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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

This discussion should be read in conjunction with the September 30, 2004, Consolidated Audited Financial Statements and related Notes to the Audited Consolidated Financial Statements and related Notes to the Audited Consolidated Financial Statements. The filing statement dated December 3, 2004 provides a more in-depth description of the properties. This discussion contains forward-looking statements that are not historical in nature and involves risks and uncertainties. Forward-looking statements are not guarantees as to Vena Resources Inc.'s, (hereafter referred to as "Vena", the "Issuer", or the "Company"), future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward looking statements. Additional information relevant to the Issuer's activities, including the Issuer's Press Releases can be found on SEDAR at www.sedar.com.

The principal business reason for the creation of Vena was to acquire and explore mineral properties in Peru. The Issuer is currently focused on exploring its Peruvian Aucapampa and Las Princesas properties. Specifically, with respect to the Aucapampa property, the Issuer is undertaking the data collection and exploration program recommended in the Aucapampa Report. This was the principal property of the Issuer for the purposes of the Issuer's application to list common shares on the TSX-V. With respect to the Las Princesas property, the Issuer is undertaking the data collection and exploration program recommended in the Las Princesas Report. Currently, these properties are the only two material mineral properties that Vena has and, consequently, unless the Issuer acquires additional properties or projects, any adverse development affecting these properties could have a material adverse effect on the Issuer and would materially and adversely affect the Issuer's potential resource production, profitability, financial performance and results of operations. The other properties of the Issuer are the Azulcocha property, the Derrick property and the Karmykal property. The Aucapampa and Azulcocha properties are currently being drilled and the Las Princesas property is completely encircled by Barrick Gold and PanAmerican Silver claims and is immediately adjacent to Barrick Gold's Alto Chicama property. The Issuer has commenced a pre-feasibility study of the Azulcocha property.

Results of Operations

The series of transactions between the Issuer and Vena Resources (2004) Inc. (VRI) has been accounted for as a reverse takeover. As such, these results on the Consolidated Financial Statements reflect the continuation of the Peruvian-based legal subsidiary and not that of the legal parent. Consequently, the results are from December 11, 2003 (date of Incorporation) to September 30, 2004.

See the Audited Consolidated Financial Statements as at September 30, 2004, attached hereto, for a breakdown of the relevant expenditures. Since this is the first reporting period, no comparative figures are available.

The Issuer incurred a net loss of \$754,409 or \$0.049 a share for the period ended September 30, 2004.

Consulting fees for the period ended September 30, 2004 were \$256,845. This amount is attributed to fees paid for the evaluation of the Company's properties and for the general operation of the company.

Professional fees for the period were \$139,147. The Company incurred these costs due to the legal fees for the private placements and to prepare the application to obtain the right to list on the TSX Venture Exchange and for the reverse takeovers. These costs are not expected to continue at this level.

Travel expenses were \$135,109 for the period ended September 30, 2004 and are correlated to a large extent with consulting fees since these expenses are incurred largely by consultants. This level of activity is expected to continue as the company continues to explore its' properties.

Office and general expenses were \$137,751, and should decrease as the current expenditure levels were high because the company was in the startup phase.

Capital Resources, Capital Expenditures and Liquidity

The Company's working capital was \$42,468 at September 30, 2004, which is a reduction of \$270,999 from June 30, 2004.

\$1,169,540 was spent on mineral properties and deferred exploration expenditures for the period ended September 30, 2004.

During the period ended September 30, 2004, the Company raised \$1,632,572 through the issuance of common shares by way of private placements.

On October 6, 2004, the Issuer completed a private placement in the amount of \$1,711,000 by the issuance of 4,277,500 Units at a price of \$0.40 per Unit. Each unit consists of one common share and one-half of one common share purchase warrant. The financing included one-half common share purchase warrants exercisable for eighteen months at \$0.60 per share.

On December 16, 2004, the Issuer completed a private placement in the amount of \$479,600 by the issuance of 1,199,000 Units at a price of \$0.40 per Unit. Each unit consists of one common share and one-half of one common share purchase warrant. The financing included one-half common share purchase warrants exercisable for eighteen months at \$0.60 per share.

The Company is dependent on obtaining future financings for the exploration and development of our properties and for the acquisition of any new projects. There is no assurance that such financings will be available when we require them, or under terms that are favourable to us.

