL CAPITAL CORP.**

## **Management's Discussion and Analysis**

**For the Fiscal Year Ended**

**July 31, 2009**

## **INTRODUCTION**

This discussion and analysis of financial position and results of operation is prepared as at November 24, 2009 and should be read in conjunction with the annual audited financial statements for the fiscal year ended July 31, 2009. Those financial statements have been prepared in accordance with Canadian generally accepted accounting policies. All dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated. Additional information related to the Company, including its press releases and quarterly and annual reports, is available for view on SEDAR at [www.sedar.com](http://www.sedar.com).

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements contained in this MD&A constitute "forward-looking statements". Such forward-looking statements involve a number of 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 expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below and as detailed under **RISK AND UNCERTAINTIES** in this MD&A.

Risk factors that could affect the Company's future results include, but are not limited to, risks inherent in mineral exploration and development and mining activities in general, volatility and sensitivity to market prices for uranium, political risk arising from operating in the USA and Mexico, changes in government regulation and policies including environmental regulations and reclamation requirements, receipt of required permits and approvals from governmental authorities, competition from other companies, ability to attract and retain skilled employees and contractors, and changes in foreign currency exchange rates. Further information regarding these and other factors which may cause results to differ materially from those projected in forward-looking statements are included in the Company's filings with securities regulatory authorities. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

## **DESCRIPTION OF BUSINESS AND OPERATIONS REVIEW**

Ansell Capital Corp. (the "Company") was incorporated under the Business Corporations Act (BC) on July 26, 2006 and is classified as a Capital Pool Company as defined in TSX Venture Exchange "TSX-V") Policy 2.4. The principal business of the Company is the identification and evaluation of a Qualifying Transaction 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.

## **OPERATIONS REVIEW**

### **Guijoso Property, Mexico**

Ansell Capital Corp. ("Ansell" or "the Company") signed a letter of intent dated May 7, 2008, with Fury Explorations Ltd. ("Fury") and its wholly owned Mexican subsidiary Fury Explorations Mexico, S. de R.L de C.V., pursuant to which Ansell can acquire in an arm's-length transaction a 70-per-cent undivided interest in and to five mineral exploration concessions located in Jalisco state, Mexico, 200 kilometres west of Guadalajara and approximately five km south of San Felipe de Hajar. The acquisition has been approved by the TSX Venture Exchange and constitutes Ansell's acquisition of a significant asset as a qualifying transaction as that term is defined in the CPC listings policy of the exchange.

The Guijoso project consists of five mineral exploration concessions encompassing approximately 5,080 hectares of mineral prospective lands located at the southern end of the Sierra Madre Occidental (SMO) metallogenic province, a large mid-Tertiary volcanic field which is one of the world's largest epithermal precious metal terranes hosting a majority of Mexico's gold and silver deposits.

**OPERATIONS REVIEW (Cont'd...)**

**Guijoso Property, Mexico (Cont'd...)**

Rocks in the area around San Felipe de Hajar consist of Cretaceous rhyolite tuff, volcanoclastic and other fine and coarse shallow marine units of the Guerrero terrane intruded by similar-aged granite to diorite plugs and stocks. These older rocks are overlain by younger Pliocene-Pleistocene polymict conglomerates, and basalt flows, which were then covered by Quaternary andesite and basalt flows. Tertiary pyroclastic rhyolite tuffs and interbeds of andesite trending northwest dominate the Guijoso project. Complex intersecting north-south, northwest, northeast and east-west structures cut the central part of the project area.

The Guijoso project is located within a belt of low sulphidation epithermal precious and base metal deposits extending through much of western Mexico. All mineralization discovered to date at the Guijoso project is associated with pervasive, vein and stockwork silicification and adjacent argillic alteration within rhyolite tuffs. Silicification as presently known has been recognized over an area approximately six kms in length by and 1.5 kms in width.

