



Item 2 - Interim MD&A for the fiscal three months ended March 31, 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 **May 26, 2006**, is integral to and should be read in conjunction with the Company's interim unaudited consolidated financial statements for the three months ended March 31, 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 as well as four option agreements, and the Urique Project that was acquired in the first quarter, 2006, consisting of the Diana de Oro and related concessions. All concessions are located in the canyon lands of the Sierra Madre Occidental of Southwestern Chihuahua State. This region includes other deposits 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).

The following table summarizes the Mexican properties by project:

Concession	Area Hectares	Comments
<u>Reyna de Oro Project</u>		
La Reyna de Oro group	564	5 Concessions
Luz de Oro	14,255	2 Fractions
	<u>14,819</u>	
<u>Maguarichic Project</u>		
Tati de Oro	38,797	3 Fractions
Alex	98	
Santa Rosa	95	Option
	<u>38,990</u>	
<u>Urique Project</u>		
Diana II	<u>899</u>	
<u>Moris Project</u>		
Gato de Oro group	9,233	16 Concessions
Pilar	832	3 Applications
La Fe Option	267	1 Concession
Oaxaca Option	470	22 Concessions
F. Leal Option	170	5 Concessions
	<u>10,972</u>	
<u>Arechuyvo Project</u>		
Nilda de Oro	35,954	
Mayo	200	Application
Mayo	162	Application
	<u>36,316</u>	
Total	<u>101,996</u>	

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) Reyna de Oro project

EXMIN has acquired a 25% interest in two concessions from certain individuals (the "Owners") covering the Reyna de Oro project (see table below), 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



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- iii) An agreement of purchase and sale dated March 23, 2004 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 \$200,000 on March 23, 2006^(*);
 6. US \$250,000 on September 23, 2006;
 7. US \$300,000 on March 23, 2007;
 8. US \$350,000 on September 23, 2007;
 9. US \$400,000 on March 23, 2008; and
 10. US \$200,000 on September 23, 2008.

^(*) EXMIN has to date paid US \$360,000 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, March 23, 2006, payment was split 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 Metalica, 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



focused 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.

(b) 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 prefeasibility 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 the first quarter of 2006, Peñoles and EXMIN held the first technical committee meeting and agreed upon an exploration program to extend the geologic mapping and sampling along the strongly altered structural zone. This program is now underway.



(c) 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.

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 Cienega, 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.

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.

In addition to the targets mentioned above, EXMIN's land package in the Moris Project surrounds the historic Mesa Las Tunas/El Pilar and La Cienega areas.

EXMIN has divided the land package, as described above, into two projects: the Moris Project, consisting of the properties described above, and the Arechuyvo project, which consists of land acquired to the south of the Moris district extending 20 kilometres southward to the Arechuyvo district. The northern part of this area is prospective for structurally controlled bonanza vein systems 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.

d) Urique project

Subsequent to March 31, 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"), for a cash payment to the vendor of US \$100,000 for 100% of the rights to 9 of the concessions, and entered into a Letter of Agreement to option an additional concession. Payments totalling US \$200,000 will be stages over four years.

Concurrently with this acquisition, the Company has entered into a Letter of Agreement with Yale Resources ("Yale") to option the Urique property package, along with the Company's 100% owned Diana II concession and the LOA to option the El Vergel concession. 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 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.



e) Street Township

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.

Expenditures in mineral properties

The following table details the exploration investments for the Period:

	Reyna de Oro Project (a)	Maguarichic Project (b)	Moris Project (c)	Arechuyvo Proect (c)	Urique Project (d)	Street Township Project (e)	Total
Balance, December 31, 2005	\$ 1,874,872	\$ 119,174	\$ 223,275	\$ -	\$ -	\$ 190,660	\$ 2,407,981
Acquisition costs	71,062	-	20,532	3,690	11,994	-	107,278
Earn-in cost reduction	-	(65,745)	-	-	-	-	(65,745)
Claim legal rights	39,367	384	9,851	18,199	-	-	67,801
Consulting and professional	18,013	4,583	26,742	-	-	-	49,338
Drilling	44,619	-	-	-	-	-	44,619
Equipment maintenance	297	-	-	-	-	-	297
Field office	453	9	9	-	-	-	471
Fuel	24	-	-	-	-	-	24
Materials and tools	272	23	107	12	-	-	414
Mineral sample analysis	1,214	-	634	-	-	-	1,848
Traveling and camp meals	2,055	169	620	88	-	-	2,932
Other	5,879	535	7,024	414	6,542	-	20,394
	183,255	(60,042)	65,519	22,403	18,536	-	229,671
Balance, March 31, 2006	\$ 2,058,127	\$ 59,132	\$ 288,794	\$ 22,403	\$ 18,536	\$ 190,660	\$ 2,637,652



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 brokers 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, amounted to \$79,847
- During the Period and to the date of this MD&A, \$195,000 have been received on exercise of 1,300,000 share purchase warrants with an exercise price of \$0.15.

