

LAKWOOD MINING CO. LTD.

QUARTERLY REPORT - SCHEDULE B
DECEMBER 31, 2003

1. ANALYSIS OF EXPENSES AND DEFERRED COSTS FOR THE YEAR ENDED DECEMBER 31, 2003

	Wood	Beaton	Total
Interest in claims:			
Balance, beginning	\$ 26,878	-	26,878
Balance, ending	26,878	-	26,878
Deferred exploration expenditures:			
Balance, beginning	372,984	196,698	569,682
Drilling	102,385	-	102,385
Consulting	2,875	-	2,875
Exploration	4,255	-	4,255
Assaying	1,250	-	1,250
Balance, ending	483,749	196,698	680,447
Balance, ending	\$ 510,627	196,698	707,325

Breakdown of administrative expenditures: See Statement of Earnings and Deficit.

2. RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED DECEMBER 31, 2003

The Company had the following transactions with related parties:

(a) Certain directors and officers of the Company are also directors and officers of Green Valley Mine Incorporated, Menika Mining Ltd., and Delore Management Limited. The ownership of the Wood mineral property is shared with Green Valley Mine Incorporated. As of December 31, 2003, the Company owed \$13,912 to Delore Management Limited and \$1,460 was due from Green Valley.

(b) During the period the following was paid or payable to a company controlled by directors:

Management fees	\$ 30,000
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(c) The Company is indebted to its shareholders. The amount as of December 31, 2003 was \$1,880.

(d) During the year the Company issued 549,160 shares to settle \$54,916 of debt to a company controlled by directors.

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3. SUMMARY OF SECURITIES ISSUED FOR THE YEAR ENDED DECEMBER 31, 2003

(a) Shares issued during the period:

	2003		2002	
	Number	Amount	Number	Amount
Balance, beginning of year	12,598,588	\$ 2,220,125	10,962,138	\$ 2,056,480
Shares issued for cash	1,500,000	150,000	1,000,000	100,000
Shares issued for debt	549,160	54,916	186,450	18,645
Warrants exercised	93,000	9,300	450,000	45,000
Balance, ending	14,740,748	\$ 2,434,341	12,598,588	\$ 2,220,125

(b) Options granted during the period: 200,000.

(c) Warrants issued during the period: 1,500,000.

4. SUMMARY OF SECURITIES AS AT DECEMBER 31, 2003

(a) Authorized share capital: 25,000,000 common shares

(b) Issued share capital: 14,740,748 common shares

(c) Summary of options outstanding:

Exercise Price	Outstanding	Issued	Exercised	Expired or cancelled	Outstanding	Expiry date
	December 31, 2002				December 31, 2003	
\$0.10	1,241,213	-	-	-	1,241,213	May 15,2004
\$0.10	-	100,000	-	-	100,000	Dec.14,2005
\$0.10	-	100,000	-	-	100,000	Dec. 16,2005
	1,241,213	200,000	-	-	1,441,213	

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4. SUMMARY OF SECURITIES AS AT DECEMBER 31, 2003 (continued)

(d) Summary of warrants outstanding:

	Outstanding Exercise Price	December 31, 2002	Issued	Exercised	Expired or cancelled	Outstanding December 31, 2003	Expiry date
\$0.10	1,010,000		-	(93,000)	(917,000)	-	Dec. 11, 2003
\$0.10	1,000,000		-	-	-	1,000,000	May 15, 2004
\$0.10	-		1,500,000	-	-	1,500,000	August 21, 2005
		2,010,000	1,500,000	(93,000)	(917,000)	2,500,000	

(d) Escrow shares: 431,250, subject to release with regulatory approval.

5. LIST OF DIRECTORS AND OFFICERS AS AT DECEMBER 31, 2003

Charles Boitard - Director
Doreen Boitard - Director
Katherine Johnston - Director
Osvaldo Contini - Director
Gyan C. Singhai - Director
Stan Strutin - Secretary
David Mark - Director

LAKWOOD MINING CO. LTD.

QUARTERLY REPORT - SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS
DECEMBER 31, 2003

The following discussion has been prepared by management and is a review of the financial results of the Company based on accounting principles generally accepted in Canada. Its focus is primarily a comparison of the financial performance for the years ended December 31, 2003 and 2002 and should be read in conjunction with the audited financial statements and accompanying notes.

Certain information regarding the Company contained herein may constitute forward-looking statements under applicable securities laws. Such statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements.

