



Item 2 - Interim MD&A for the fiscal nine months ended September 30, 2006 (the "Period") and to the date of this report for EXMIN Resources Inc. ("EXMIN", or "the Company", formerly Street Resources Inc.)

1. Date of this Report

This report is dated on **November 24, 2006**, is integral to and should be read in conjunction with the Company's interim unaudited consolidated financial statements for the nine months ended September 30, 2006, and with the annual audited consolidated financial statements for the period ended December 31, 2005 and its corresponding MD&A.

2. Description of business.

Background

The Company's focus is the acquisition, exploration and development of mineral resource properties, and is now considered an exploration-stage company, with properties in the gold belt of the State of Chihuahua, Mexico, and in the Province of Ontario, Canada. Substantially all of the Company's efforts are devoted to financing and developing these properties.

A complete description of the main events in 2005 can be found in the *Filing Statement* dated April 13, 2005, and the annual MD&A for the 2005 fiscal year; both documents are available on the SEDAR website at www.sedar.com

Mineral Properties

EXMIN is currently focused on the exploration and development of large properties in the Sierra Madre gold belt in Northwest Mexico and has an ongoing aggressive property evaluation and acquisition program in this area and elsewhere in Mexico.

EXMIN's principal projects are: Reyna de Oro Project, mainly consisting of the Reyna de Oro and Luz de Oro concession groups, Maguarichic Project, mainly consisting of the Tati de Oro concession group, the Moris Project, consisting of the Gato de Oro concession group, the Pale (approximately 50,000 hectares) and Tecolote (approximately 12,000 hectares) concessions, as well as four option agreements, the Urique Project that was acquired in the first quarter, 2006, consisting of the Diana de Oro and related concessions, and the Oribo project, consisting of seven optioned concessions and additionally staked land. All concessions are located in the canyon lands of the Sierra Madre Occidental of Southwestern Chihuahua State. This region includes other exploration properties and mines such as El Sauzal, Ocampo, Monterde, Palmarejo, Cieneguita, Piedras Verdes, and Bahuerachi. The Company obtained a report on the Reyna de Oro property prepared in accordance with National Instrument 43-101 dated January 21, 2005 (available on the SEDAR website at www.sedar.com).

EXMIN continued its program of exploration and acquisitions in the Sierra Madre Occidental in the third quarter, announcing the staking of several new district scale concessions and option agreements. The new projects are Batopilas, La Guitarra, Yecora, Yoquivo and the Ale concession, bringing the total area covered by EXMIN to almost 450,000 hectares.

The following table summarizes the Mexican properties by project:

Project/concession	Area (Hectares)	# of Concessions	% Ownership ³
Ale	50,000	1	100%
Arechuyvo	36,316	3	100%
Batopilas	50,627	3	100%
La Guitarra	52	2	100%
Maguarichic	38,990	5	100%
Moris ¹	73,436	53	100%
Moris Santa María Mine	7,838	12	30%
Oribo	51,119	8	100%
Reyna de Oro	14,819	7	100%
Urique ¹	29,107	16	100%
Yecora	56,000	1	100%
Yoquivo	40,771	1	100%
Total²	449,075	112	

1. Totals include concessions that have been staked but have not been titled or completely surveyed, so the area listed may change slightly downward.
2. The total is the sum of the concession areas before rounding and therefore may not appear to be the sum of the areas presented in the table.
3. Either wholly-owned, or with an option in good standing to acquire 100% ownership; the Maguarichic, Moris and Urique properties are subject to earn in joint ventures

Note: The Mexican mining law has been changed to recognize only one type of concession, eliminating the difference between Exploration and Exploitation concessions that previously existed. Under the new law, existing concessions will automatically convert to the new type of concessions and will be valid for a period of 50 years from the original date of inscription in the public mining record. The concessions can be renewed for an additional 50 year period.

(a) Arechuyvo Project

Please see (c), below.

(b) Batopilas Project

EXMIN staked the 50,000 hectare Huimayvo concession in the Batopilas district in 2006. This concession covers or surrounds several areas of strong alteration with small mines and completely surrounds the old Batopilas mining camp that is being explored by Mag Silver Corp. Many of these mineralized areas are covered by concessions owned by third parties. On 4 October, 2006, EXMIN entered into an option agreement to option one such area with two concessions totalling 627 hectares that cover the La Verde prospect (one concession is an application and the total area covered may decrease slightly when title is received). This agreement contemplates payments of US\$ 520,000 over four years with US\$ 120,000 payable in years 1 to 3; US\$ 20,000 has been paid at signing.

The La Verde concessions cover part of a regional scale structural zone that extends several kilometres north-northwest from the historic Tres Hermanos mine. The area is known for producing high grade gold and copper ore from several mines along the southern part of the structural zone. EXMIN plans to explore the structural zone along strike from the old mines and in the vicinity of small workings that yielded interesting gold and copper values during first pass sampling.

(c) La Guitarra Project

EXMIN entered into an agreement to option two concessions totalling 52 hectares that cover the La Guitarra prospect on 7 October, 2006. The option agreement contemplates payments totalling US\$ 300,000 over four years, with US\$ 100,000 payable in the first three years; US\$ 10,000 has been paid to date.

The La Guitarra deposit as a north-south trending structural zone with quartz veins and stockworks that has been traced over several hundred meters of strike length. The deposit has been explored by several companies in the past decade and has been drilled twice. Review of the available data indicates that most of the drilling was directed toward defining a large resource adjacent to the main quartz veins and few holes actually cut the structure. The structural zone remains open along strike and down dip and EXMIN plans an accelerated exploration program to test this target in 2007.

(d) Maguarichic Project

The Tati de Oro group of concessions, owned 100% by EXMIN, cover most of a 20 kilometre long mineralized structural zone in the Maguarichic district. This group also includes the Alex concession and, under option, the Santa Rosa concession.

According to the Consejo de Recursos Minerales, the Patria mine, in the center of the district, produced 4.7 metric tons of gold and 165 metric tons of silver from 214,000 metric tons of ore from 1936 to 1943 (a grade of 22 g/tonne gold and 770 g/tonne silver). A further 54,000 tons grading 11 g/tonne gold and 1,344 g/tonne silver was produced from 1978 to 1980.