Fury commenced a sampling and mapping program in January 2007 investigating several targets including Area Guijoso, Cerro Guijoso, and Arroyo Higueritas. The Area Guijoso target has been extensively rock geochemical sampled. Results of vein sampling of three principal veins accruing two kms in strike indicated encouraging silver-gold mineralization to a maximum of 712 g/t Ag and 4.7 g/t Au. Drill results were significantly lower than surface sample results from veins due to poor recoveries and abandoned holes arising out of ground conditions and other factors. The most prospective zone of mineralization is believed to lie at significantly deeper depths (+ 400 m) than the relatively shallow zone (< 150 m) tested by Fury core holes. At the Area Guijoso target, silica textures including chalcedonic > crystalline quartz, cockscomb textures, banding, vuggy, recrystallized, and brecciation suggest that the "top" of the system is intact.

Between March 2, 2007 and March 1, 2008 Fury expended US\$445,269 in the organization and evaluation of the Guijoso project. Work included regional and target-specific geochemical rock sampling, grid rock sampling, mapping, and drilling of 13 core drill holes (DDH 001 through DDH 013) accruing 2,017 m. A geological report and summary of field examination on the Guijoso project dated June 2, 2008 has been prepared by R.A. Lunceford M.Sc., CPG, a Qualified Person for the purpose of preparing a compliant report under National Instrument 43-101. In his report, Mr. Lunceford concludes that further exploration of the Guijoso project is recommended and justified since the drill program undertaken by Fury did not adequately test the potential mineralization in the area covered by the claims.

Mr. Lunceford has recommended a 2-phase exploration program on the lands which includes an initial program consisting satellite imagery, geologic mapping, sampling, petrography, and possibly geophysics leading to a second program to include 5,000 meters of drilling. The 2- phase program is estimated to cost of US\$1,115,000. Phase 1 has been partially completed, with sampling and assaying expenditures totalling approximately \$92,000 have been completed.

**Terms of Acquisition**

The Company has entered into an agreement with Fury Explorations Ltd. ("Fury"), pursuant to which the Company can earn 70% of Fury's interest in the Guijoso Property which consists of exploration concessions located near Guadalajara in Jalisco State, Mexico. The interest can be earned by paying Fury a non-refundable deposit of US\$25,000 (paid CDN\$25,398), making further cash payments of US\$250,000 (paid CDN\$30,482); issuing 1,800,000 common shares of the Company (issued 400,000 shares valued at \$48,000) and by spending an aggregate of US\$2,000,000 in exploration expenditures in installments over a three year period ending March 2, 2011. The agreement was subsequently amended to allow the Company the option to pay cash at current trading value in lieu of shares to be issued. The Company paid \$50,000 in lieu of the second installment of 400,000 shares, leaving 1,000,000 shares, or the cash equivalent, to be paid.

Fury acquired its interest in and to the exploration concessions on March 2, 2007 under an option agreement entered into with the registered concession holders.

In order for Fury to acquire a 100% interest in and to the concessions (subject to a 2.5% net smelter return royalty), Fury must make payments to the registered owners of the concessions in the amount of US\$300,000, issue 300,000 common shares of its capital stock and incur exploration expenditures on the concessions in the amount of US\$1,500,000 on or before March 2, 2011.

**OPERATIONS REVIEW (Cont'd...)**

Fury has reserved a "Back-In Option" which may be exercised by Fury once Ansell has earned its 70% interest in and to the concessions. Fury can exercise its Back-In Option by spending the additional sum of US\$1,000,000 in exploration expenditures on the concession lands on or before March 2, 2014. If the Back-In Option is exercised, Fury's interest in the concession lands will be increased from a 30% undivided interest to a 49% undivided interest.

A finder's fee of 63,000 fully paid and non-assessable shares of Ansell have been issued to an arms length person in connection with the transaction after receiving Exchange approval. The terms of the agreement were subject to Ansell completing a financing concurrently with the completion of its Qualifying Transaction and the terms of acquisition being accepted by the TSX Venture Exchange as Ansell's Qualifying Transaction on or before April 30, 2009. As at April 30, 2009, Exchange approval had been received, the concurrent financing completed and the agreement completed.