OVERVIEW

During the year ended December 31, 2003 the Company continued its progress on its two original properties, namely the Wood and Beaton Claims. The Jasper claim, representing 8 units was added to the Wood Group. The staking of this claim represents an additional 1.25 km². The Company holds a 50% interest in the Wood Claims.

During the year ended the Company expended \$110,765 exploration expenditures and raised \$159,300 gross proceeds through the issue of shares and warrants and received \$26,000 in subscription shares.

RESULTS OF OPERATIONS

The Company incurred a net loss of \$89,167 for the twelve months ended December 31, 2003, as compared to a net loss of \$94,094 for the comparable period in 2002. The decrease in net loss of \$4,927 was mainly due to a decrease in accounting and legal expenses of \$9,263 with an increase in office and general expenses of \$5,278 and the balance of the decrease \$942, spread over the remainder of the administrative expenditures.

As at the end of December 31, 2003, the Company has cash of \$29,055; GST receivable of \$7,140; loans receivable of \$ 1,460 and loans payable to related parties of \$15,792 and accounts payable of \$6,893 for total working capital of \$14,970.

RESOURCE PROPERTIES

(Refer to Note 4 of the audited Financial Statements – Schedule A)

WOOD CLAIMS

The Wood Group Claims are comprised of 18 metric two post mineral claims and nine metric four post mineral claims, totaling 126 units and encompassing an area of 31.5 square kilometers located southwest of Kamloops and south of Kamloops Lake in south-central British Columbia.

During the year ended December 31, 2003 based on the vicinity of an Airborne Gamma Ray Spectromagnetic anomaly from the report by the Geological Survey of Canada the Jasper mineral claim has been added to the Wood Group.

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QUARTERLY REPORT - SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS, continued
DECEMBER 31, 2003

WOOD CLAIMS, continued

The Jasper claim: staked on September 22, 2003, representing 8 units, over-staked the DAM 5, 6 and 7 (two post claims) which are now eliminated by an inclusion. The staking of this claim represents an additional 1.25 km². The Wood property now consists of 22 mineral claims (131 units), 11 four post claims and 11 two post claims.

During the year ended December 31, 2003 the Company completed a drilling program on the Wood Claims by drilling a total of 8 diamond drill holes with a combined overall length of 3,102.7 metres. The drilling program was carried out in order to investigate potential gold-copper mineralization across parts of the claims that were identified as consisting of both elevated geochemical MMI values and geophysical IP anomalies.

The drilling program revealed that the property is underlain by Nicola Group Volcanic rocks (dacites, andesites and basalts-flows, breccias, agglomerates and tuff/lapilli tuff), and cross-cut by porphyritic dykes (possibly Sugarloaf phase intrusions). Structurally the rock units have all been well-faulted and brecciated indicating that numerous tectonic events have occurred in the region. Although no significant metal-bearing mineralization was recorded in drill-core, drilling did intersect numerous zones of rock displaying strong pervasive alteration, fracturing and hydrothermal brecciation, with 1-3% pyrite locally. The results of this drilling program have not adequately explained, nor resolved, all of the IP chargeability anomalies or the elevated MMI metal values identified on the property.

Exploration expenditure as at December 31, 2003 totaled to \$110,765 (2002 - \$25,889) of which \$102,385 (2002 - 12,011) was expensed on drilling and geological expenses; \$2,875 (2002 - \$6,220) was expensed on consulting fees; \$4,255 (2002 - \$ 6,666) on exploration expenses and \$1,250 (2002 - \$nil) on assessment costs.

FUTURE DEVELOPMENTS

Management is pleased with the results of the work completed during the past year. Although no significant metal-bearing mineralization was recorded in drill-core during the drilling program, drilling did intersect numerous zones of rock displaying strong pervasive alteration, fracturing and hydrothermal brecciation, with 1-3% pyrite locally. Management plans to conduct further exploration work on the property during the next fiscal year.

Beaton # 1 Property

The Company holds a 100% interest in 20 units known as the Beaton # 1 claims located in the Kamloops Mining Division of British Columbia.

During the year ended December 31, 2003 the Company had planned no exploration expenditure on this property due to concentrating its resources on the Wood Claims.

During fiscal 2002 the Company completed a drilling program on the property. All results were reviewed by one of the Company's geological consultants, Paul Reynolds, P. Geo. and any future work on the property will be based upon recommendations from the Company's consultants. No recommendations have been received to date.