Although all of the recorded production has come from the Patria vein system, which lies in the center of the 20 kilometre long structural zone staked by EXMIN and is owned by an independent party, many small and medium sized mines and prospects occur in the district. Most of the exploration potential in the district occurs in areas surrounding the Patria mine property that have not been previously subjected to large scale mining or modern exploration. This region is characterized by a large color anomaly caused by oxidation of high level advanced argillic alteration containing alunite and abundant clay minerals. Alunite and clay rich altered rock are common in the upper parts of bonanza epithermal vein systems and indicate the boiling of hydrothermal fluids at depth, but are generally low grade or barren. This type of alteration and associated color anomaly overlies the productive ore shoots of the Patria vein system, which was discovered because a deep narrow valley cut through the altered rocks to expose ore-grade veins at the surface. The Maguarichic alteration zone and color anomaly extends for 10 kilometres along strike to the southwest from the Patria mine, and is mostly covered by EXMIN concessions. An option to acquire 100% of an interior concession, Santa Rosa, was signed on June 17, 2005, with the following terms: payment of 2,000 US dollars at signing and for each six month anniversary for two years, and payment of 5,000 US dollars for the two subsequent six month periods, for a total payment of 20,000 US dollars over three years.

Geologic mapping and sampling was undertaken on part of the alteration zone located about 5 kilometres southwest of and along strike with the Patria vein system in an area with ongoing small scale precious metal production. Subsequently, a gradient array IP survey of part of this strongly altered area was completed to define structures at a depth permissible for potentially economic mineralization below the strongly altered rock. The exploration carried out has resulted in the definition of drill targets based on the presence of favourable alteration, structure, anomalous rock geochemistry, and resistivity and chargeability contrasts.

EXMIN entered into an earn-in option agreement with Industrias Peñoles on Feb. 13, 2006 to explore the Maguarichic district. Upon completion of the terms of the five year, US \$4.1 million contract, Peñoles may earn up to a 65% interest in the concessions, and can earn an additional 10% interest by completing a pre-feasibility study to NI 43-101 standards on the project. Of the US \$ 4.1 million that Peñoles will invest in the joint venture, US \$3.5 million is earmarked for project development. The remaining US \$600,000 will be paid to EXMIN in annual cash payments over the five year term of the agreement. Should EXMIN's participating interest in the project be reduced to 10%, it may be



converted to a 2% NSR. The contract also stipulates that a minimum 2000 metre drill program will be initiated in the first year of the agreement. The Company has received \$65,745 pursuant to this agreement.

During 2006, Peñoles and EXMIN held several technical committee meetings and agreed upon an exploration program to extend the geologic mapping and sampling along the strongly altered structural zone. This program is now well advanced and first-pass drilling began on Oct. 29, 2006.

(e1) Moris and Arechuyvo Projects

In the fourth quarter of 2005 and the first two months of 2006, EXMIN acquired significant land holdings in the Moris district located to the west of the Ocampo district currently under development by Gammon Lake Resources. The land package was acquired under three separate agreements:

Acquisition #1 EXMIN acquired the mineral rights as two separate packages. The first package consists of 16 concessions and 7 applications covering almost 46,650 hectares, and was acquired 100% by EXMIN for a total one-time cash purchase price of US \$100,000. EXMIN has paid the vendor in full and holds 100% title ownership of these claims.

The second package in Acquisition #1 consists of one concession, La Fe (267 hectares), and is subject to an underlying option agreement. EXMIN may earn 100% title ownership of the La Fe by paying US \$195,000 over four years, of which US \$10,000 has been paid. During the term of the deal, EXMIN has agreed to satisfy all obligations of the titleholder to keep the concession in good standing. EXMIN can terminate this purchase option contract unilaterally, at any time, with no further obligations to the titleholder.

Acquisition #2 EXMIN has signed a 100% purchase option contract for 22 concessions covering 461 hectares. The terms of this deal include payment of back taxes on the concessions of around US \$65,000 payable at the signing of the agreement which has been paid. To earn 100% title ownership of the 22 concessions, EXMIN may pay US \$785,000 over 5 years, with payments beginning in the second half of 2007. During the term of the deal, EXMIN has agreed to satisfy all obligations of the title holder to keep the concessions in good standing. EXMIN can unilaterally terminate the purchase option contract, at any time, with no further obligations to the titleholder.

Acquisition #3 EXMIN has signed a comprehensive Letter of Agreement and paid a U\$10,000 signing guarantee deposit to enter into a 100% purchase option contract on a group of five concessions that cover 170.4 hectares of the Mesa de Las Tunas/El Pilar area of the Moris district. EXMIN may acquire 100% title ownership of four of the concessions and 50% title ownership of the fifth concession by paying a total of U\$1.5 million over four years, including U\$815,000 to be paid at the at fourth anniversary of the contract. EXMIN has agreed to pay a royalty of U\$1.00 per gold ounce for the reserve defined at the end of the four year term of the option purchase contract. EXMIN can unilaterally terminate the purchase option contract after completing payments of U\$135,000 over the first eighteen months of the contract.

In the second quarter of 2006, EXMIN optioned two more concessions in the Moris District, the Ampliación Finlandia (14.4939 hectares) and El Perico (11.332 hectares) concessions. EXMIN can acquire 100% of both concessions by making payments of \$90,000 and \$30,000, respectively, over a period of three years. The owners of the Ampliación Finlandia concession will retain an NSR of 2% capped at \$200,000 and the owners of El Perico will retain an NSR of 1% capped at \$50,000. In addition to the concessions mentioned above, EXMIN also staked two new concessions, Tecolote (12,435 hectares) and Pale (50,000 hectares) as part of the Moris Project.

Mineralization in the Moris district consists of low sulfidation epithermal vein systems within several regional scale mineralized structural zones. EXMIN's land package in Moris covers portions of three separate mineralized areas, La Ciénega, Mesa de Las Tunas/El Pilar and El Tecolote, each of which has seen historic precious metal production and has the potential to host large deposits. Two large, nearly drill-ready vein and breccia targets have been identified in the land package that was acquired, at La Fe and Balleza, and several veins in the Mesa de Las Tunas/El Pilar area provide immediate exploration targets. Each of these targets is road accessible and has been mapped and sampled by EXMIN, and none have ever been drilled.



Form 51-102F1
Management's Discussion & Analysis
(MD&A)

Nine months ended September 30, 2006
Dated November 24, 2006

At the La Fe concession, EXMIN completed a preliminary exploration program during its due-diligence period, including mapping, rock and soil sampling and a pole-dipole IP survey. The vein system exposed on the La Fe concession has been traced by EXMIN for over 800 metres along strike and is exposed over a vertical extent of more than 500 metres. In the highest levels of exposure, the veins are relatively narrow and occur within a large area of high-level silicification commonly observed above productive low sulfidation epithermal deposits. Rock chip and soil samples taken by EXMIN contain anomalous gold, silver and the indicator elements arsenic and mercury. Individual rock samples in the upper levels of the mineralized system yielded gold values of as much as 21.8 g/t, and a twelve metre continuous section taken about 500 metres below ran 4.4 g/t gold with most of the value in one two metre sample with 21.6 g/t gold. A 1.8 line kilometre IP survey contracted by EXMIN identified resistivity and chargeability anomalies below the high level surface exposures providing targets for drilling planned for 2006.