In order to be in a position to meet its cash requirements on this property, the Company has completed two private placements:

a) a non-brokered private placement of 2,548,332 units at a price of \$0.12 per unit for aggregate gross proceeds of \$305,800. Each unit consists of one common share of the Company and one-half share purchase warrant. Each whole share purchase warrant is exercisable at a price of \$0.20 to purchase one additional common share at any time before 12 months from the effective date subject to early acceleration provisions applicable under certain circumstances, whereby if the Company's common shares trade at or above a weighted average trading price of \$0.40 for 20 consecutive trading days, then the Company may give notice that the share purchase warrants will expire 30 days after such notice is given. The Company issued finder's fees which were paid through the issuing of 121,200 shares valued at \$14,544.

b) a non-brokered private placement of 4,820,000 units at a price of \$0.12 per unit for aggregate gross proceeds of \$578,400. Each unit consists of one common share and one share purchase warrant. Each warrant is exercisable to purchase an additional common share of the Company at a price of \$0.20 for a period of one year from the closing of the private placement. The Company issued finder's fees which were paid through the issuing of 227,500 units valued at 27,300.

**Nevada Properties, U.S.A.**

a) The Company has entered into an agreement to secure a lease with an option to acquire a 100% interest in and to the Redrock Property located in Lander County, Nevada. The aggregate consideration payable under the option is US\$2,000,000, 1,100,000 common shares of the Company and exploration expenditures to be incurred over 10 years in the amount of US\$2,000,000, with US\$10,000 due and payable upon signing (paid CDN\$12,193) and US\$15,000 in exploration expenditures to be incurred within the first year of the signing of the agreement.

The property is subject to gross production royalty (GPR) of 2% where the Company has the right to purchase half of the GPR for US\$2,000,000.

b) The Company has also entered into an Agreement to acquire 100% interest in the North Battle Mountain Property. The aggregate consideration payable under the option is US\$1,500,000, 1,000,000 common shares of the Company and exploration expenditures to be incurred over 10 years in the amount of US\$1,900,000 with US\$15,000 of exploration expenditures required in the first year after signing of the agreement. The Company paid US\$2,500 (CDN\$3,048) and issued 25,000 common shares valued at \$3,500 upon signing the agreement.

The property is subject to GPR of 2%, where the Company has the right to purchase half of the GPR for US\$1,000,000.

Subsequently, the Company entered into a Letter of Agreement dated July 22, 2009 with Challenger Deep Capital Corp. ("Challenger") pursuant to which the Company has agreed to assign its interests in the Redrock and Battle Mountain Properties to Challenger, subject to a retained back in right to participate to the extent of a 25% undivided interest in the further development of either or both properties after Challenger has fulfilled its obligations under the agreement. As consideration, the Company has received \$25,000 as reimbursement of the costs and Challenger must incur US\$210,000 of expenditures within two years. Challenger has also agreed to assume all of the Company's obligations in the underlying agreements with the property vendors.

**OPERATIONS REVIEW (Cont'd...)**

**Mineral Properties – continuity schedule**

	<b>Mexico</b>	<b>Nevada</b>	<b>Total</b>
Opening balance	\$ -	\$ -	\$ -
Acquisition costs	<u>183,090</u>	<u>18,741</u>	<u>201,831</u>
Exploration costs			
Assay	18,205		18,205
Filing	11,997		11,997
Geological	63,469	3,748	67,217
Professional fees	1,804		1,804
Travel	<u>6,786</u>		<u>6,786</u>
Total exploration costs	<u>102,261</u>	<u>3,748</u>	<u>106,009</u>
Total additions	285,351	22,489	307,840
Recoveries	<u>-</u>	<u>(22,489)</u>	<u>(22,489)</u>
Ending balance	<u>\$285,351</u>	<u>\$ -</u>	<u>\$285,351</u>

**SUMMARY**

Our Company's Board and management is a highly qualified team of professionals with essential experience in resource acquisition, exploration, and development, finance and marketing. We are committed to building a highly valued asset base and a strong, loyal shareholder following.

**FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

Management does not believe the Company is exposed to significance financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates, as its' operations are primarily in Canadian dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

*Financial Risk Factors*

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit risk*

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company's cash is primarily held in large Canadian financial institutions. The Company's receivables consist mainly of GST receivable due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to cash and receivables is not significant.

