

MANAGEMENT DISCUSSION & ANALYSIS

For the quarter ended October 31, 2006

Date of Report: December 22, 2006

Directors and Officers as at December 22, 2006:

Directors:

Martin Auyeung
David Baker
Walter Peredery
Earl Terris

Officers:

David Baker, President & CEO
David Cass, VP - Corporate Development
Bill Stone, VP- Exploration

Contact Name:

David Baker

Website:

www.goldbrookventures.com

TSX Venture Exchange Symbol:

GBK

GOLDBROOK VENTURES INC.

MANAGEMENT DISCUSSION & ANALYSIS

For the Quarter Ended October 31, 2006

1.1 Date of This Report

December 22, 2006

1.2 Overall Performance

Description of Business

The Company was incorporated as Goldbrook Explorations Inc. under the Ontario *Business Corporations Act* on May 20, 1983. On July 22, 2002, the Company changed its name to Goldbrook Ventures Inc. In addition, the Company consolidated its capital on a 3 old for 1 new basis. On April 14, 2003, the Company was granted a Certificate of Continuation under the Company Act of British Columbia.

The Company's registered and records office in British Columbia is Suite 1550, 200 Burrard Street, Vancouver, British Columbia, V6C 3L6. The Company's telephone number is (604) 683-8083. The Company's Shares are currently listed for trading on the TSX Venture Exchange under the symbol "GBK".

On February 6, 2004, the Company announced that shares of Goldbrook Ventures Inc. would commence trading on the Frankfurt Stock Exchange under the trading symbol "GVE".

The Company is a publicly traded junior resource company. In the past fiscal years until 2001, the Company was involved, to a limited extent, in the exploration of various mineral properties. As of 2001, the Company had written down all of its investments in its mineral properties; and was deemed inactive by the Exchange on September 7, 2001. On August 1, 2002, the Company completed its reactivation plan and the Exchange removed the inactive status.

On September 6, 2005, the Company announced that in accordance with TSX Venture Exchange policy 2.5, the Company had met the requirements for a Tier 1 company. Effective September 2, 2005, the Company's tier classification changed from Tier 2 to Tier 1 – mineral exploration and development company.

The Company's mineral properties consist of the following:

- Onaman River, Onaman Lake Township, Ontario;

Raglan Area, District of Northern Quebec:

- Ungava;
- Nuvilik,
- Belanger;
- Wakeham (Inlet);
- Masuparia;
- Ubex;
- VVC; and
- Scott.

1.3 Selected Annual Information

The highlights of financial data for the Company for the three most recently completed financial years are as follows:

	<u>April 30, 2006</u>	<u>April 30, 2005</u>	<u>April 30, 2004</u>
(a) Net sales	-	-	-
(b) Loss before extraordinary items			
(i) Total loss	\$1,480,235	\$3,013,618	\$876,654
(ii) Loss per share – basic	\$0.03	\$0.07	\$0.03
(iii) Loss per share – diluted	\$0.03	\$0.07	\$0.03
(c) Net loss			
(i) Total loss	\$1,480,235	\$3,013,618	\$876,654
(ii) Loss per share – basic	\$0.03	\$0.07	\$0.03
(iii) Loss per share – diluted	\$0.03	\$0.07	\$0.03
(d) Total assets	\$14,576,162	\$14,288,182	\$8,209,860
(e) Total long-term liabilities	-	-	-
(f) Cash dividends declared per-share	N/A	N/A	N/A

1.4 Results of Operations

Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the financial statements of the Company and notes attached hereto.

Mineral Properties

Onaman River Property

For the year ended April 30, 2002, these mining claims were carried at a nominal value of \$1.00 and represented an 80% interest in the Onaman River Property, Onaman Lake Township, Ontario, subject to 30% net profits royalties on two separate groups of claims and a net smelter royalty of 2% - 3% on the balance of claims. The Company wrote-off the nominal value of \$1.00 in the year ended April 30, 2003. The Onaman claims remain in good standing.

Minimal expenses were incurred to maintain the Onaman claims in good standing during the six months ended October 31, 2006.

Raglan Area Properties – District of Northern Quebec

The Company currently has eight separate property agreements in the Ungava Region and on April 25, 2005 announced an option and joint venture agreement with Anglo American Exploration (Canada) Ltd.

Anglo American Exploration (Canada) Ltd. option and joint venture agreement

On April 25, 2005, the Company signed the definitive option and joint venture agreement (“Agreement”) with Anglo American Exploration (Canada) Ltd. (“AAEC”) with respect to the Company’s Nuvilik and Belanger properties (the “Properties”). The Agreement granted AAEC the option to acquire up to a 70% interest in the Properties by funding exploration and delivering a full feasibility study.

AAEC may earn an undivided 51% interest in the Properties by funding not less than \$20 million in exploration expenditures on or before the fourth anniversary of the Agreement. AAEC has committed to fund \$5 million in exploration before March 31, 2006. AAEC may earn an additional 19%, taking its total interest to 70%, by funding and delivering a full feasibility study. AAEC may terminate the option at any time after incurring a minimum of \$5 million in exploration expenditures. AAEC shall be the operator during the exploration phase and all other phases provided it holds at least a 50% interest.

Should a decision be made to proceed to development, AAEC has agreed to use reasonable efforts to arrange development financing based on the then prevailing market conditions for financings of the project then contemplated. The Company will have the option of either accepting the financing arranged by AAEC or arranging its own financing. Following a development decision, each party shall be obligated to fund its pro rata share of all costs. A party who fails to fund its share of costs shall be diluted pro rata. A party that has its interests reduced to 10% or less shall have the option of receiving a 3% net smelter royalty (1.5% of which may be purchased for \$5 million) or receiving the fair market value of the 3% net smelter royalty.

On August 2, 2005, the Company announced that AAEC had begun diamond drilling on the Belanger property in the Raglan District of northern Quebec.

The 2005 exploration program by AAEC included geological mapping and prospecting, ground based geophysical surveys, and soil geochemistry surveys on both the Belanger and Nuvilik properties. Diamond drilling during the 2005 exploration program was to be completed on the Belanger property to follow-up areas of mineralization identified during the 2004 exploration program, and to test emerging targets elsewhere on the Belanger Property. The results of this program were subsequently reported by the Company in press releases dated October 11 and November 23 2005.

On December 15, 2005, AAEC had given notice to the Company that they will be proceeding with a 2006 exploration program on the Belanger and Nuvilik properties. Subsequent management meetings were held between the Company and AAEC on January 20, 2006, March 31, 2006 and June 5, 2006, to discuss budget, assessment report filing, and field program technicalities and logistics. Transportation of fuel and equipment was completed and crews were mobilized and the program commenced in June, based out of the Lac Mitiq exploration camp.

On June 10, 2006, the Company announced that AAEC had begun diamond drilling on the Belanger property in the Raglan District of northern Quebec.

Goldbrook's 100%-owned claims

On June 5 2006 the Company announced its own plans for a \$4 million exploration program. The objective of the 2006 exploration program was the systematic exploration of Goldbrook's claims not under option by Anglo American (423,000 acres). The exploration program involved prospecting, mapping, sampling and drilling of preliminary targets mainly in the east and central parts of the Raglan District. The program was completed on September 29 and field crews were demobilized and the Lac Guindeau camp closed down for the season on October 4.

Property # 1 - Belanger:

By Letter of Intent dated March 26, 2003, and subsequent regulatory approvals dated April 4, 2003, the Company acquired from Mackenzie James a 100% interest in 90,675 acres in the Ungava region of Northern Quebec under the following terms:

- (i) The Company will make a payment of \$90,000 to the vendor upon receipt of Exchange approval (paid);
- (ii) The Company will issue 1,200,000 common shares of Goldbrook to the vendor upon receipt of Exchange approval (issued). These shares were issued at a deemed price of \$0.42 per share, for a total of \$504,000;
- (iii) The property is subject to a 1% net smelter return on any mineral production from the property and the Company has the option to purchase up to one-half of the 1% royalty for \$1,000,000.

