

**INTERNATIONAL BARYTEX RESOURCES LTD.  
MANAGEMENT DISCUSSION AND ANALYSIS  
QUARTERLY REPORT – FORM 51-102F1  
For the Three Months Ended March 31, 2005**

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**Date of Information**

The date of the information contained in this Management Discussion and Analysis is May 20, 2005. The following information should be read in conjunction with the unaudited and unreviewed financial statements for the three months ended March 31, 2005 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles.

**Description of Business**

International Barytex Resources Ltd. (the “Company”) is a natural resource corporation currently engaged in the acquisition and exploration of mineral properties. The Company has a 100% interest in the Mel zinc-lead-barite property and the Barb zinc-lead-silver property, both located in southeast Yukon. The Company is currently focusing on negotiating a joint venture agreement on a zinc-tin property in Yunnan Province, China.

The Company is a reporting issuer in British Columbia and trades on the TSX Venture Exchange under the symbol IBX.

**Exploration and Property Acquisition and Disposition**

Mel Zinc-Lead-Barite Property

The Mel zinc-lead-barite property is located in the Watson Lake Mining Division, in southeast Yukon, approximately 100 kilometers northeast of the town of Watson Lake. International Barytex acquired from Breakwater Resources Ltd. (“Breakwater”) a 100% interest in the Mel Property which currently consists of 257 claims. As of December 31, 2004, the Company paid a total of \$1,000,000 and incurred \$1,372,375 (including \$472,706 by Cominco) expenditures on the property. The Company also issued 600,000 common shares of the Company to Breakwater and has agreed to pay a royalty of 1% of any net smelter return from the property.

The acquisition cost of the Mel project was written down to a nominal value of \$1 during the year ended December 31, 2004. Nevertheless, the Company still considers the Mel property is of merit and expects to continue with exploration of the property when a sustained improvement in base metal prices is anticipated.

Barb Zinc-Lead-Silver Property

The Barb zinc-lead-silver property is located in the Watson Lake mining Division in southeast Yukon, approximately 100 kilometers north of the town of Watson Lake. The property consists of 31 mineral claims. Historic exploration on the property has outlined a small deposit of zinc, lead, and silver. In 1998, an airborne geophysical survey conducted over the property outlined several geophysical anomalies that warrant testing. A program of ground geophysical surveying to detail potential drill targets is under consideration.

### China Project (Dulong Tin – Zinc Property)

The Dulong tin-zinc property is located in southeast Yunnan Province, China. The Company entered into a new agreement in January 16, 2003 with Asia Now Resources Limited (“AN”) replacing a November 7, 2002 agreement with AN. Under the new agreement, the Company was granted an option to acquire all of AN’s interest (up to 75%) in the Dulong tin-zinc property by issuing to AN 2,500,000 shares of the Company as follows:

- 625,000 shares upon receipt of a business licence by the joint venture company which is to be formed in China to hold the property;
- an additional 625,000 shares after expenditure by the Company of US\$1,500,000;
- an additional 625,000 shares after further expenditures by the Company of US\$2,500,000;
- the balance of 625,000 shares after further expenditure by the Company of US\$3,000,000.

The agreement is subject to approval by the Chinese authorities who are parties to the underlying agreements of the assignment of interest in the property (such approval has been granted), the issuance of a business licence to the joint venture company, and approval of the TSX Venture Exchange.

In May 2003, the Company received an Independent Technical Report by Hatch, an international engineering firm, on the Dulong tin-zinc property in Yunnan Province, China. The report states that “additional work on the technical and economic aspects of a future operation at Dulong is warranted to advance the project through a pre-feasibility study.” Hatch concludes that a significant Inferred Resource in the order of 51 million tonnes grading 5.02% zinc and 0.58% tin exists on the Dulong property, placing Dulong within the top three tin resources in China. Approximately 90% of the Inferred Resources on the Dulong property lies within the Manjianzhai portion of the property with the balance in Tongjie and other satellite showings. A large portion of the resource appears to be accessible by open-pit mining. Production records and underground development provide support for the Chinese surface drilling results and, by extension, the Inferred classification of the resource.

The following pre-feasibility work is recommended by Hatch:

1. Confirmation drilling and open-pit mine design.
2. Expanded metallurgical testing at a Canadian Laboratory to confirm process conditions and metal recoveries.
3. Scoping level environmental studies, including waste rock characterization and acid base accounting tests.
4. Site geotechnical investigation of potential tailings dam and waste rock storage areas.

It is estimated that a budget of between US\$1.2 to US\$1.4 million would be required to complete all the necessary field work, metallurgical test-work, drilling and related studies.

During the year ended December 31, 2004, the Company held further follow-up discussions in Yunnan, China and identified that the privatization process involving the Dulong tin-zinc property, initiated by the government has been completed. As a result a new company, The Yunnan Hualian Zinc-Indium Co. Ltd. will hold the rights to the Dulong mine. The Company is in discussions regarding involvement with the new company for the development of the Dulong project. It is not known when these discussions might

be concluded or if they will be successful. The Company's primary objective is to negotiate a suitable agreement.

In recent meetings held in China, the Chairman of Yunnan Hualian Zinc-Indium Co. Ltd. confirmed his interest in completing a business arrangement with the Company. The Company has been unable to get clarification from the Wenshan Prefecture regarding its underlying agreements with the Wenshan Prefecture and Yunnan Non-Ferrous Geology and Mining Ltd. on the Dulong property.