Working Capital

As at March 31, 2006, the Company had working capital of \$1,772,717 (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 \$108,485 (December 31, 2005: \$34,785) include the following:

- Canadian Goods and Services Tax (GST) refund receivable for \$7,356 (Dec. 31, 2005: \$34,785) of which \$2,666 were received subsequent to the end of the Period.
- Mexican Value Added Tax (IVA) refundable of \$34,289
- Subscription receivable of \$66,840 related to the March 10, 2006 private placement



receivable of \$66,840 (received subsequent to the end of the Period).

Current liabilities as at March 31, 2006 totalled \$187,798 (Dec. 31, 2005: \$112,152) include, among other smaller items:

- Accrual of \$53,250 in audit fees accrued, corresponding to fiscal year 2005 and a proportional amount for fiscal year 2006;
- Accrual of \$4,286 for annual filing fees of 2005 (paid), and a proportional amount corresponding to the 2006 fees
- Legal fees payable of \$44,951
- \$51,833 payable to related parties
- \$10,427 of trade payables in Mexico.

Equipment:

Equipment consists of computer equipment, furniture and fixtures for investor relations activities, and five 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%

	March 31, 2006			Dec. 31, 2005
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicles	\$ 81,070	\$ (21,336)	\$ 59,734	\$ 60,205
Computer equipment	1,337	(300)	1,037	1,137
Furniture and fixtures	3,011	(380)	2,631	2,354
	<u>\$ 85,418</u>	<u>\$ (22,016)</u>	<u>\$ 63,402</u>	<u>\$ 63,696</u>

Deferred Exploration Costs

The balance sheet of the Company shows deferred expenditures for the Period of \$2,637,652 (December 31, 2005: \$2,407,981). The table presented in section 2 above provides further details. During the period, the Company spent \$295,416 in its Chihuahua, Mexico Properties, and recovered \$65,745 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 \$296,774 or \$0.01 per share, compared to \$17,657 or \$Nil per share for the same period of the previous year, when the acquisition of EXMIN Inc. had not been completed yet.

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



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

EXPENSES	Amount	Percentage
<u>Cash</u>		
Automobile	4,356	1.46%
Bank charges	1,209	0.41%
Consulting	97,234	32.65%
Directors' fees	12,000	4.03%
Filing fees	7,815	2.62%
Investor relations	27,416	9.21%
Miscellaneous	52	0.02%
Office	26,389	8.86%
Professional fees	67,688	22.73%
Property examination cost	24,206	8.13%
Selling, general and administrative	-	0.00%
Travel	19,420	6.52%
	<u>287,785</u>	<u>96.64%</u>
<u>Non-cash</u>		
Amortization	4,715	1.58%
Foreign exchange loss	2,663	0.89%
Stock-based compensation	2,625	0.88%
	<u>10,003</u>	<u>3.36%</u>
	<u>297,788</u>	<u>100.00%</u>

Due to the fact that the acquisition of EXMIN Inc. took place after the end of the first quarter of 2005, no comparative analysis with expenses of the same period in the prior year is performed here. During that period the only expense was \$34,657 related to administration and office expenses.

During the Period there was no revenue other than \$1,014 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.

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

Investor relations expenses include the payment of the Company's investor relations person at a rate of \$2,500 per month, plus certain expenses associated with participation at conferences, etc.

Professional fees include audit (\$37,950), accounting & administration (13,250), legal fees (10,560) and geological consulting (\$6,628).

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 Mar 31	2005 Dec 31	2005 Sep 30	2005 Jun 30	2005 Mar. 31	2004 Dec. 31	2004 Sept. 30	2004 June 30
Total revenues	1,014	-	-	-	-	176,893	185,042	152,140
Income/(loss) from operations	(297,788)	(324,380)	(214,112)	(421,759)	(34,657)	99,966	(127,285)	(111,029)
Income/(loss) from operations per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	0.00	(0.01)	(0.01)
Loss	(296,774)	(1,118,623)	(351,571)	(425,322)	(17,657)	(36,843)	(132,098)	(117,240)
Net income/(loss) per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)
Total assets	4,661,569	2,915,419	3,350,267	3,730,262	3,706,980	872,616	1,086,694	236,671

The increase in total assets for the most current quarter is related to the private placement financing that took place during the Period.

6. Liquidity

At the end of the Period the Company had cash and accounts receivable of \$1,915,445 (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.