The Balleza target consists of a silicified rhyolite dike that hosts quartz-matrix breccias. The dike has been explored over mineralized widths of 10 to 50 metres and is exposed over a vertical elevation of more than 100 metres and at least 500 metres along strike and is open in both directions. Forty-two rock chip samples have been taken by EXMIN; more than half returned gold values of greater than 0.5 g/t Au and ranged up to 2.9 g/t Au and 461 g/t Ag. In addition to the Balleza target, the structural zones in the surrounding areas contain numerous other mineral occurrences, and reconnaissance mapping and sampling programs at these old mines and prospects are in progress.

The Mesa de Las Tunas/El Pilar area contains at least seven vein systems in an area that measures 2 km by 4 kilometres. Several of the veins on ground acquired by EXMIN have past production from shallow workings, generally less than 50 metres in depth. The Fomento Minero, the Mexican government agency that promotes mining, studied the La Blanca mine in 1993; 19 samples taken of the La Blanca vein averaged 38.2 g/t Au and 472 g/t Ag, and 7 samples of the Templar vein ranged from 2.8 to >100 g/t Au and 31 to 153 g/t Ag. A sample of the Templar vein taken by EXMIN yielded 7.0 g/t Au and 15.9 g/t Ag.

EXMIN has divided the land package, as described above, into two projects: the Moris Project, consisting of 81,273 hectares in the northern part of the land package that cover the mineralized areas described above as well as the immediately surrounding areas, and the Arechuyvo project, which consists of 36,316 hectares to the south of the Moris district extending 20 kilometres southward to the Arechuyvo district. The northern part of the Arechuyvo project is prospective for structurally controlled bonanza vein systems similar to those at Moris, while the southern part of the area is prospective for intrusion related polymetallic mineralization. EXMIN has conducted limited reconnaissance mapping and sampling in this area.

On March 22, 2006, EXMIN announced that it had signed a letter of intent to joint venture the Moris project to the Mexican subsidiary of Mauricio Hochschild & Cia. Ltda (MHC), a privately held, Peru-based diversified precious metals and materials mining company. MHC may earn a 70% interest in the concessions upon making expenditures of US \$5.65 million. Of the total, US \$4.8 million is earmarked for project development. The remaining US \$850,000 will be paid to EXMIN as annual cash payments or through private placements, by MHC's US subsidiary, over the five year term of the agreement. The shares would be issued at the greater of (i) \$0.22 or (ii) the ten day weighted average closing price of the common shares on the date of exercise. The final agreement was entered into on July 31, 2006 and, after receiving approval from the TSX Venture Exchange on August 17, 2006, issued to a company related to MHC 509,090 common shares at a price of \$0.22 per share for proceeds of the first US \$100,000 under the agreement.

e2) Moris: Santa María de Moris mine

On June 30, 2006, the Company and MHC entered into an agreement to jointly acquire the Santa María de Moris mine. The company will own 30%, while MHC will own 70% of the mine. Under the terms of the agreement, the total purchase cost of the mine is US \$6,000,000 plus 15% Mexican Value Added Tax, for 100% of the rights to the concessions and other mine assets. US 1,500,000 plus 15% VAT was paid upon signature, to allow for a six month due diligence period. The remaining US \$4,500,000 is due upon a positive decision to proceed after the completion of the due diligence. EXMIN has the option of paying its portion in shares.



Under a separate agreement, the Company has arranged for a line of credit of US \$1,500,000 to make the initial payment and to pay for its share of mine development expenditures or the second property payment if it chooses not to issue shares. The loan is subject to an annual interest rate equal to the London Interbank Offered Rate (LIBOR) + 3.5%, and has a maturity of two years and is to be paid back from 80% of EXMIN's share of earnings generated by mine production.

The Moris Mine was commissioned by Manhattan in 1997 and operated from May, 1997, until April, 1999, as a 3,000 ton per day heap leach operation. The mine was shut down in 1999 due to low gold prices, but leaching continued for a few months. In 1999, after the mine had closed, measured and indicated resources were reported as 4.05 million tonnes at a grade of 1.67 g/t gold and 5.79 g/t silver, for a total of almost 220,000 contained ounces of gold and 750,000 ounces of silver. When production at the mine ceased in 1999, proven and probable reserves were reported as 3.1 million tonnes at grades of 1.73 g/t Au and 6.55 g/t Ag calculated with a gold price of \$300 and a cut-off of 0.74 g/t gold equivalent.

The owner of the mine, Minera Moris, S.A. de C.V. (Minera Moris), was purchased after the mine's shutdown by Mexican investors. The mine has been under the supervision of a caretaking crew since closed. Most of the installations, including the crushing circuit, heap leach stacking system, leach pads and metals recovery circuit are in reasonably good shape. MHM will be project operator and an aggressive due diligence program, including diamond drilling has already commenced. It is anticipated that the project will benefit from the fiscal and technical data generated during the previous mining operations.

The above information is of historical nature and therefore not compliant with National Instrument 43-101. A Qualified Person has not completed sufficient work to classify the historical estimate as current mineral resources, and the historical information should not be relied upon. Due diligence drilling of the resource is in progress. Please refer to the July 19, 2006 press release for further information.

f) Oribo Project

On May 2, 2006, the Company entered into an option agreement to acquire seven concessions covering approximately 1,125 hectares in the San Rafael de Oribo area of western Chihuahua, Mexico. In addition, the Company staked approximately 50,000 hectares around the optioned ground. Under the terms of the option agreement, the company will pay a total purchase price of US \$1,000,000 (plus applicable value added tax) for 100% of the rights to the concessions as follows:

- US \$20,000 on signing (paid)
- US \$25,000 in the first year
- US \$60,000 in the second year
- Five subsequent payments ranging from US \$50,000 to US \$150,000 in six month intervals for a total of US \$470,000 over 2 and one half years
- A final payment of US \$400,000 at the end of the five year option agreement

These concessions are located about 23 km west of Monterde (Kimber Resources), and 25 km north of the Palmarejo district (Palmarejo Gold) and Guazapares district (Paramount Gold).