Note: Additional assessments have been applied to the Beaton #1 Claim (20 units) extending the expiry date to June 15, 2012.

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QUARTERLY REPORT - SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS, continued
DECEMBER 31, 2003

RELATED PARTY TRANSACTIONS

A company owned by Mr. Charles Boitard, President of Lakewood Mining and Mrs. Doreen Boitard, Director of Lakewood Mining, receives management fees of \$2,500 per month to provide day-to-day supervision, office management and administrative services.

During the year ending December 31, 2003, the Company paid or accrued \$30,000 (2002 - \$30,000) of management fees to Directors and/or Officers of the Company.

The Company is indebted to its shareholders. The amount outstanding as of December 31, 2003 was \$1,880 (2002 - \$803)

Certain directors and officers of the Company are also directors and officers of Menika Mining Ltd. and Green Valley Mine Incorporated. The ownership of the Wood mineral properties is shared with Green Valley Mine Incorporated. As of December 31, 2003, Green Valley Mine Incorporated owed \$1,460 to the Company.

During the year ended December 31, 2003, the Company issued 549,160 shares for the settlement of \$54,916 due to an affiliated company.

EXPENSES

Accounting and legal costs during the year decreased by \$9,263 compared to the previous year, which reflects management's involvement in the day-to-day management of the Company in containing these costs.

Office and general expenses increased significantly compared to last year by \$5,278 as a result of increased activity in the exploration field due to the Company's drilling program.

Transfer agents and filing fees combined, marginally increased by \$193 compared to last year and management fees remained constant with no increase or decrease compared to the previous fiscal year.

Management does not see any significant change to the expenses during the coming year. However, should the Company not receive the required funding all on-going expenditures would have to be reviewed and appropriated action taken.

LIQUIDITY AND SOLVENCY

As at December 31, 2003 the Company had working capital of \$14,970. The Company's ability to continue its operations and to realize assets at their carrying value is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

Subsequent to December 31, 2003 the Company completed a \$76,000 private placement consisting of 760,000 units at \$0.10 per unit. Each unit consists of one common share and a purchase warrant. The shares are subject to a four-month hold period. One whole share purchase warrant is exercisable at \$0.10 per share until February, 2006.

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LIQUIDITY AND SOLVENCY, continued

260,000 of the units are flow-through units whereby the subscription funds of \$26,000 (received) will be used to incur Canadian Exploration Expenses ("CEE"), as defined by the Income Tax Act, Canada, on the Wood Group of Claims. The CEE will be renounced by the Company in favour of the flow-through subscriptions. (refer to Subsequent Events)

INVESTOR RELATIONS

During fiscal 2003, investor relations activities were carried out by the directors and officers of the Company. (refer to Subsequent Events)

MANAGEMENT

During December 2003 the Company appointed Mr. David Mark, P.Geo. to the Board of Directors and as Project Manager. As at December 31, 2003 the new board of directors is comprised as follows:

Charles Boitard - Director
Doreen Boitard - Director
Katherine Johnston - Director
Osvaldo Contini - Director
Gyan C. Singhai - Director
David Mark - Director
Stan Strutin - Secretary

SUBSEQUENT EVENTS

January 2004 – the Company increased the size of the Wood Group Property by 35 units by incorporating the following mineral claims:

- The Dorado Mineral Claim, (15 units) on the adjoining north side of the Wood Group Property.
- The Vic Mineral Claim, (20 units) on the adjoining south side of the Wood Group Property.

February 2004 – the Company was granted an extension to March 31, 2004 to close the private placement announced in December 2003. Proceeds received to date total \$76,000.

March 2004 – the Company entered into an Investor Relations Contract, effective March 1, 2004, for a one year term with Relations Publiques Paradox Inc., an investor relations company located in Montreal, Quebec.

March 2004 – Mr. Larry Sookochoff, P. Eng. was appointed to the Board of Directors, effective March 2, 2004.

March 2004 – Stock options: The Company amended 600,000 stock options with the expiry dates from May 2004 to December 2005 by extending the year of expiry to 2007. The Company has also granted 700,000 new options with the exercise price of \$0.10 per share expiring March 1, 2007.

March 2004 – the Company increased the size of the Wood Group Property with the addition of the Paragon Mineral Claim (40 units), located south of Afton Mine, Kamloops, B.C.