On January 6, 2004, the Company announced the acquisition of five mineral claims comprising 198 acres located within the boundaries of the Company's 90,675-acre Belanger Property in the western part of the Raglan District, northern Quebec. The consideration payable for a 100% interest in the subject property is 200,000 common shares to be issued on receipt of Exchange approval. On January 16, 2004, the TSX Venture Exchange approved the Company's "Expedited Acquisition Filing" and the 200,000 shares were issued at a price of \$0.45 per share for a total of \$90,000.

On April 25, 2005, the Company signed the definitive option and joint venture agreement ("Agreement") with Anglo American Exploration (Canada) Ltd. ("AAEC") with respect to the Company's Nuvilik and Belanger properties (see above for details).

Exploration Results and Future Developments

The 2006 exploration program commenced June 19 and was completed by Anglo on September 19. The focus of the program was drilling of individual targets within the Belanger and Nuvilik trends and assessment of regional targets elsewhere in the claims by geochemistry and ground geophysics (walking magnetometry and HLEM). A total of 4,741 m were drilled in 25 holes. A total of 618 rock/core samples were sent for assay, and 3,135 soil/till geochemical samples sent for analysis. No results were available by quarter-end.

The nickel, copper and PGE-bearing sulphide drill hole intercepts and surface occurrences discovered to date at Belanger are part of a 20 km long mineralized trend known as the Belanger Trend. The 2006 program was focused within this trend, to test new and existing targets, including PAD-1 (24.73m @ 0.85% Ni, 1.49% Cu, 1.28 g/t PGE), and Timtu (8.65m @ 1.01% Ni, 0.63% Cu, and 2.38 g/t PGE) discovered during 2005. Interpretation of results from three-dimensional modelling of the Getty and Sylvie areas has resulted in several drill targets to test down plunge and along-strike extensions. Elsewhere prospecting, mapping, soil geochemical sampling and ground geophysics focused on early-stage "regional" targets in the west part of the Belanger claims. Results from drilling, including assays are pending and expected to be released by Anglo in Q4.

Property # 2 - Nuvilik:

By Letter of Intent dated March 26, 2003, and subsequent regulatory approvals dated April 4, 2003, the Company acquired from Peter Bambic a 100% interest in 55,421 acres in the Ungava region of Northern Quebec under the following terms:

- (i) The Company will make a payment of \$50,000 to the vendor upon receipt of Exchange approval (paid);
- (ii) The Company will issue 800,000 common shares of Goldbrook to the vendor upon receipt of Exchange approval (issued). These shares were issued at a deemed price of \$0.42 per share for a total of \$336,000;
- (iii) The property is subject to a 1% net smelter return on any mineral production from the property and the Company has the option to purchase up to one-half of the 1% royalty for \$1,000,000.

On April 25, 2005, the Company signed the definitive option and joint venture agreement ("Agreement") with AAEC with respect to the Company's Nuvilik and Belanger properties (see above for details).

Exploration Results and Future Developments

The 2006 exploration program was completed by Anglo on the September 19. A total of four holes were drilled. Analytical results are pending from Anglo.

Prospecting of targets generated by Goldbrook geologists on the Nuvilik claims excluded from the Anglo American option were investigated in a systematic manner. The Turquoise showing, consisting of sulphide showings traceable intermittently on surface for up to 4 km underwent mapping, ground geophysics and soil sampling. Prospective targets will be drilled in 2007.