Risks and Uncertainties

Political Risk

The Aucapampa and Las Princesas properties are located in Peru and, accordingly, the Issuer is subject to risks normally associated with exploration for and development of mineral properties in Peru. In addition, Peru is a developing country that has experienced political and economic difficulties over the years. The Issuer's mineral exploration activities could be affected in varying degrees by such political instability and government regulation relating to foreign investment and the mining business. Operations may also be affected in

varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation.

The Issuer's ability to conduct future exploration and development activities is subject to changes in government regulations and shifts in political attitudes over which the Issuer has no control.

There is social unrest in Peru resulting from high expectations of an improvement of living standards and high levels of unemployment. Protectors have targeted foreign firms in the mining sector in recent years. The Aucapampa and Las Princesas properties are situated in historical mining districts, in areas which have not experienced any significant civil unrest to date. However, there can be no assurance that future social unrest will not have an adverse impact on the Issuer's operations.

Outlook

The Issuer's future profitability and long-term viability will depend largely on the market price of gold. Market prices for gold are volatile and are affected by numerous factors beyond the Issuer's control, the aggregate effect of which is impossible for the Issuer to predict.

The Issuer has never had mineral producing properties. There is no assurance that commercial quantities of minerals will be discovered at either of the two properties or other future properties or that the Issuer's exploration programs thereon will yield positive results. Even if the Issuer discovers mineralization on its properties, extraction may not be economically viable.

The Issuer currently holds the permits it requires to carry out its current work programs, but the Issuer cannot assure that it will receive the necessary permits to carry out further exploration and to develop the properties.

Business Risk

There is numerous business risks involved in the mineral industry some of which are outlined below. The Issuer does not currently own the Aucapampa property, but rather holds an option to acquire the rights of the current owners in certain of the mineral concessions. Any non-compliance with or non-satisfaction of the terms of the Option by the Issuer could affect its ability to exercise the Option and earn its interest in the mining concessions and assets relating to the property.

The Issuer does not currently own 100% of the two mineral concessions contained in the Las Princesas property. Similarly, any non-compliance with or non-satisfaction of the terms of the Option by the Issuer could affect its ability to exercise the Option and earn its interest in the mining concessions and assets relating to the property.

In Peru, mining concessions do not include surface rights and there can be no assurance that the Issuer will be successful in negotiating long term surface rights access agreements in respect of the properties. Failure to obtain surface rights could have an adverse impact on the Issuer's future operations.

The Issuer's current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether.

The success of the operations and activities of the Issuer is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's

discretion and judgement, as well as the expertise and competence of the outside contractors, experts and other advisors. The Issuer does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Issuer's operations and financial performance.

On December 15, 2004, the TSX-V accepted the Company's application for listing of its common shares on the Exchange under the trading symbol "VEM". Trading commenced at the opening of business Monday, December 20, 2004.

Commodity Risk

There are risks of volatility in world gold prices and other risks that the Company cannot control. Vena does not have a hedging policy and has no present intention to establish one. Accordingly, the Issuer has no protection from declines in mineral resource prices.

Currency Risk

The Company's expenses are recorded in Canadian dollars so there is no risk in that regard. However, Vena is exposed to market risks resulting from fluctuations in currency exchange rates for the Peruvian Nuevo Sol due to the operations in Peru. This includes but is not limited to the effects on operating costs and hence on cash flows.

Management's Responsibility

Management is responsible for all information contained in this report. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

External auditors, appointed by the shareholders, have independently examined the consolidated financial statements and performed the tests deemed necessary to enable them to express an opinion on these consolidated financial statements.

The Audit Committee has reviewed the audited consolidated financial statements with management and the auditors. The Board of Directors has approved the audited consolidated financial statements on the recommendation of the Audit Committee.

February 16, 2005

James N. Fairbairn, C.A. - Chief Financial Officer

Vena Resources Inc.
(formerly Oceanus Water Purity Inc.)

**Unaudited Consolidated
Financial Statements**

December 31, 2004

Vena Resources Inc.
(formerly Oceanus Water Purity Inc.)

Consolidated Balance Sheet

	December 31, 2004	September 30, 2004
	(Unaudited)	(Audited)
Assets		
Current Assets		
Cash	\$ 721,609	\$ 87,699
GST and foreign sales taxes recoverable	303,384	218,646
	1,024,993	306,345
Mineral Properties and Deferred Expenditures (Note 4)	2,202,493	1,542,444
	\$ 3,227,486	\$ 1,848,789
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 271,458	\$ 263,877
	271,458	263,877
Shareholders' Equity		
Capital Stock (Note 3)	4,044,871	1,939,321
Capital Stock Subscribed (Note 3)	-	400,000
Deficit	(1,088,843)	(754,409)
	2,956,028	1,584,912
	\$ 3,227,486	\$ 1,848,789

Vena Resources Inc.
(formerly Oceanus Water Purity Inc.)

