

ALPHINAT INC.

Interim Management Discussion and Analysis

Alphinat Inc. ("Alphinat") (TSX VENTURE EXCHANGE: NPA.P) has divulged its financial results for the three (3)-month period ended on November 30, 2004.

GENERAL

This interim management report has been prepared on January 20, 2005 and should be read in conjunction with the interim financial statements and notes thereto for the period ended November 30, 2004, as well as with all the information included in the final prospectus issued on June 28, 2004. The interim financial statements were prepared by management in accordance with accounting principles generally accepted in Canada, and were not reviewed by the auditors of the Corporation.

BUSINESS ACTIVITY

Alphinat is classified as a Capital Pool Company according to Policy 2.4 of TSX Venture Exchange, with the purpose to identify and evaluate assets or businesses in order to complete a Qualifying Transaction. The interim financial statements include the closing of Alphinat's initial public offering on July 15, 2004, for an aggregate gross amount of \$1,850,000 obtained by the issuance of 9,250,000 common shares at \$0.20 per share. Share issue expenses amounted to \$435,138 and included mainly the commission paid to the Agent. Alphinat's Board of Directors is actively working to complete a Qualifying Transaction, in accordance with Policy 2.4 of the TSX Venture Exchange.

UNAUDITED OPERATING RESULTS

Revenues

For the three-month period ended November 30, 2004, interest revenue earned on the temporary investment amounted to \$1,614.

Expenses

For the three-month period ended November 30, 2004, expenses amounted to \$18,643.

Net loss

The net loss for the three-month period ended November 30, 2004 amounted to \$17,029 or \$0.0016 per share, considering a weighted average number of outstanding shares of 10,750,000.

LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2004, Alphinat had \$92,734 in cash and \$1,162,815 in a temporary investment. This temporary investment consists of Guaranteed Investment Certificates of Banque Royale du Canada.

FORWARD-LOOKING STATEMENTS

This interim management report contains forward-looking statements with respect to the Corporation. These forward-looking statements by their nature involve certain risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. The Corporation considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but caution the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect.