

# **Gtech International Resources Limited**

(the "Company")

## **Management Discussion and Analysis**

(Form 51-102F1)

For the Three Months ended 31 January 2005

Information as at 22 March 2005 unless otherwise stated

The following discussion of the results and financial position of the Company for the three months ended 31 January 2005 and 2004 should be read in conjunction with the information provided in the unaudited financial statements of the Company for the period ended 31 January 2005 and 2004 (the "Financial Statements"). Except as noted, all dollar amounts contained in this Discussion and Analysis and in the Financial Statements are in Canadian dollars. The information presented in the Financial Statements was prepared in accordance with Canadian generally accepted auditing standards.

### **Description of Business**

The Company has previously announced that it had decided to focus the activities of the Company on seeking to find a new biotechnology opportunity to inject into the Company. The Company realised all its listed securities during the financial year ended 30 April 2004 and now holds the majority of its assets in cash deposits.

The Directors anticipate that once they have identified a suitable biotechnology project that they may call a Special Meeting of Shareholders to consider and vote on the change of business direction. It is likely that once a suitable biotechnology project identified and approved by shareholders that further placements will be made to raise additional funds for the project.

Previously, the Company was a junior resource company engaged in the acquisition and exploration of mineral properties in British Columbia and the Yukon Territory. The Company still has a 1.5% net smelter royalty on the Aurex Property which Expatriate Resources Limited may purchase at any time for C\$1m.

### **Selected Annual Information**

The following table sets forth selected financial information of the Company as at the end of each of the last three financial years up to and including 30 April 2004. The financial information is derived from the Financial Statements of the Company which were audited by De Visser Gray, Chartered Accountants. Accounting policies are listed in Note 2 of the Financial Statements of the Company as at 30 April 2004. Financial information is prepared according to Canadian GAAP and is reported in Canadian \$.

	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total revenues	168,834	1,100	103,781

	<b><u>2004</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
Income or loss before discontinued operations and extraordinary items	140,121	(28,554)	(33,021)
Net income or loss	140,121	(28,554)	(33,021)
Net income (loss) per share	0.03	(0.01)	(0.01)
Fully diluted net loss per share	0.03	(0.01)	(0.01)
Total assets	508,738	186,580	215,133
Working capital	505,501	183,380	211,934
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividends declared per share for each class of share	Nil	Nil	Nil

### **Results of Operations**

The Company reported a net loss for the quarter ended January 2005 of \$1,797 compared to a net profit of \$110,810 for the quarter ended 31 January 2004. Total expenses for the quarter ended 31 January 2005 were \$4,238 compared to the quarter ended 31 January 2004 of \$(794). There were costs of Nil in the quarter ended 31 January 2005 compared to Nil incurred in the quarter ended 31 January 2004 in relation to seeking out biotechnology opportunities for the Company as stated in the Description of Business section in this report.

Revenue for the quarter ended 31 January 2005 consisted of interest received of \$2,441 compared to the quarter ended 31 January 2004 of \$1,804. In the quarter ended 31 January 2005 there was a profit on sale of shares on Nil compared to the quarter ended 31 January 2004 of \$108,212.

### **Accounting Policies**

Accounting Policies are listed in Note 2 of the Financial Statements of the Company as at 31 January 2005.

### **Changes in Accounting Policies**

None

### **Summary of Quarterly Results**

The following table sets forth a comparison of revenue and earnings for the previous eight quarters ending with 31 January 2005. Financial information is prepared according to Canadian GAAP and is reported in Canadian \$.

<b><u>Quarter Ended</u></b>	<b><u>Total Revenues</u></b>	<b><u>Net Income (Loss)<sup>(1)</sup></u></b>	<b><u>Net income (loss) per share</u></b>
31 January 2005	2,441	(1,797)	(0.003)
31 October 2004	2,350	(10,499)	(0.002)
31 July 2004	2,271	(5,821)	(0.001)
30 April 2004	2,531	(5,798)	(0.001)
31 January 2004	110,016	110,810	0.0220
31 October 2003	55,325	34,815	0.0069
31 July 2003	961	294	0.0001
30 April 2003	310	(10,517)	(0.003)

Note:

- (1) Income (loss) before discontinued operations and extraordinary items is the same as Net Income (Loss) as there are no discontinued operations or extraordinary items in 2002, 2003 and 2004. Fully diluted earnings (loss) per share are not presented as the exercise of warrants and stock options would be anti-dilutive.

### **Liquidity**

As at 31 January 2005, the Company had cash on hand of \$487,445 (31 January 2004 - \$511,299), which is sufficient to meet the ongoing obligations as they become due. These funds will be applied towards the investigation of biotechnology opportunities and general working capital.

The parent company, Genetic Technologies Limited has indicated its willingness to subscribe for additional shares in the capital of Gtech International Resources Limited should the need for additional capital be required.

**Directors and Officers**

Dr Mervyn Jacobson	Chairman, Director and CEO
Ian A Dennis	Director, President, Secretary and CFO
Fred Bart	Director
Elizabeth Sy	Director

The Company is dependent on a small number of key directors and officers. Loss of any of those persons could have an adverse affect on the Company. The Company does not maintain “key-man” insurance with respect to any of its management.

**Transactions with Related Parties**

There were no transactions with related parties during the quarter ended 31 January 2005.

**General and Administrative**

During the period ended 31 January 2005, \$4,238 (31 January 2004 \$(794)) was spent on general and administrative expenses.

**Other Information**

No external investor relations activities were carried out during the quarter.

The company maintains a web site at <http://www.gtechinternational.com>, which gives shareholders the opportunity to review quarterly reports, news releases, corporate profiles, project details and other information. Other information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**Outstanding Share Data as at date of the Report****Authorized**

Unlimited number of common shares without nominal or par value.

**Issued and outstanding**

	<b><u>Number of Shares</u></b>	<b><u>Amount</u></b>
Balance, 31 January 2004	5,009,667	\$4,638,710
Balance, 31 January 2005	5,009,667	\$4,638,710

**Summary of options outstanding:**

<u>Type</u>	<u>Number Outstanding</u>	<u>Exercise Price \$</u>	<u>Expiry Date</u>
Options	158,500	0.20	3 February 2005
	<u>130,000</u>	0.38	22 May 2006
Total	<u>288,500</u>		

The 158,500 options with an expiry date of 3 February 2005 were exercised into 158,500 ordinary shares on 3 February 2005 and the Company received \$31,700.

As at the date of this report there are no warrants or other convertible securities outstanding.

**Internal Control over Financial Reporting**

The Company has established effective disclosure controls and procedures and internal control over financial reporting during the period.

**Forward Looking Statements**

This discussion includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address future activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements.

BY ORDER OF THE BOARD

*“Ian A Dennis”*

Ian A Dennis  
President, Director and CFO

*“Dr Mervyn Jacobson”*

Dr Mervyn Jacobson  
Chairman, Director and CEO