Consolidated Statement of Operations and Deficit

**Three Months Ended
December 31,
2004**

	(Unaudited)
Operating Expenses	
Consulting	\$ 73,310
Professional fees	87,080
Travel	25,293
Office and general	125,018
Shareholder information	31,924
Foreign exchange gain	(8,191)
Net Loss for the period	\$ 334,434
Deficit, beginning of period	\$ 754,409
Deficit, end of period	\$ 1,088,843

Net Loss Per Share - basic	1.0¢
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Vena Resources Inc.
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Consolidated Statement of Cash Flow

	Three Months Ended December 31, 2004
Operating	(Unaudited)
Net loss	\$ (334,434)
Net change in non-cash working capital items:	
GST and foreign sales taxes recoverable	(84,738)
Accounts payable and accrued liabilities	7,581
Cash Flow Provided by (Used in) Operating Activities	(411,591)
Financing	
Issuance of common shares (net of fees)	1,705,550
Cash Flow Provided by (Used in) Financing Activities	1,705,550
Investing	
Mineral properties and deferred exploration expenditures	(660,049)
Cash Flow Provided by (Used in) Investing Activities	(660,049)
Increase in Cash	633,910
Cash at the beginning of the period	87,699
Cash at the end of the period	\$ 721,609

Vena Resources Inc.
(formerly Oceanus Water Purity Inc.)

Notes to Unaudited Consolidated Financial Statements

December 31, 2004
(Unaudited)

General

On April 16, 2004, the corporation filed Articles of Amendment changing its name from Oceanus Water Purity Inc. to Vena Resources Inc. (Vena, or the Company). During fiscal 2004 Vena acquired, through a series of transactions, 100% of the outstanding Common Stock of Compañía Las Dunas De Oro S.A.C., a Peruvian-based mineral exploration company. This acquisition has been accounted for as a reverse takeover (see Note 2). As such, these consolidated financial statements reflect the continuation of the Peruvian-based legal subsidiary and not that of the legal parent.

1. Summary of Significant Accounting Policies

Consolidation

The consolidated financial statements include the accounts of the Company together with its wholly-owned subsidiaries, Vena Resources (2004) Inc. and Compañía Las Dunas De Oro S.A.C.

Nature of Operations

Vena is in the process of exploring its mineral properties and has not yet determined whether the properties contain economically recoverable reserves. The recovery of expenditures on mineral properties and the related deferred exploration costs is dependent upon the existence of economically recoverable mineralization, the ability of Vena to obtain financing necessary to complete the exploration and the development of the mineral properties, and upon future profitable production or alternatively, on the sufficiency of proceeds from disposition.

Foreign Currency Translation

Vena uses the temporal method of foreign currency translation in accounting for its integrated foreign operations. Under this method foreign currency denominated monetary assets and liabilities are translated into Canadian dollars at the exchange rate prevailing at the balance sheet date while non-monetary assets and liabilities are translated into Canadian dollars at the exchange rate prevailing on the date of the transaction. Revenue and expenditures denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing on the date of the transaction. Foreign exchange gains and losses arising from the translation of these foreign currency denominated transactions are reflected in operations for the period.

Mineral Properties

Vena defers the costs of exploration and capital assets on existing projects and carries them as assets until production commences. Mineral properties and the deferred exploration expenditures are recorded at cost and do not necessarily reflect present or future values. If a project is successful, the related mineral properties and deferred exploration expenditures will be amortized over the estimated economic life of the project. If a project is unsuccessful, or if exploration has ceased because continuation is not economically feasible, the mineral properties and the related deferred exploration expenditures are written off.

Vena Resources Inc.
(formerly Oceanus Water Purity Inc.)

Notes to Unaudited Consolidated Financial Statements

December 31, 2004
(Unaudited)

1. Summary of Significant Accounting Policies *(Continued)*

Net Loss Per Share

Net loss per share is calculated by using the weighted average number of common shares outstanding during the year. Net loss per share, fully-diluted, is determined by using the treasury stock method. Under this method, warrants and options are considered dilutive when the average stock market price of Vena's common shares exceeds the exercise price of options and warrants issued and outstanding. Net earnings per share, fully diluted is not presented as the factors referred to above are anti-dilutive.