**FINANCIAL INSTRUMENTS (Cont'd...)**

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2009, the Company had cash totaling \$819,988 (2008 - \$359,343) to settle current liabilities of \$69,100 (2008 - \$16,034). All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk

The Company has cash and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term demand deposit issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency risk

While the Company is in Canada and its capital is raised in Canadian dollars, the Company is conducting a significant portion of its business in the United States and Mexico, whose currencies are the United States dollar and Mexican Peso, respectively. As such, it is subject to risk due to fluctuations in the exchange rates for the United States dollar, Mexican Peso and Canadian dollar. The Company does not enter into derivative financial instruments to mitigate its exposure to foreign currency risk as management considers the risk to be insignificant at this time.

**LIQUIDITY AND CAPITAL MARKETS**

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

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

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	July 31, 2009	July 31, 2008
Working Capital	\$ 760,591	\$ 348,903
Deficit	(481,396)	(235,068)

This increase of \$411,688 in working capital for the fiscal year ended July 31, 2009 was primarily due to the net cash provided by financing activities of \$779,446, partially offset by cash used in operating activities of \$151,356, adjusted for changes in working capital items, and investing activities of \$167,445.

**LIQUIDITY AND CAPITAL MARKETS Cont'd...)**

Net cash provided by financing activities for the fiscal year ended July 31, 2009 of \$779,446 consisted of \$894,200 from the issuance of common stock less related share issue costs of \$114,754. There were no cash flows from financing activities in the previous fiscal year.

Net cash used by operating activities for the fiscal year ended July 31, 2009 was \$151,356, compared to \$89,595 for the previous year. The cash used by operating activities for the current period consists primarily of an operating loss of \$246,328 (2008 - \$101,400).

Net cash used by investing activities for the current fiscal year is comprised of mineral property expenditures, net of recoveries of \$164,128, and furniture and equipment expenditures of \$3,317. Investing activities in the previous fiscal year consisted of a deposit on mineral property acquisition of \$25,398.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off-Balance Sheet arrangements.

**CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

During the year ended July 31, 2009, the Company adopted the following new accounting policies:

*Assessing going concern*

The AcSB amended CICA Handbook Section 1400, to include requirements for management to assess and disclose an entity's ability to continue as a going concern.

*Financial instruments*

The AcSB issued CICA Handbook Section 3862, *Financial Instruments – Disclosures*, which requires entities to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The principles in this section complement the principles for recognizing, measuring and presenting financial assets and financial liabilities in Section 3855, *Financial Instruments – Recognition and Measurement*, Section 3863, *Financial Instruments – Presentation*, and Section 3865, *Hedges*.

The AcSB issued CICA Handbook Section 3863, *Financial Instruments – Presentation*, which is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.

*Capital disclosures*

The AcSB issued CICA Handbook Section 1535, *Capital Disclosures*, which 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. Other than the additional disclosures in Notes 1, 6 and 7 the adoption of this section has had no impact on the Company's financial statements.

**CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION (Cont'd...)**

**Future accounting changes**

*Business Combinations, Non-controlling Interest and Consolidated Financial Statements*

In January 2009, the CICA issued Handbook Sections 1582 "Business Combinations", 1601 "Consolidated Financial Statements" and 1602 "Non-controlling Interests" which replace 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 IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. 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 June 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently.

The Company does not anticipate the adoption of the above standards will have a significant impact on the Company's financial statements.

*Goodwill and intangible assets*

The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008.

*International financial reporting standards ("IFRS")*

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of August 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended July 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

**SELECTED ANNUAL FINANCIAL INFORMATION**

The following selected financial information was obtained directly from or calculated using the Company's financial statements for the years ended July 31, 2009, 2008 and 2007:

<b>Years ended July 31</b>			
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Results of Operations:</b>			
Total Revenues	\$ nil	\$ nil	\$ nil
Net loss for the year	(246,328)	(101,400)	(123,961)
Basic and diluted loss per share	(0.03)	(0.02)	(0.03)
<b>Financial Position:</b>			
Working Capital	\$ 760,591	\$ 348,903	\$ 475,701
Total assets	1,118,193	390,335	485,908
Total shareholders' equity	1,027,443	374,301	475,701