Exploration work carried out on the properties by EXMIN identified gold mineralization over a large area measuring 1.5 km by 0.5 km in strongly silicified and brecciated carbonate rocks with abundant iron oxides and local skarn occurrences. Rock chip samples yielded significant gold values in several exposures; individual rock chip samples reported gold values of as much as 30.7 grams per metric ton (g/t) and contiguous rock chip samples yielded the following intervals: Las Minitas, 7.4 m of 4.7 g/t Au, within a wider zone of 25 m of 2.1 g/t Au, San Antonio Obra #2, 12.3 m of 5.2 g/t Au, and 10.7 of 5.5 g/t Au (repeated), Las Minitas arroyo, 5.9 m of 7.9 g/t Au, and San Rafael arroyo, 3.8 m of 8.7 g/t Au.

Please refer to the August 29, 2006, press release for further information on this project.

(g) Reyna de Oro project

EXMIN has acquired a 25% interest in two concessions from certain individuals (the "Owners") covering the Reyna de Oro project, collectively totalling about 20 hectares, pursuant to certain agreements with the owners of such concessions. In addition, EXMIN acquired an option for the remaining 75% interest by making staged payments to the Owners of the concessions, totalling US \$2.3 million (inclusive of 15% Mexican value added tax) over five years. These agreements are as follows:

- i) An agreement dated January 30, 2004 whereby one of the Owners transferred to EXMIN half of the 50% title and interest he held in the Reyna de Oros concession
- ii) An agreement dated January 30 2004 whereby another of the Owners transferred all of the 25% right, title and interest he held in the Reyna II concession
- iii) An agreement of purchase and sale dated March 23, 2004 and modified in 2006* with three of the Owners (the "Optionors"), whereby they granted EXMIN an option to their remaining 75% interest in the Reyna concessions for a price of US \$2.3 in the following schedule:
 1. US \$20,000 on execution of the agreement (which has been paid);
 2. US \$30,000 on September 23, 2004 (which has been paid);
 3. US \$100,000 on March 23, 2005 (which has been paid);
 4. US \$150,000 on September 23, 2005 (which has been paid);
 5. US \$60,000 on March 23, 2006 (which has been paid)
 6. US \$140,000 on September 23, 2006 (which has been paid);
 7. US \$250,000 on March 23, 2007;
 8. US \$300,000 on September 23, 2007;
 9. US \$350,000 on March 23, 2008;
 10. US \$400,000 on September 23, 2008; and
 11. US \$200,000 on March 23, 2009.

(*) EXMIN has to date paid US \$500,000 plus applicable taxes to the Owners. In March 2006, EXMIN started negotiations to evaluate the possibility of putting the old mine within the optioned claims into production. To this effect the original contract was modified to divide the original March 23, 2006, payment into two, one payment of US \$60,000 made on March 23 2006 and the second of US \$140,000 on September 23 2006. All other payments will be pushed back 6 months. Upon full payment, all rights, interests and title in the Reyna Concessions will be transferred to EXMIN. EXMIN has the right to pay the outstanding balance to earn the remaining interest in the Reyna Concessions at any time without penalty. EXMIN also has the right to terminate the agreement at any time upon 15 days written notice to the Optionors before any scheduled payment.

The Reyna de Oro project group also includes the 100%-owned Luz de Oro concession. In addition, under an agreement dated July 14, 2005 and the one-time payment of \$20,000 plus back-taxes, the owner of La Metálica, La Estrella and La Princesa concessions, surrounding the Reyna de Oro project, transferred to EXMIN all of the rights, title and interest on these concessions.

EXMIN's Phase I drill program, completed in December 2004, was designed to test the central portion of the deposit that was previously explored by core drilling, in order to confirm the presence of significant gold values. A total of 771.4 metres were drilled by reverse circulation in 11 holes. Results published on May 18, 2005 show that eight of the holes intersected significant mineralized widths and grades. Hole RDO-04-R6 intersected 1.5 metres (5 feet) of 20.1 grams per tonne of gold (g/t) (0.59 ounces per ton (oz/t)), within a 6.1 metre (20 foot) intersection of 13.56 g/t (0.40 oz/t). This hole had a total intercept of 18.3 metres (60 feet) of 6.14 g/t (0.18 oz/t). Hole RDO-04-R3 intersected 10.7 metres (35 feet) of 7.17 g/t (0.21 oz/t). The holes intersected substantial widths of mineralization, and with these limited number of holes, delineate an extensive zone of mineralization along 250 metres of strike, approximately 100 metres down dip, with a width of about 20 to 30 metres. The zone remains open along strike in both directions and down dip.



The Company previously received surface access rights and an environmental permit to build up to 5 km of new roads to provide access to additional drill targets. On June 7, 2005, the Company announced the commencement of Phase II of the drill program aimed at delineating a qualified resource and to expand the known resource discovered during the Phase I drill program. An additional 1517.9 metres of RC drilling was completed in 11 holes with significant results as published on August 30, 2005. Hole RDO-05-R15 intersected 9.1 metres of 6.49 g/t gold and 8.7 g/t silver within a larger zone of 22.9 metres of 2.94 g/t gold and 6.6 g/t Ag. Hole RDO-05-R16 intersected the highest grades encountered to date, with 3.0 metres of 25.41 g/t gold and 20.3 g/t silver within a larger zone of 13.7 metres of 7.85 g/t gold and 7.2 g/t silver. Drilling extended the mineralized zone for an additional 100 metres along strike and down dip but several holes were stopped short of or within the mineralized zone due to limited capability of the track-mounted reverse circulation drilling rig.

Resumption of the Phase II drill program was delayed in late 2005 to allow development of additional drill targets in the area. Surface mapping and sampling during the first quarter of 2006 has been focussed on further defining drill targets in the immediate Reyna de Oro mine area and on evaluating prospects in other areas of the large concession package. A D-6 bulldozer has been contracted to continue the road construction at the project.

(h) Urique project

On June 12, 2006, EXMIN entered into an agreement to acquire a land package consisting of 10 concessions that cover approximately 28,000 hectares (69,190 acres) in the Urique region of western Chihuahua state, Mexico ("Urique"). Nine of the concessions were acquired for a cash payment to the vendor of US \$100,000 (paid in July 2006) for 100% of the rights. The tenth concession was acquired through an option agreement with staged payments totalling US \$200,000 over four years, of which \$10,000 have been paid. These concessions were combined with the Companies 100% owned Diana II concession into the Urique project.

The Company finalized the option agreement with Yale Resources Ltd ("Yale" - TSX-V: YLL) to option the Urique property package. Yale can earn up to a 75% interest in the project by making exploration expenditures of US\$ 4,500,000 and issuing 1,500,000 shares to the Company over the five year term of the option. The definitive agreement was entered into on August 2, 2006, and the Company received 250,000 of Yale's common shares.