Stock-Based Compensation

Vena has a stock-based compensation plan for its directors, officers, key employees and consultants to the Company. Vena records stock-based compensation using the fair value method. Under this method, stock-based payments are measured at the fair value of the equity instruments issued, and are amortized over the vesting period. The offset to the recorded cost is to contributed surplus. As at September 30, 2004, Vena has not awarded any options to its directors, officers, key employees or consultants to the Company.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

2. Acquisitions of Businesses

In fiscal 2004, Vena entered into a series of share-for-share exchange transactions that resulted in the acquisition of Vena Resources (2004) Inc. (VRI) and its wholly-owned subsidiary, Compañía Las Dunas De Oro S.A.C. (Las Dunas). Due to the structure of the transactions, this acquisition has been accounted for as a reverse takeover of Vena by Las Dunas as the original Las Dunas shareholders own 62% of the issued and outstanding Common Shares of Vena immediately after closing of the acquisition. A summary of the transactions culminating in the acquisition is as follows:

Acquisition of Compañía Las Dunas De Oro S.A.C.

Effective February 27, 2004, VRI acquired 99.8% of the outstanding Common stock of Las Dunas for a total cost of \$1,916. As consideration for Las Dunas' shares VRI issued 12,300,000 Common Shares, which are the equivalent of 3,562,201 common shares of Vena. As additional consideration, VRI also issued 2,500,000 share purchase warrants with each warrant entitling the holder to purchase one common share for \$0.25 for a period of one year from the issue date. Las Dunas was incorporated on December 11, 2003 under the laws of Peru and began active operations shortly thereafter. Las Dunas operates principally as a mineral exploration company in Peru, South America.

The acquisition has been accounted for by the purchase method as a reverse takeover of VRI by Las Dunas since the then existing shareholders of Las Dunas own 75% of the issued and outstanding Common Shares of VRI immediately after closing of the acquisition. Accordingly, for accounting purposes Las Dunas has been treated as the acquiror of VRI.

Vena Resources Inc.
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Notes to Unaudited Consolidated Financial Statements

December 31, 2004
(Unaudited)

2. Acquisitions of Businesses (Continued)

Acquisition of Compañía Las Dunas De Oro S.A.C. (Continued)

The consolidated balance sheet of the Company is based upon the accounts of Las Dunas at its historic net book value, which have been consolidated with the accounts of VRI at the estimated fair value of net assets acquired at the time of the acquisition. The consolidated statements of operations and deficit and changes in cash flow represent the results of operations and changes in cash flow of Las Dunas for the period October 1, 2004 to December 31, 2004 together with the results of operations and changes in cash flow of VRI from October 1, 2004 to December 31, 2004.

The deemed acquisition of VRI is recorded at an ascribed value of \$1,961, and is based on the fair value of the assets and liabilities acquired, which are summarized as follows:

Cash	\$ 3,000
Other current assets	2,557
Current liabilities	(3,596)
Fair value of net assets acquired	\$ 1,961

Acquisition of Vena Resources (2004) Inc.

Effective April 17, 2004, Vena acquired 100% of the outstanding common shares and warrants of VRI for a total cost of \$4,833. As consideration Vena issued 24,167,000 common shares for VRI's shares and 2,500,000 purchase warrant for VRI's warrants. Each Vena warrant issued entitles the holder to acquire one common share for \$0.25 for a period of one year from the issue date of the original VRI warrants. VRI was incorporated on November 28, 2003 under the laws of Ontario and began active operations when it acquired Compañía Las Dunas De Oro S.A.C. (see above). VRI operates principally as a holding company as its principal asset is represented by the shares of Las Dunas.

The acquisition has been accounted for by the purchase method as a reverse takeover of Vena by VRI since the then existing shareholders of VRI own 91% of the issued and outstanding Common Shares of Vena immediately after closing of the acquisition. Accordingly, for accounting purposes VRI has been treated as the acquiror of Vena.

The consolidated balance sheet of the Company is based upon the accounts of VRI at its historic net book value, which have been consolidated with the accounts of Vena at the estimated fair value of net assets acquired at the time of the acquisition. The consolidated statement of operations and deficit and changes in cash flow represent the results of operations and changes in cash flow of VRI for the period from October 1, 2004 to December 31, 2004 together with the results of operations and changes in cash flow of Vena from October 1, 2004 to December 31, 2004.

Vena Resources Inc.
(formerly Oceanus Water Purity Inc.)