Total costs of \$158,713 incurred to date on this project were written down to a nominal value of \$1 during the year ended December 31, 2004.

The Company continues to review other opportunities in the mineral resources industry.

Deferred exploration costs incurred during the three months ended March 31, 2005 were as follows:

	<u>Mel Property</u>	<u>Barb Property</u>	<u>Total</u>
Balance, beginning of period	\$ -	\$ -	\$ -
Addition during the period:			
Claim staking	105	1,050	1,155
Written off during the period	(105)	(1,050)	(1,155)
Balance, end of period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

### Selected Annual Information

<u>Year Ended</u>	<u>Revenue (\$)</u>	<u>Operating Income/ (Loss) (\$)</u>	<u>Basic &amp; Fully Diluted Loss per Share (\$)</u>	<u>Total Assets (\$)</u>	<u>Long Term Liabilities (\$)</u>	<u>Cash Dividend (\$)</u>
December 31, 2004	20,766	(1,307,868)	(0.06)	709,492	NIL	NIL
December 31, 2003	11,369	(259,869)	(0.01)	1,456,118	NIL	NIL
December 31, 2002	894	(711,036)	(0.05)	730,037	NIL	NIL

### Results of Operations

The Company's revenue currently consists of Management Services provided to a junior mining company of \$10,140 (2004 - \$Nil) and interest income of \$2,593 (2004 - \$3,321).

The Company recorded a net loss during the three months ended March 31, 2005 of \$37,420 (\$0.002 per share) compared to \$45,616 (\$0.002 per share) in the comparative period last year.

During the three months ended March 31, 2005, the Company incurred:

- i) Total administrative expenses of \$ \$47,755 (2004 - \$48,937);
- ii) Management fees of \$10,200 (2004 - \$13,400);
- iii) Wages and benefits of \$19,375 (2004 - \$16,630) which included one full time and two part-time employees;
- iv) Professional fees of \$210 (2004 - \$2,100) which consists of accounting services of \$210.

In comparison with the loss of \$832,108 during the quarter ended December 31, 2004, the current quarter's loss was \$794,688 lower due to \$63,000 in stock-based compensation, \$573,225 in mineral property acquisition costs, and \$158,712 of deferred costs on China Project written off during the three months ended December 31, 2004.

### Investor Relations

During the three months ended March 31, 2005, investor relations services were provided by the Company's employee, Mr. Ivan Bebek. Duties included acting as the Company's investor relations contact, preparing materials for publication purposes, maintaining the Company's website and handling investment dealer communications.

### Summary of Quarterly Results

<b>Quarter Ending</b>	<b>Revenue (\$)</b>	<b>Operating Income/ (Loss) (\$)</b>	<b>Basic &amp; Fully Diluted Loss per Share (\$)</b>	<b>Total Assets (\$)</b>	<b>Long Term Liabilities (\$)</b>	<b>Cash Dividend (\$)</b>
March 31, 2005	12,733	(37,420)	(0.002)	1,024,457	NIL	NIL
December 31, 2004	12,753	(832,108)	(0.038)	709,492	NIL	NIL
September 30, 2004	2,771	(379,725)	(0.018)	1,473,343	NIL	NIL
Jun 30, 2004	1,921	(50,419)	(0.002)	1,412,003	NIL	NIL
March 31, 2004	3,321	(45,616)	(0.003)	1,421,038	NIL	NIL
December 31, 2003	3,400	(54,044)	(0.003)	1,456,118	NIL	NIL
September 30, 2003	3,388	(42,376)	(0.002)	1,213,270	NIL	NIL
June 30, 2003	3,808	(111,157)	(0.006)	1,217,499	NIL	NIL

### Liquidity and Capital Resources

As at March 31, 2005, the Company had working capital of \$1,011,333 (Dec 31, 2004 - \$695,885), and cash and cash equivalent of \$929,314 (Dec 31, 2004 - \$655,021).

Cash used for operating activities during the quarter was \$40,707 (2004 - \$55,200).

## Securities Issued & Stock Options Granted

During the quarter, a total of 1,175,000 shares were issued, representing 1,175,000 warrants exercised at \$0.30 per share. Of the total proceeds, \$315,000 was received during the period and the balance of \$37,500 was received in April 2005.

There were no stock options granted during the quarter.

## Related Party Transactions

During the three months ended March 31, 2005, the Company paid \$10,200 (2004 - \$13,400) for management services to H. Leo King & Associates Inc., a company controlled by Leo King, the President of the Company. The Company entered into a contract with H. Leo King & Associates Inc. on May 1, 2001 to provide management services at the rate of \$5,000 per month. Effective March 1, 2004, the contract was revised to provide management services at the rate of \$3,400 per month.

For the quarter ended March 31, 2005, the Company paid \$210 (2004- NIL) for accounting services to a company controlled by an officer of the Company.

An amount of \$20,557 is due from two related parties for its share of the office rent, administration and general office expenses. The amount due is non-interest bearing, unsecured, with no fixed terms of repayment.

During the quarter, the Company wrote off bad debts of \$1,243 due by a related company.

During the three months ended March 31, 2005, the Company acquired 472,289 shares of a private company with common directors at the price of \$0.05 per share pursuant to a debt settlement agreement.

## Latest Outstanding Share Data

As of May 20, 2005, the Company had the following outstanding securities:

(1)	Common Shares issued	23,582,829
(2)	Stock Options	1,430,000
(3)	Share Warrants	NIL

The above securities are described in detail in Note 5 to the financial statements.