**SUMMARY OF QUARTERLY RESULTS**

	July 31/09	April 30/09	January 31/09	October 31/08	July 31/08	April 30/08	January 31/08	October 31/07
(a) Net sales or total revenues	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil	\$ nil
(b) Income (loss) before extraordinary items								
- total	(136,989)	(10,560)	(41,317)	(57,462)	(56,126)	(24,497)	(16,791)	(3,986)
- per share undiluted	(0.02)	(0.00)	(0.01)	(0.00)	(0.02)	(0.01)	(0.00)	(0.00)
- per share diluted	(0.02)	(0.00)	(0.01)	(0.00)	(0.02)	(0.01)	(0.00)	(0.00)
(c) Net income (loss)								
- total	(136,989)	(10,560)	(41,317)	(57,462)	(56,126)	(24,497)	(16,791)	(3,986)
- per share undiluted	(0.02)	(0.00)	(0.01)	(0.00)	(0.02)	(0.01)	(0.00)	(0.00)
- per share diluted	(0.02)	(0.00)	(0.01)	(0.00)	(0.02)	(0.01)	(0.00)	(0.00)

**RESULTS OF OPERATIONS**

For the fiscal year ended July 31, 2009, the Company incurred a net loss of \$246,328 compared to a net loss of \$101,400 during the previous fiscal year ended July 31, 2008. The increase in loss in the current period of \$144,928 is primarily the result of an increase in stock-based compensation of \$82,614 and an increase in professional fees of \$26,370, as well as a decrease in interest income.

For the quarter ended July 31, 2009, the Company incurred a net loss of \$136,989 compared to a net loss of \$56,126 during the previous fiscal year ended July 31, 2008. The increase in loss in the current period of \$80,863 is primarily the result of an increase in stock-based compensation of \$82,614, as well as a decrease in interest income.

The Company has not paid any dividends on its common shares. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

**RELATED PARTY TRANSACTIONS**

During the 2009 fiscal year, the Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$12,833 (2008 - \$nil) to a company controlled by Jevin Werbes, an officer and director, and accounting fees of \$4,000 (2008 - \$nil) to a company controlled by Barry A. Sheahan, an officer of the Company.
- b) Paid or accrued rent of \$16,750 (2008 - \$ 15,000) to a company with a director in common (Rahoul Sharan) and management fees of \$6,000 (2008 - \$nil) to a company controlled by the same director.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

**OUTSTANDING SHARE DATA**

The following details the common shares, stock options, and warrants outstanding as of the date of this MD&A

**Common Shares**

	Number of Shares	Share Amount	Contributed Surplus
Authorized			
Unlimited common shares, without par value			
Issued			
As at July 31, 2007 and 2008	7,200,000	\$ 559,204	\$ 50,165
Shares issued for mineral property	488,000	59,060	-
Shares issued for cash – private placements	7,368,332	884,200	-
Shares issued for finder's fees	348,700	41,844	-
Share issue costs	-	(156,598)	-
Exercise of options	100,000	16,397	(6,397)
Stock-based compensation	-	-	82,614
As at July 31, 2009	15,505,032	\$ 1,404,107	\$ 126,382

**Stock options**

	Number Of Options	Exercise Price	Expiry Date
	325,000	\$0.10	September 8, 2011
	850,000	\$0.12	May 14, 2014

**OUTSTANDING SHARE DATA (Cont'd...)**

**Warrants**

<b>Number Of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
1,274,166	\$0.20	March 27, 2010
5,047,500	\$0.20	July 3, 2010

**RISKS AND UNCERTAINTIES**

**Limited Operating History**

The Company is in the early stages of mineral property exploration and development. As a result, it is difficult to evaluate the Company's prospects, and its future success is more uncertain than if it had a longer or more proven history of operations.

**History of Losses**

The Company has incurred net losses every period since inception and as of July 31, 2009, had an accumulated deficit of \$481,396.

**No History of Dividends**

Since incorporation, the Company has not paid any cash or other dividends on its common stock and does not expect to pay such dividends in the foreseeable future, as all available funds will be invested primarily to finance its mineral exploration programs. The Company will need to achieve profitability prior to any dividends being declared.

