ETHOS CAPITAL CORP.

FOR THE YEAR ENDED DECEMBER 31, 2009

Management's Discussion & Analysis

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INTRODUCTION

This Management's Discussion and Analysis ("MD&A") includes financial information from, and should be read in conjunction with, the audited financial statements of Ethos Capital Corp. ("the Company") for the year ended December 31, 2009 and 2008. The Company reports its financial position, results of operations and cash flows in accordance with Canadian generally accepted accounting principles in Canadian dollars. This MD&A was prepared with information available as of April 13, 2010. Additional information and disclosure relating to the Company can be found on SEDAR at **www.sedar.com**

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements. Based on current available information, the Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that those expectations will prove to be correct. The forward-looking statements in this MD&A are expressly qualified by this statement, and readers are advised not to place undue reliance on the forward-looking statements.

OVERVIEW

The Company was incorporated on March 12, 2007 under the British Columbia Business Corporations Act. In 2007, the Company completed an initial public offering ("IPO") and was publicly listed as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("the TSX-V"). In 2008, the Company announced a proposed Qualifying Transaction. In July 2009, the TSX-V accepted the Company's Qualifying Transaction and filing statement, and the Company began trading on the TSX-V as a Tier 2 company under the symbol ECC.

QUALIFYING TRANSACTION

On July 17, 2009, the TSX-V accepted the Company's Qualifying Transaction and filing statement that allowed the Company to meet Tier 2 Mining Issuer requirements of the TSX-V.

During 2008, the Company signed a Letter of Intent with Cardero Resource Corp. ("Cardero") pursuant to which the Company was granted an option to earn a 70% working interest in three of Cardero's mineral prospects in Mexico. Subsequently during the same year, the Company and Cardero signed a Letter Agreement ("the Amending Agreement") amending the terms of the Letter of Intent. In consideration of Cardero entering into the Amending Agreement, the Company agreed to issue 100,000 common shares of the Company to Cardero within 5 days after the Letter of Intent and the Amending Agreement is accepted for filing by the TSV-V ("the Acceptance Date"). The Company also agreed to pay to an individual at arm's length to the Company a finder's fee of 200,000 common shares of the Company over a three year period, including 50,000 common shares on the Acceptance Date, in consideration of that individual identifying and assisting with the acquisition of the Cardero mineral properties in the Qualifying Transaction. In July 2009, the TSX-V accepted the Company's Qualifying Transaction and the Company issued the required common shares.

Pursuant to the Original Letter of Intent and the Amending Agreement, the Company has an exclusive option ("the Option") to earn an undivided seventy (70%) percent right, title and working interest in two of Cardero's mineral properties in Mexico, the Santa Teresa and Corrales properties ("the Mineral Properties") respectively by:

(a) paying to Cardero the sum of $500,000, as follows:

   (i) $100,000 on the Acceptance Date (completed on July 20, 2009);

   (ii) an additional $150,000 on or before July 20, 2010; and

   (iii) an additional $250,000 on or before July 20, 1011;

(b) delivering to Cardero 1,334,000 fully-paid and non-assessable common shares of the Company as follows:

   (i) 266,800 common shares of the Company on or before July 20, 2010;

   (ii) an additional 466,900 common shares of the Company on or before July 20, 2011; and

   (iii) an additional 600,300 common shares of the Company on or before July 20, 2012;

(c) during the currency of the Option, assuming all of the liabilities, and performing, in a timely manner, all of the obligations pursuant to each of the third-party agreements to which Cardero or its subsidiaries hold their rights in and to the Mineral Properties; and

(d) otherwise complying with the terms and conditions of this Letter of Intent and Amending Agreement during the currency of the Option.

SELECTED FINANCIAL INFORMATION

Fiscal Year ended	**December 31, 2009**	**December 31, 2008**	**December 31, 2007**
Total Revenue	Nil	Nil	Nil
Loss before Extraordinary Items	$238,556	$77,204	$371,987
Net Loss for the Period	$238,556	$77,204	$371,987
Loss Per Common Share Basis	$0.02	$0.01	$0.09
Loss Per Diluted Common Share Basis	$0.02	$0.01	$0.09
Total Assets	$1,663,163	$1,970,351	$1,911,772
Total Liabilities	$20,229	$151,069	$15,286
Cash Dividends per Common Share	Nil	Nil	Nil
Number of Common Shares Issued and Outstanding	11,200,000	10,930,000	10,930,000

There no identifiable factors that will cause variations in the selected annual financial information.

RESULTS OF OPERATIONS

Year ended December 31 2009, compared to the Year ended December 31, 2008

The Company incurred a net loss of $238,556 for the year ended December 31, 2009 ($0.02 loss per common share) compared to a net loss of $77,204 ($0.01 loss per common share) for the year ended December 31, 2008, an increase of $161,352.