The Company also entered into two agreements on 13 October, 2006, to option 5 additional concessions totalling 226 hectares that cover the Cerro Colorado target. The first agreement concerns 3 of the concessions and contemplates property payments of US\$ 425,000 over four years of which 125,000 is payable in the first 3 years; US\$ 50,000 has been paid. This agreement is subject to a 1% Net Smelter Return (NSR) royalty if the resource defined at the end of the option period is less than 1 million ounces and can be bought for US \$250,000, or a 1.5% NSR if the defined resource is greater than 1 million ounces and can be bought for US\$ 425,000. The second agreement is a promise to enter into a definitive agreement that covers two additional concessions pending proof of title. This agreement contemplates payments of US\$ 425,000 over four years, also with a 1 to 1.5% NSR as above.

The primary exploration targets on the property package are large scale precious metal mineralized systems. EXMIN completed a preliminary exploration program during its due diligence period, consisting of reconnaissance sampling and a review and compilation of available geologic data, mainly from the Consejo de Recursos Minerales (now known as the Servicio Geológico Mexicano - equivalent to Mexican Geological Survey). Seven mineralized areas have been identified to date. Exploration work has begun on the Cerro Colorado target and a first pass drilling program is planned for early 2007.



(i) Street Township (Ontario, Canada)

Pursuant to an arm's length letter agreement dated September 23, 2004 and option agreement dated February 7, 2005 with 2029778 Ontario Inc., the Company acquired an option to earn a 100% interest in four mining claims consisting of 24 claim units in Street Township, Sudbury Mining Division of Ontario in consideration of:

- (i) issuance of 1,000,000 common shares of the Company, issued in February, 2005;
- (ii) incurring \$75,000 in expenditures on or before December 23, 2004, (completed)
- (iii) incurring \$250,000 in expenditures, cash payment of \$15,000 and issuance of 300,000 common shares of the Company on or before the second anniversary of the agreement, and
- (iv) incurring \$350,000 in expenditures, cash payment of \$25,000 and issuance of 300,000 common shares of the Company on or before the third anniversary of the agreement.

The Company will earn a 50% interest upon completion of (i) and (ii) and a further 25% interest upon completion of either of (iii) and (iv). The interest in the property is subject to a 1.5% Net Smelter Return Royalty which may be purchased in consideration of \$500,000 per one half percent (0.5%). Subsequent to the signing of the letter agreement, the sole shareholder of 2029778 Ontario Inc. became a director and officer of the Company. This director subsequently has resigned and been replaced.

EXMIN performed no work on the property in 2005, but plans to have consultants knowledgeable in this area review the data and make recommendations for further work.

In the event that the Company does not fully execute its commitments under the option by February 7, 2007, the option agreement will terminate and 100% claims title to these mining claims will return to its owner with no further obligations to either party

j) Other projects and claims under evaluation

EXMIN has staked several new concessions in the Sierra Madre gold belt in areas adjacent to or along strike from areas with known mineralization or past mining activity. These concessions include the Yecora (Kai concession, 56,000 hectares) and Yoquivo (Teresa concession, 40,771 hectares) projects and the Ale concession (50,000 hectares).

In the normal course of business the Company has is evaluating certain mining exploration claims that could be of potential interest. Once sufficient data is gathered, the Company will decide on whether or not to pursue exploration on these claims. If the Company decides not to pursue exploration, the property expenditures incurred to date will be written off.



Form 51-102F1
 Management's Discussion & Analysis
 (MD&A)

Nine months ended September 30, 2006
 Dated November 24, 2006

Expenditures on mineral properties

Projects	Reyna de Oro	Maguarichic	Moris	Arechuyvo	Urique	Oribo	Yoquivo	Batopilas	Jalisco	Melchor Ocampo	La Guitarra	Street Township	Total
Balance, December 31, 2005	\$ 1,874,872	\$ 119,174	\$ 223,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,660	\$ 2,407,981
Earn-in cost reduction	-	(65,745)	-	-	-	-	-	-	-	-	-	-	(65,745)
Acquisition costs	71,062	-	20,532	3,690	6,542	11,994	-	-	-	-	-	-	113,820
Claim legal rights	39,367	384	9,851	18,199	-	-	-	-	-	-	-	-	67,801
Consulting and professional	18,013	4,583	30,013	-	-	-	-	-	-	-	-	-	52,609
Drilling	44,619	-	-	-	-	-	-	-	-	-	-	-	44,619
Equipment leasing	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment maintenance	184	-	-	-	-	-	-	-	-	-	-	-	184
Equipment	16	-	-	-	-	-	-	-	-	-	-	-	16
Field office	453	9	9	-	-	-	-	-	-	-	-	-	471
Fuel	24	-	-	-	-	-	-	-	-	-	-	-	24
Materials and tools	256	23	107	12	-	-	-	-	-	-	-	-	398
Mineral sample analysis	1,214	-	634	-	-	-	-	-	-	-	-	-	1,848
Traveling and camp meals	2,055	169	620	88	-	-	-	-	-	-	-	-	2,932
Other	5,992	535	3,753	414	-	-	-	-	-	-	-	-	10,694
	183,255	(60,042)	65,519	22,403	6,542	11,994	-	-	-	-	-	-	229,671
Balance, March 31, 2006	\$ 2,058,127	\$ 59,132	\$ 288,794	\$ 22,403	\$ 6,542	\$ 11,994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,660	\$ 2,637,652
Earn-in cost reduction	-	8,206	-	-	-	-	-	-	-	-	-	-	8,206
Acquisition costs	-	-	-	-	127,506	23,318	-	-	-	-	-	-	150,824
Claim legal rights	-	-	40,804	11,477	435	92	11,477	11,477	10,190	14,010	-	-	99,962
Consulting and professional	10,969	-	15,196	-	-	-	-	-	-	-	-	-	26,165
Drilling	9,589	-	-	-	-	-	-	-	-	-	-	-	9,589
Equipment leasing	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment maintenance	204	-	-	-	-	-	-	-	-	-	-	-	204
Equipment	99	-	-	-	-	-	-	-	-	-	-	-	99
Field office	357	-	106	-	-	-	-	-	-	-	-	-	463
Fuel	700	-	736	-	-	-	-	-	-	-	-	-	1,436
Materials and tools	6,506	-	619	-	19	-	-	-	-	-	-	-	7,144
Mineral sample analysis	1,516	-	-	-	-	-	-	-	-	-	-	-	1,516
Traveling and camp meals	2,548	-	1,475	-	140	-	-	-	-	-	-	-	4,163
Other	9,542	-	5,119	-	-	-	-	-	-	-	-	-	14,661
	42,030	8,206	64,055	11,477	128,100	23,409	11,477	11,477	10,190	14,010	-	-	324,431
Balance, June 30, 2006	\$ 2,100,157	\$ 67,338	\$ 352,849	\$ 33,880	\$ 134,642	\$ 35,403	\$ 11,477	\$ 11,477	\$ 10,190	\$ 14,010	\$ -	\$ 190,660	\$ 2,962,083
Earn-in cost reduction	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition costs	181,480	-	17,690	(3,467)	42	-	-	-	-	-	11,240	-	206,985
Claim legal rights	11,864	17,745	23,608	16,413	13,346	11,639	-	-	-	860	-	-	95,475
Consulting and professional	69,654	-	19,350	3,235	24,978	8,472	3,235	5,157	10,311	312	1,108	-	145,812
Drilling	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment leasing	-	-	-	-	267	-	-	-	-	-	-	-	267
Equipment maintenance	1,111	-	-	-	26	-	-	-	-	-	-	-	1,137
Equipment	-	-	-	-	261	-	-	-	-	-	-	-	261
Field office	294	72	-	-	1,048	2	-	-	123	-	-	-	1,538
Fuel	1,727	-	160	-	338	132	-	-	-	-	-	-	2,357
Materials and tools	357	-	-	-	1,283	72	-	-	514	-	-	-	2,225
Mineral sample analysis	7,561	-	-	-	-	872	-	-	-	-	-	-	8,433
Traveling and camp meals	2,861	-	-	-	3,131	315	-	117	1,265	-	-	-	7,689
Other	6,367	-	615	-	1,035	304	-	1,204	712	-	-	-	10,237
	283,276	17,817	61,423	16,181	45,755	21,808	3,235	6,478	12,925	1,172	12,348	-	482,418
Balance, September 30, 2006	\$ 2,383,433	\$ 85,155	\$ 414,272	\$ 50,061	\$ 180,397	\$ 57,211	\$ 14,712	\$ 17,955	\$ 23,114	\$ 15,182	\$ 12,348	\$ 190,660	\$ 3,444,501