Notes to Unaudited Consolidated Financial Statements

December 31, 2004
(Unaudited)

2. Acquisitions of Businesses *(Continued)*

The deemed acquisition of VRI is recorded at an ascribed value of \$4,833, and is based on the fair value of the assets and liabilities acquired, which are summarized as follows:

Cash	\$	-
Other current assets		141
Current liabilities		(1,808)
Deficiency in net assets acquired		(1,667)
Fair value of consideration paid		4,833
Excess of purchase price over deficiency in net assets acquired	\$	6,500

The excess of the purchase price paid over the deficiency in net assets acquired was allocated to mineral properties.

3. Capital Stock

Share Capital

Vena is authorized to issue an unlimited number of common shares without par value. On April 16, 2004, the Company filed Articles of Amendment to consolidate each of the issued and outstanding common shares by changing up to every three issued and outstanding common shares into one common share with fractions to be rounded to the nearest whole number.

Vena Resources Inc.
(formerly Oceanus Water Purity Inc.)

Notes to Unaudited Consolidated Financial Statements

December 31, 2004
(Unaudited)

3. Capital Stock (Continued)

Share Capital

Vena's issued and outstanding common shares are as follows:

	No.	
Issuance of shares:		
Cash upon incorporation on December 11, 2003	1,216,361	\$ 197
Deemed acquisition of Vena Resources (2004) Inc. (Note 2)	3,562,201	1,916
Private placements for cash consideration	1,872,907	1,616,750
Acquisition of mineral properties	347,531	300,000
	6,999,000	1,918,863
3:1 stock consolidation	(4,666,000)	-
Rounding on stock consolidation	13	-
	2,333,013	1,918,863
Deemed acquisition of Vena Resources Inc. (Note 2)	24,167,000	4,833
Cash upon exercise of warrants	62,500	15,625
Balance at September 30, 2004	26,562,513	1,939,321
Non-brokered private placement for cash consideration	1,199,000	479,600
Private placements for cash consideration, net	4,277,500	1,625,950
Balance at December 31, 2004	32,039,013	\$ 4,044,871

Warrants

As of December 31, 2004, Vena has outstanding warrants as follows:

Outstanding at beginning of period	2,500,000
Exercised during the period	(62,500)
Issued during the period	2,738,250
Outstanding at December 31, 2004	5,175,750

Vena Resources Inc.
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Notes to Unaudited Consolidated Financial Statements

December 31, 2004
(Unaudited)

3. Capital Stock (Continued)

The initial 2,500,000 outstanding warrants, which were to originally expire in February 2005, entitle the holder to acquire one common share for \$0.25. In October 2004, Vena's Board of Directors passed a resolution to extend the expiry date of the warrants to August 27, 2005.

4. Mineral Properties and Deferred Expenditures

	Mineral Properties	Exploration Costs	Development Costs	Total
Balance at September 30, 2004	\$ 1,332,044	\$ 18,746	\$ 191,654	\$ 1,542,444
Additions during the period	219,726	314,284	126,039	660,049
Balance at December 31, 2004	\$ 1,551,770	\$ 333,030	\$ 317,693	\$ 2,202,493

5. Related Party Transactions

During the period, Vena incurred \$73,310 and \$15,000 in consulting and legal fees respectively, with its directors, senior officers and/or companies to which the directors and/or officers are related.

As at December 31, 2004, there are related party balances in the amount of \$26,190 included in accounts payable and accrued liabilities.

6. Subsequent Events

Stock-Based Compensation

Subsequent to December 31, 2004, the Company granted a director 150,000 options. The Options are exercisable at \$0.40 expiring on January 21, 2007.

Mineral Properties

On February 2, 2005, Vena announced that it has signed an offer to purchase the Tantar concessions from its Peruvian owner, who is an employee of Las Dunas de Oro, S.A.C., a Vena subsidiary company. The deal includes the following terms: The deal includes 50,000 shares of Vena when purchase option is registered in the Peruvian records and an additional 50,000 shares 6 months after contract registration.

On February 8, 2005, the Company announced that it has staked 9,600 hectares of Uranium concessions in Peru. These concessions are 100% owned by Vena.

On February 18, 2005, Vena also announced that it has entered into a joint exploration agreement with the Peruvian Institute of Nuclear Energy to process existing data as well as capture more detailed field information preparatory to a confirmation drill program.

Vena Resources Inc.
(formerly Oceanus Water Purity Inc.)

Notes to Unaudited Consolidated Financial Statements

December 31, 2004
(Unaudited)

3. Subsequent Events (Continued)

Consulting services

The Company announced that it has retained the services of an investor relations firm. Vena has agreed to pay a monthly retainer of \$5,000 for one-year contract.