During the year 2009, the Company incurred an increase of $105,474 in cash administrative costs when compared to the year 2008, primarily to support the closing of the Qualifying Transaction, the review of other business opportunities and preparation to commence fieldwork to evaluate the Cardero Mineral Properties.
The Company also received $41,053 less interest income in the year 2009 compared to the year 2008, due to slightly lower cash balances on hand and due to lower interest rates.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected financial information from the Company's unaudited financial statements for the last eight quarters.

Quarter Ended	**Revenue**	**(Income) Loss**	**(Income) Loss Per Common Share**	**(Income) Loss Per Common Diluted Share**
31-Dec-09	$0.00	$63,362	$0.01	$0.01
30-Sep-09	$0.00	$77,141	$0.01	$0.01
30-Jun-09	$0.00	$47,155	$0.00	$0.00
31-Mar-09	$0.00	$50,898	$0.00	$0.00
31-Dec-08	$0.00	$33,774	$0.00	$0.00
30-Sep-08	$0.00	$18,256	$0.00	$0.00
30-Jun-08	$0.00	$27,606	$0.00	$0.00
31-Mar-08	$0.00	($2,432)	($0.00)	($0.00)

There no identifiable factors that will cause variations in the selected quarterly financial information.

FOURTH QUARTER 2009

The Company incurred a net loss of $63,362 for the fourth quarter ended December 31, 2009 ($0.01 loss per common share) compared to a net loss of $33,774 ($0.00 loss per common share) for the comparative period in 2008. The expenditures for both periods were primarily for administrative purposes.

LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $1,374,041 as at December 31, 2009 compared to working capital of $1,681,139 as at December 31, 2008, a decrease in working capital of $307,098.

During 2007, the Company raised $1,700,000 (before share issue costs of $1,931) from two private placements prior to its IPO. The Company then raised an additional $300,000 (before share issue costs of $50,946) from its IPO in 2007. In total, the Company raised net proceeds of $1,947,123 from the sale of its common shares in 2007. In addition, the Company received $6,000 from the exercise of 30,000 Agent warrants in 2007.

During 2009, the Company incurred $231,098 in cash administrative costs net of interest income and including a foreign exchange loss. The administrative costs were to support the review of business opportunities, due diligence and closing costs for the Qualifying Transaction and preparation for commencement of fieldwork to evaluate its Mineral Properties under option from Cardero. The Company also made an initial $100,000 cash payment for the Cardero mineral properties under option.

Subsequent to December 31, 2009, the Company completed a private placement of 4,000,000 units at a price of $0.25 per unit for gross proceeds of $1 million. Each unit consists of one common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of $0.33 per common share until January 28, 2011.

The Company has sufficient working capital to fund its administrative costs, meet its cash option payments under the Cardero Option and carry out an exploration program to further evaluate the Cardero Mineral Properties and to evaluate other business opportunities.

The Company's current source of working capital to date has been solely from the sale of its common shares. In the foreseeable future, the Company will likely need to raise additional working capital from the sale of additional common shares to meet its future cash flow requirements.

CONTRACTUAL OBLIGATIONS

See Qualifying Transaction above. The Company can however elect to terminate the option agreement with Cardero at any time.

OFF-BALANCE SHEET ARRANGEMENTS

None

TRANSACTIONS WITH RELATED PARTIES

During the year ended December 31, 2009, the Company paid or accrued $14,518 (2008 – $8,050) to a publicly listed company with a common Chief Executive Officer, for office space rent and reimbursement of certain office costs, of which $1,304 (2008 - $8,457) was payable at December 31, 2009. During the year ended December 31, 2009, the Company paid $68,500 (2008 – Nil) in consulting fees to private companies controlled by certain directors of the Company.

PROPOSED TRANSACTIONS

None

RISKS AND UNCERTAINTIES

The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash and a mineral property option agreement with Cardero. It has no history of earnings, and it is not expected to generate earnings or pay dividends in the foreseeable future.

The directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.

The Company has only limited funds with which to evaluate the mineral properties under option from Cardero and other business opportunities.

The Cardero Option, if fully exercised, will be financed partly by the issuance of additional securities of the Company and this will result in further dilution to existing shareholders. In addition, the Company will likely need to raise additional funds from the issuance of additional securities to fund its future working capital and exploration costs if warranted. The additional dilution may be significant and may also result in a change of control of the Company.

Please also refer to the section under risk factors in the Company's prospectus for the IPO and the filing statement for its Qualifying Transaction. These documents can be viewed on SEDAR at www.sedar.com.

CRITICAL ACCOUNTING ESTIMATES

The Company's accounting policies are described in detail in note 2 of the annual audited financial statements for the year ended December 31, 2009 and 2008. The Company considers the following policies to be most critical in understanding its financial results:

Carrying value of mineral property interests

Costs incurred related to the acquisition of, exploration for and development of mineral property interests are capitalized by property. All sales and option proceeds received are first credited against the costs of the related interest, with any excess credited to operations. No gains or losses are recognized on the partial sale or disposition of interests except in circumstances which result in significant dispositions of reserves. Once commercial production has commenced, these net costs are charged to future operations using the unit-of-production method based on estimated recoverable reserves by property. The net costs related to abandoned property interests are charged to operations.