Financial risk and outlook

With the change of focus to the acquisition, exploration and development of mineral resource properties, substantially all of the Company's efforts will be devoted to financing and developing resource properties. There has been no determination whether the Company's interests or proposed interests in mineral properties contain mineral reserves which are economically recoverable.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the Company's proposed exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence will be dependent upon the preservation of its interests and proposed interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values of its interests or proposed interests. The Company's proposed mining assets located outside of Canada are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of contracts and currency exchange fluctuations.

Although the Company has taken steps to verify title to the properties on which it is conducting or proposing to conduct exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, aboriginal claims and non-compliance with regulatory requirements.

3. Overall Performance

Financings

During the Period, the Company undertook the following financing activities:

- On March 10, 2006, the Company issued 14,533,333 units for gross proceeds of \$2,180,000 consisting of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at \$0.20 for a period of two years. The company paid finder's fees of \$210,500 and granted Agent's warrants to acquire 1,403,333 units valued at \$214,138, exercisable at \$0.15 per broker warrant until March 9, 2008 into one unit identical to the placement units. The fair value of these agent warrants was estimated using the *Black-Scholes Option Pricing Model* with the following assumptions: risk-free interest rate of 3.5%; dividend yield 0%; volatility of 64.09%; and expected life of 2 years. Other costs of issuance, including legal and costs related to the exercise of warrants have amounted to \$81,527
- As indicated in Section 2(e1) above, subsequent to the end of the period the company issued 509,090 common shares at a price of \$0.22 per share to Port Chester Limited, and affiliate of MHC, for proceeds of \$112,000 (US \$100,000), pursuant to the subscription agreement detailed in that Section.
- The Company has received the following amounts through the exercise of share purchase warrants and agent's warrants:
 - \$0.15 warrants: \$1,128,750 on exercises during the Period
 - \$0.20 warrants: \$81,200 on exercises during the Period
 - \$221,500 on exercises subsequent to the end of the Period
 - \$0.15 agent's warrants: \$2,250 on exercises during the Period
 - \$4,815 on exercises subsequent to the end of the Period.



Working Capital

As at September 30, 2006, the Company had working capital of \$1,430,064 (Dec. 31, 2005: \$331,590). The financings completed during the Period are the immediate cause for the increased working capital, providing the Company with adequate cash and working capital to fund planned operations.

Receivables of \$98,625 at September 30, 2006 (December 31, 2005: \$34,785) include the following:

- Canadian Goods and Services Tax (GST) refund receivable for \$6,093 (Dec. 31, 2005: \$34,785), and received subsequent to the end of the Period on November 9, 2006.
- Mexican Value Added Tax (IVA) refundable of \$92,532

Current liabilities as at September 30, 2006 totalled \$152,611 (Dec. 31, 2005: \$112,152) include:

- Accrual of \$30,750 in audit fees towards the 2006 audit;
- Accrual of \$2,522 towards 2006 annual filing fees.
- Accrual of legal fees for August, 2006 of \$6,139
- Current payables in Canada of \$34,070
- Current payables in the US of \$66,760
- Payables in Mexico of \$12,370

Equipment:

Equipment consists of computer equipment, furniture and fixtures for investor relations activities, and six pick-up vehicles used for transportation and exploration-related activities in Mexico. These items are carried at cost net of accumulated amortization.

Amortization is recorded on a declining balance basis at the following annual rates:

Vehicles	20% - 25%
Computer equipment	30%
Furniture and fixtures	20%

	September 30, 2006	Accumulated Amortization	Net Book Value	Dec. 31, 2005
	Cost			Net Book Value
Vehicles	\$127,170	\$(32,343)	\$94,827	\$60,205
Computer equipment	22,398	(2,255)	20,143	1,137
Furniture and fixtures	26,724	(1,252)	25,472	2,354
	\$176,292	\$(35,850)	\$140,442	\$63,696

Deferred Exploration Costs

The balance sheet of the Company shows deferred expenditures for the Period of \$3,444,501 (December 31, 2005: \$2,407,981). The table presented in section 2 above provides further details on these expenditures. During the Period, the Company spent \$1,036,520 in its Chihuahua, Mexico Properties, including a recovery of \$57,540 (US \$50,000) as part as the agreement with Peñoles on the Mahuarichic Project, mentioned in Section 2.