**Dilution**

The Company does not generate any revenues from operating and does not have sufficient financial resources to undertake by itself all of its planned activities. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to the Company's existing shareholders.

**No Known Mineral Reserve**

All of the Company's mineral properties are in the exploration stage and are without known mineral reserves of any kind. Although the Company may discover mineral reserves through its exploration programs, commercial production may not be warranted due to insufficient quantities.

Development of any of the Company's properties will only follow upon obtaining satisfactory exploration results. However, few mineral properties that are explored are ultimately developed into producing mines.

In the event a commercially productive mineral reserve is discovered, substantial expenditures are required to establish mineral reserves through drilling, to develop metallurgical processes for extraction and to develop the mining and processing facilities and infrastructure at the production site. The marketability of any minerals discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

## **RISKS AND UNCERTAINTIES (Cont'd...)**

### **Title to Mineral Properties**

The Company believes it has diligently investigated title to all of its mineral properties and, to the best of its knowledge, title to all properties are in good standing. However, the properties may be subject to prior unregistered agreements or transfers, which may affect the validity of the Company's ownership of such properties.

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, title to such properties may be challenged or impugned in the future. The boundaries of the Company's mineral properties have not been surveyed and, therefore, the precise location and area of these mining properties may be in doubt. The Company makes a search of mining records in accordance with mining industry practices to confirm that it has acquired satisfactory title to its properties, but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and effects in locating or maintaining such claims. Should any defect in title be discovered by or disclosed to the Company, all reasonable steps would be taken to perfect title to the particular claims in question. The Company is not aware of any material defect in the title to its mineral properties.

A claim on any of the Company's mineral properties, especially where commercially productive mineral reserves have been located, could adversely affect the Company's long-term profitability as it may preclude entirely the economic development of a mineral property. Also, such a claim would affect the Company's current operations due to the high costs of defending against such claims and its impact on senior managements' time.

### **Competition**

The resource industry is intensively competitive in all of its phases, and the Company competes with many companies possessing much greater financial and technical research resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped precious-metal properties. The principal competitive factors in the acquisition of such undeveloped properties include the staff and data necessary to identify, investigate and purchase such properties, and the financial resources necessary to acquire and develop such properties. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration in the future.

### **Capital and Liquidity Risk**

The amount of financial resources available to invest for the enhancement of shareholder value is dependant upon the size of the treasury, profitable operations, and a willingness to utilize debt and issue equity. Due to the size of the Company, financial resources are limited and if the Company exceeds growth expectations or finds investment opportunities it may require debt or equity financing. There is no assurance that the Company will be able to obtain additional financial resources that may be required to successfully finance transactions or compete in its markets on favourable commercial terms.

### **Acquisition and Expansion Risk**

The Company intends to expand its operations through organic growth and depending on certain conditions, by identifying a proposed qualifying transaction. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional properties or businesses.

**RISKS AND UNCERTAINTIES (Cont'd...)**

**Fluctuations in Metal Prices**

Although the Company does not hold any known mineral reserves of any kind, its future revenues, if any, are expected to be in large part derived from the future mining and sale of uranium and other metals or interests related thereto. The prices of these commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of metal substitutes, metal stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of uranium, and therefore the economic viability of the Company's operations, cannot be accurately predicted.

Depending on the price obtained for any minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

**Dependence on Key Personnel**

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals is intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

**MD&A PREPARATION**

This MD&A was prepared as of November 24, 2009. This MD&A should be read in conjunction with our latest audited financial statements as at July 31, 2009. This MD&A is intended to assist the reader's understanding of ANSELL CAPITAL CORP. and its' operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at [www.sedar.com](http://www.sedar.com)

This MD&A may contain management estimates of anticipated future trends, activities, or results; these are not a guarantee of future performance, since actual results may vary based on factors and variables outside of management's control. Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible to ensure that information disclosed externally, including the financial statements and MD&A, is complete and reliable.

Ansell Capital's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's Audit Committee meets with management Fiscal Yearly to review the financial statement results, including the MD&A, and to discuss other financial, operating and internal control matters. The Audit Committee receives a report from the independent auditors annually, and is free to meet with them throughout the year.