The Company reviews the carrying values of its mineral property interests whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and undiscounted net cash flows. An impairment loss is recognized when the carrying value of those interests is not recoverable and exceeds their fair value.

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 reported amounts of assets and liabilities, and the disclosure of contingent assets, and commitments at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates due to factors such as changes in economic conditions, regulatory matters and negotiations with other parties.

Share-based compensation

The Company uses the fair value method of accounting for options granted under its stock-based compensation plan. Stock options to employees are measured at the fair value of the consideration received or the fair value of the equity instruments issued whichever is more reliably measurable and are charged to operations over the vesting period. Stock options granted to consultants are valued at the time the options vest and at every reporting period for those not yet vested. The offset is credited to contributed surplus. Cash received on the exercise of stock options is recorded in share capital and the related compensation included in contributed surplus is transferred to share capital to recognize the total consideration for the shares issued.

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock options granted. This model is subject to various assumptions. The assumptions the Company makes will likely change from time to time. At the time the fair value is determined; the methodology the Company uses is based on historical information, as well as anticipated future events.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Goodwill and Intangible Assets

Effective January 1, 2009, the Company adopted the new Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3064, *Goodwill and Intangible Assets*. This Section replaces CICA Handbook Section 3062, *Goodwill and Intangible Assets* and CICA Handbook Section 3450, *Research and Development Costs*, and establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. There is no impact on the Company's financial statements with the adoption of this new standard.

FUTURE ACCOUNTING CHANGES

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 generally accounting principles ("GAAP") with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover dare for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The transition date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010.

The Company has commenced the process to transition from GAAP to IFRS and has determined the process will comprise of various phases. The phases would be scoping and diagnosis, analysis and quantification and evaluation and implementation.

A preliminary diagnosis review indicated that the greatest areas of impact would be in the areas of consolidation, impairment of assets, financial instruments, related party transactions and initial adoption alternatives under IFRS 1.

The analysis and quantification and evaluation stage requires the specification of changes, their impact on accounting policies and information systems and an analysis of alternatives allowed under IFRS 1. The Company has not determined the potential impact on future financial statements and reporting at this time.

The implementation phase involves the execution of changes to information systems and authorization to accounting policy changes followed by the collection of financial information necessary to compile the IFRS financial statements.

IFRS 1 is a first time adoption standard which provides companies adopting IFRS standards for the first time numerous exemptions and mandatory exemptions. The accounting policy choices are being evaluated and those determined to be appropriate are anticipated to be adopted.

IFRS is currently developing new projects that are expected to become new IFRS standards and therefore IFRS as at the transition date are expected to differ from the current form. The full impact of IFRS will only be determined once all applicable standards at the conversion date are known.

Business Combinations

The CICA issued Handbook Sections 1582, 1601 and 1602 relating to the acquisition method of accounting, consolidated financial statements and non-controlling interests. These standards apply prospectively to business combinations for which the acquisition date is on or after January 1, 2011. The Company has evaluated these new sections and has determined that the adoption of these new requirements has not had an impact on the Company's financial statements.

Credit Risk ad Fair Value of Financial Assets and Financial Liabilities – EIC 173

In January 2009, the Emerging Issues Committee ("EIC") of the CICA issued EIC Abstract 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities which provides guidance on the implications of credit risk in determining the fair value of an entity's financial assets and financial liabilities. The guidance clarifies that an entity's own credit risk and the credit risk of counterparties should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments, for presentation and disclosure purposes. The Company's fair value disclosures incorporate this new guidance.

FINANCIAL INSTRUMENTS

As disclosed in its audited financial statements for the year ended December 31, 2009, the Company has identified several financial instruments that it utilizes in its day-to-day operations. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

BOARD OF DIRECTORS

In 2009, Mr. Hendrik Van Alphen joined the Company's Board of Directors. Mr. Van Alphen, President and CEO of Cardero Resources Corp., has over 23 years experience in the industry and he is considered a valuable resource to the Company moving forward.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management has evaluated the effectiveness of the Company's disclosure controls and procedures as at December 31, 2009 and has concluded, based on its evaluation, that these controls and procedures provide reasonable assurance that material information relating to the Company is made known to management and disclosed in accordance with applicable securities regulations.

INVESTOR RELATIONS

In 2009, the Company entered into a one year consulting agreement with Mr. Andrew Hay of Vancouver, BC to perform investor relations services for the Company. The Company pays Mr. Hay a consulting fee of $3,000 per month and granted Mr. Hay stock options to purchase 100,000 common shares of the Company at $0.25 per common share for a one year period.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at April 13, 2010, the Company had the following common shares and stock options outstanding:

Common shares	15,237,500
Stock options	1,150,000
Warrants	1,962,500
Fully diluted common shares outstanding	18,350,000