4. Results of Operations

The Company incurred a loss for the Period of \$1,722,396 or \$0.03 per share, compared to \$794,550 or \$0.02 per share for the same period of the previous year.

The Company did not generate any revenues other than bank interest and the cost recovery mentioned in the previous paragraph.

The breakdown of operation expenses during the Period is as follows:

EXPENSES	Jan. to Sept. 2006		Jan. to Sept. 2005		% Change
	Amount	Percentage	Amount	Percentage	
<u>Cash</u>					
Automobile	\$ 12,698	0.73%	\$ -	0.00%	n/a
Bank charges	3,688	0.21%	3,911	0.48%	-5.70%
Consulting	273,162	15.63%	193,687	23.63%	41.03%
Directors' fees	12,000	0.69%	3,000	0.37%	300.00%
Filing fees	23,945	1.37%	33,057	4.03%	-27.56%
Investor relations	95,212	5.45%	209,127	25.51%	-54.47%
Office and miscellaneous	149,153	8.54%	6,147	0.75%	2326.44%
Professional fees	195,971	11.22%	165,077	20.14%	18.71%
Property examination cost	195,623	11.20%	32,073	3.91%	509.93%
Travel	35,904	2.05%	24,449	2.98%	46.85%
	<u>997,356</u>	<u>57.08%</u>	<u>670,528</u>	<u>81.79%</u>	<u>48.74%</u>
<u>Non-cash</u>					
Amortization	18,549	1.06%	-	0.00%	n/a
Foreign exchange loss	9,402	0.54%	149,263	18.21%	-93.70%
Stock-based compensation	721,963	41.32%	-	0.00%	n/a
	<u>749,914</u>	<u>42.92%</u>	<u>149,263</u>	<u>18.21%</u>	<u>402.41%</u>
	<u>\$1,747,270</u>	<u>100.00%</u>	<u>\$ 819,791</u>	<u>100.00%</u>	<u>113.14%</u>

For the above table comparative data, it is important to bear in mind that the acquisition of EXMIN Inc. was only concluded on April 14, 2005, and thus data related to operations for the first quarter of 2005 is not included.

During the Period there was no revenue other than \$24,874 (2005: \$25,241) received as interest from bank deposits. The exploration of mineral properties, by nature, does not produce revenues until an economic ore body is found and developed. Revenues due to joint version participation are applied as a reduction to deferred exploration costs.

Consulting fees include payments to the President, to the Executive Vice-President of Exploration, to a Director, and to consultants providing legal, geological and other advice in Mexico.

Filing fees during the first half of 2005 included the purchase of EXMIN Inc. and the reactivation of the Company on the TSX Venture Exchange. This explains the larger figure. During both years there were financing activities causing filing fees.

Investor relation fees were lower during the current Period. In 2005, in connection with the initiation of activities, larger amounts were spent in shareholder communication issues.

Office expenses include, in addition to the Canadian office, a field office in Chihuahua, Mexico, whereas during the previous year operations were limited to Canada.



Professional fees include audit, accounting & administration, legal fees and geological consulting.

Property examination costs relates to expenses incurred in the examination of exploration projects that were or are of potential interest to the company, but where no acquisition or option agreement was or has been signed.

5. Summary of quarterly results

The following is a summary of quarterly results for each of the eight most recently completed quarters:

	2006 Sep. 30 (\$)	2006 Jun. 30 (\$)	2006 Mar. 31 (\$)	2005 Dec. 31 (\$)	2005 Sep. 30 (\$)	2005 Jun. 30 (\$)	2005 Mar. 31 (\$)	2004 Dec. 31 (\$)
Total revenues	-	-	-	-	-	-	-	176,893
Income/(loss) from operations	(1,047,218)	(402,264)	(297,788)	(324,380)	(356,921)	(421,759)	(34,657)	99,966
Income/(loss) from operations per share	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)
Loss	(1,032,953)	(392,669)	(296,774)	(1,118,623)	(351,571)	(425,322)	(17,657)	(36,843)
Net income/(loss) per share	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)
Total assets	5,167,618	4,669,672	4,661,569	2,915,419	3,350,267	3,730,262	3,706,980	872,616

The increase in total assets for the two most current quarters is related to the private placement financing and exercise of share purchase warrants that took place during the Period.

The significant increase in the loss for the last quarter is largely due to the stock-based compensation charged on the options granted during the last quarter, as detailed on the interim unaudited financial statements for the Period.

6. Liquidity

At the end of the Period the Company had cash and accounts receivable of \$1,510,270 (Dec. 31, 2005: \$317,907).

The Company is an exploration stage company now engaged in the exploration of mineral properties not presently in production. Other than earn-in joint venture payments received, the Company does not presently generate cash flow from operations and it is unlikely that it will generate cash flow from operations in the near future. Continuing operations are therefore dependent upon the Company's ability to secure additional capital as required, which is not assured.

In addition, and as indicated in Section 2(e2), the Company secured a line of credit with respect to the Santa María de Moris Mine. Please refer to this section for further detail.

The Company has no long-term obligations outstanding and therefore there are no factors of this type affecting liquidity or future cash flows.



7. Capital Resources

The Company's ability to raise additional funds from the equity markets will largely depend upon general market conditions, the Company's ability to achieve certain exploration milestones and its ability to acquire new properties.

8. Off-Balance Sheet arrangements

The Company does not have any off-balance sheet arrangements and does not contemplate to have them in the foreseeable future.

9. Transactions with related parties

The following table shows transactions with related parties:

Name	Position	Concept	Current Period	Same period last year
Karl Boltz	President & CEO	Consulting fees	\$ 101,932	\$ 73,446
Kelsey Boltz	Chairman	Consulting fees	20,386	22,034
Craig Gibson	VP Exploration	Consulting fees	101,932	73,446
Salvador Miranda	CFO	Admin and Accounting	54,550	21,250
Jeffrey Dawson	Director	Director fee	4,000	1,000
Donald Rankin	Director	Director fee	4,000	1,000
John Campbell	Director	Director fee	4,000	1,000
			<u>\$ 290,800</u>	<u>\$ 193,176</u>

In addition, 2,300,000 stock options were granted to Directors and Officers; please refer to Section 17 for further detail.

10. Third quarter 2006

The following are the most relevant events of the third quarter of 2006:

- Advances in mineral exploration as described in Section 2, under *Mineral Properties*.
- Granting of 250,000 options to investor relations consultant
- Granting of 2,950,000 options to directors, officers and consultants
- Exercise of share purchase warrants as detailed in Section 3, under *Financings*.