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

- (a) Office administration and accounting fees totalling \$13,250 (2005 – nil) were paid to InterAmerica Consulting & Development Inc., a company owned by Mr. Salvador Miranda, Chief Financial Officer of the Company.
- (b) Consulting fees totalling \$34,629 (US \$30,000) (2005 - nil) were paid to Mr. Karl J. Boltz, President of the Company.
- (c) Consulting fees totalling \$10,389 (US \$9,000) (2005 - nil) were paid to Mr. Kelsey Boltz, Director of the Company.
- (d) The Company paid \$34,629 (US \$30,000) (2005 - nil) in consulting fees to Mr. Craig Gibson, Executive Vice-President of Exploration of the Company, in relation to geological and exploration work.
- (e) Directors' fees of \$12,000 (2005: \$Nil) were accrued to Messrs. John Campbell, Jeffrey Dawson and Donald Ranking for attendance to four Board meetings, each of them receiving \$4,000.
- (f) Included in accounts payable and accrued liabilities are the following amounts:
 - (i) \$1,191 (2005: nil) due to a company controlled by Mr. Miranda for accounting, administration services and reimbursable expenses.
 - (ii) \$12,974 (2005: nil) due to Mr. Gibson in Consulting fees for geological services.
 - (iii) \$16,324 (2005: nil) due to Mr. Karl J. Boltz in consulting fees and reimbursable expenses.
 - (iv) \$9,344 (2005: nil) due to Mr. Kelsey Boltz in consulting fees.
 - (v) \$12,000 payable to the directors mentioned in (e), above.

10. First quarter 2006

The following are the most relevant issues of the First quarter 2006:

- The private placement financing closed on March 10, 2006, described in Section 3, above.
- The signing of an earn-in option agreement with Industrias Peñoles on February 13, 2006, as mentioned in Section 2(b) above, concerning the Mahuarichic project.
- The signing of an earn-in option agreement with Mauricio Hochschild & Cia. Ltda on March 16, 2006, and mentioned in Section 2(c) above, concerning the Moris project.

11. Proposed transactions and activities

As indicated in 2(d) above, EXMIN has entered into a Letter of Agreement with Yale to option the Urique property package, along with the Company's 100% owned Diana II concession and the LOA to option the El Vergel concession. 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

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. 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	-	(290,347)	-
Compensation warrants	-	(214,138)	214,138
Exercise of warrants	500,000	75,000	-
Stock-based compensation	-	-	2,625
Balance, March 31, 2006	58,897,344	9,294,624	959,536
Exercise of warrants	800,000	120,000	-
Balance, date of this MD&A	59,697,344	9,414,624	959,536

	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	-	-
Exercised	(500,000)	0.15	-	-
Outstanding, March 31, 2006	23,214,166	0.32	204,545	0.51
Granted	-	-	2,505,000	0.26
Exercised	(800,000)	0.15	-	-
Outstanding, date of this MD&A	22,414,166	0.35	2,709,545	0.28
Number currently exercisable	22,414,166	\$ 0.35	204,545	\$ 0.51



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:	54,545	\$ 0.825	July 31, 2006
	150,000	0.40	April 14, 2010
	2,505,000	0.26	April 10, 2011
Warrants:	6,835,000	0.15	June 7, 2006 to September 17, 2006
	4,012,500	0.60	February 25, 2007
	4,000,000	0.60	April 14, 2007
		then at	0.75
	300,000	0.60	April 14, 2010
	7,266,666	0.20	June 14, 2007 March 9, 2008
Agents' options	702,500	0.40	February 25, 2007
Agents' warrants	1,403,333	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	54,545	0.825	July 31, 2006
Jeffrey Dawson	Director	150,000	0.40	April 14, 2010
Karl J. Boltz	Director, Officer	1,000,000	0.26	April 10, 2011
Craig Gibson	Officer	1,000,000	0.26	April 10, 2011
Salvador Miranda	Officer	150,000	0.26	April 10, 2011
John Campbell	Director	50,000	0.26	April 10, 2011
Jeffrey Dawson	Director	50,000	0.26	April 10, 2011
Donald Rankin	Director	50,000	0.26	April 10, 2011
Alene Stolle	Consultant	75,000	0.26	April 10, 2011
Other consultants	Consultants	130,000	0.26	April 10, 2011
Balance, date of this MD&A		2,709,545	0.28	

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:

Corporate and strategic	Exploration and technical	Administration and finance	Investor Relations
Mr. Karl J. Boltz President & CEO Telephone (714) 573-0760 karl.boltz@exmin.com	Dr. Craig Gibson VP Exploration Telephones (604) 288-4270 or +52 (614) 418-1700 craig.gibson@exmin.com	Mr. Salvador Miranda CFO Telephone (604) 806-6110 salvador.miranda@exmin.com	Ms. Laney Stolle Telephone 1-888-244-0304 laney.stolle@exmin.com