11. Proposed transactions and activities

The acquisition of the Santa María de Moris mine described in Section 2(e2) is contingent upon successful completion of due diligence tasks.

12. Changes in accounting policies including initial adoption

There are no changes in accounting policies during the Period



13. Financial instruments

The Company's financial instruments consist of cash, receivables, prepaid expenses, accounts payable and accrued liabilities

The Company only invests its cash in bank term deposits and/or banker's acceptances, instruments that are deemed to be very low risk.

In order to reduce foreign exchange exposure, the Company transfers to its Mexican subsidiary funds required in the short term to meet its obligations.

14. Disclosure controls

The Company continues to refine its disclosure controls and procedures to enable management to comply with all disclosures required by the Exchange and securities law in a timely and complete manner.

15. Risk factors

Development-stage mineral exploration companies face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible.

Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them, and employs experienced consulting to assist in its risk management and to make timely adequate decisions.

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties.

The price of the commodities being explored is also a significant risk factor, as a substantial decline in their price could result in a decision to abandon a specific project.

Environmental laws and regulation could also impact the viability of a project. The Company has ensured that it has complied with these regulations, but there can be changes in legislation outside the Company's control that could also add a risk factor to a project.

Finally, operating in a specific country has legal, political and currency risks that must be carefully considered to ensure their level is commensurate to the Company's assessment of the project.

16. Forward-looking statements

Certain statements made and information contained in this MD&A and elsewhere constitute "forward-looking information" within the meaning of the Ontario Securities Act. Forward-looking 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, including, without limitation, risks and uncertainties relating to the interpretation of drill results and the estimation of mineral resources, the geology, grade and continuity of mineral deposits, the possibility that future exploration, development results will not be consistent with the Company's expectations, accidents, equipment breakdowns, title matters and surface access, labour disputes, the potential for delays in exploration activities, the potential for unexpected costs and expenses, commodity price fluctuations, currency fluctuations, failure to obtain adequate financing on a timely basis and other risks and uncertainties, including those described under Risk Factors in each management discussion and analysis. In addition,



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forward-looking information is based on various assumptions including, without limitation, the expectations and beliefs of management, the assumed long term price of gold, that the Company will receive required permits and access to surface rights, that the Company can access financing, appropriate equipment and sufficient labour and that the political environment within Mexico will continue to support the development of environmentally safe mining projects. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements

17. Other MD&A requirements

- a) Copies of all previously published financial statements, management discussions, meeting materials, etc., are available on the SEDAR website at www.sedar.com, and at the Company's website at www.exmin.com.
- b) Information pursuant to sections of National Instrument 51-102:
 - i) Section 5.3: The Company's continued operations are dependent upon the discovery of economically recoverable reserves, its ability to complete necessary financing to complete the development of properties, and upon future profitable production or from the proceeds from disposition of its mineral properties.

- ii) Section 5.4: Outstanding share data:

Please refer to Note 7 to the interim consolidated financial statements for the Period for additional descriptive information on the contents of the following tables:

Common shares	Shares #	Amount \$	Contributed Surplus (\$)
Balance, December 31, 2005	43,864,011	7,544,109	742,773
Private placement	14,533,333	2,180,000	-
Share issue costs	-	(292,027)	-
Compensation warrants	-	(214,138)	214,138
Private placement MHM	509,090	112,000	-
Exercise of warrants	7,946,000	1,212,200	-
Stock-based compensation	-	-	721,963
Balance, September 30, 2006	66,852,434	10,542,144	1,678,874
Exercise of warrants	1,107,500	221,500	-
Exercise of Agent's warrants	32,100	4,815	-
Balance, date of this MD&A	67,992,034	10,768,459	1,678,874

	Warrants		Stock Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, December 31, 2005	16,447,500	\$ 0.38	204,545	\$ 0.51
Granted	7,266,666	0.20	5,705,000	0.288
Exercised	(406,000)	0.20		
Exercised	(7,525,000)	0.15		
Expired	(610,000)	0.15	(129,545)	0.498
Outstanding, September 30, 2006	15,173,166	0.46	5,780,000	0.291
Exercised	(1,107,500)	0.20	-	-
Outstanding, date of this MD&A	14,065,666	0.44	5,780,000	0.291
Number currently exercisable	14,065,666	\$ 0.44	2,970,000	\$ 0.321



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The following stock options and warrants are outstanding as at the date of this MD&A:

	Number Of Shares	Exercise Price (\$)	Expiry Date	
Stock options:	150,000	0.40	April 14, 2010	
	2,430,000	0.26	April 10, 2011	
	250,000	0.19	July 18, 2011	
	2,950,000	0.32	September 18, 2016	
Warrants:	4,012,500	0.60	February 25, 2007	
	4,000,000	0.60	April 14, 2007	
		then at	0.75	April 14, 2010
	300,000	0.60	June 14, 2007	
	5,753,166	0.20	March 9, 2008	
Agents' options	702,500	0.40	February 25, 2007	
Agents' warrants	1,353,233	0.15	March 28, 2008	

The following table details the stock options granted to the date of publication of this MD&A:

Name	Relationship	No. Options	Weighted average Exercise Price (\$)	Expiry date
Jeffrey Dawson	Director	150,000	0.40	April 14, 2010
		50,000	0.26	April 10, 2011
		50,000	0.32	September 18, 2016
Karl J. Boltz	Director, Officer	1,000,000	0.26	April 10, 2011
		1,000,000	0.32	September 18, 2016
Craig Gibson	Officer	1,000,000	0.26	April 10, 2011
		1,000,000	0.32	September 18, 2016
Kelsey Boltz	Director	500,000	0.32	September 18, 2016
Salvador Miranda	Officer	150,000	0.26	April 10, 2011
		150,000	0.32	September 18, 2016
John Campbell	Director	50,000	0.26	April 10, 2011
		50,000	0.32	September 18, 2016
Donald Rankin	Director	50,000	0.26	April 10, 2011
		50,000	0.32	September 18, 2016
Other consultants	Consultants	130,000	0.26	April 10, 2011
		150,000	0.32	September 18, 2016
Kevin Dougan	Investor Relations	250,000	0.19	July 18, 2011
Balance, date of this MD&A		5,780,000	0.29	

Directors and Officers:

Directors	Officers
Kelsey Boltz (Chairman) Karl J. Boltz John K. Campbell Jeffrey Dawson Donald Rankin	Karl J. Boltz - President and Chief Executive Officer Craig Gibson, Ph.D. - Executive Vice President of Exploration Salvador Miranda - Chief Financial Officer

Contact information:

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