Property #3 - Ungava:

By Letter of Intent dated January 23, 2003, and subsequent regulatory approvals dated January 31, 2003, the Company acquired from Peter Bambic a 100% interest in 99,014 acres in the Ungava region of Northern Quebec under the following terms:

- (i) The Company will make a payment of \$100,000 to the vendor upon receipt of Exchange approval (Paid);
- (ii) The Company will issue one million common shares of Goldbrook to the vendor upon receipt of Exchange approval (issued). These shares were issued at a price of \$0.27 per share for a total of \$270,000;
- (iii) The property is subject to a 1% net smelter return on any mineral production from the property and the Company has the option to purchase up to one-half of the 1% royalty for \$1,000,000.

Property # 4 – Wakeham (Inlet):

On August 7, 2003, the Company announced the acquisition from Inlet Resources Ltd. (“Inlet”) of the exclusive option to earn up to an 80% interest in and to a 74,280-acre parcel of staked mineral claims located in the Ungava region of Quebec (the “Wakeham Property”).

The terms of the property acquisition provide for the Company to earn a 60% undivided interest in the Wakeham Property (the “Property”) through the delivery of 500,000 common shares (200,000 shares, after receipt of Exchange approval, 100,000 shares on August 7, 2004, 100,000 on August 7, 2005, and 100,000 shares on August 7, 2007) and incurring an aggregate of \$3,500,000 of work expenditures on the Property.

The agreement also included other options for the Company to acquire additional interests in the property. The TSX Venture Exchange accepted the agreement on September 24, 2003 and Goldbrook issued Inlet 200,000 common shares on October 2, 2003 at a price of \$0.61 per share for a total of \$122,000.

This agreement has since been replaced by a new agreement discussed below.

On July 30, 2004, the Company announced that it had reached an agreement with Inlet whereby the Company will acquire all of Inlet’s interest in the Wakeham Property in consideration of the issuance of 3,000,000 common shares of the Company.

This Agreement replaces the option previously granted to the Company by Inlet to earn up to an 80% interest in the Property. The Wakeham Property is subject to a 1% net smelter return royalty on any mineral production from the Property. The Company has the option to purchase one-half of this royalty for \$1 million.

On August 31, 2004, the Company received TSX acceptance pertaining to the acquisition from Inlet of a 100% interest in the Wakeham Property. The TSX deemed the value of the shares to be \$0.53 per share but the issued shares were to be placed into escrow, and released to Inlet on the basis of one share for each \$0.42 in expenditures made by the Company.

The Company issued 3 million common shares to Inlet in accordance with the property agreement. Those shares were held in escrow by the Company’s escrow and transfer agent, and were fully released in September 2006.

Property # 5 (Masuparia):

On August 7, 2003, the Company announced the acquisition from Masuparia Gold Corporation (“Masuparia”) of the exclusive option to earn up to an 80% interest in and to 71,252 acres in the Ungava region of northern Quebec.

The terms of the property acquisition provide for the Company to earn a 60% undivided interest in Masuparia’s property through the delivery of 500,000 common shares (200,000 shares, after receipt of Exchange approval, 100,000 shares on August 7, 2004, 100,000 on August 7, 2005, and 100,000 shares on August 7, 2007) and incurring an aggregate of \$3,500,000 of work expenditures on the property.

The agreement also included other options for the Company to acquire additional interests in the property. The TSX Venture Exchange accepted the agreement on October 23, 2003 and Goldbrook issued 200,000 common shares on November 4, 2003, at a deemed price of \$0.61 per share for a total of \$122,000.

This agreement has since been replaced by a new agreement discussed below.

On July 30, 2004, the Company announced that it had reached an agreement with Masuparia whereby the Company will acquire all of Masuparia’s interest in Masuparia’s 71,252 acres in the Raglan region of northern Quebec (the “Property”). In consideration of the acquisition, the Company will issue 3,000,000 of its common shares to Masuparia.

This Agreement replaces the option previously granted to the Company by Masuparia to earn up to an 80% interest in the Property. The Masuparia Property is subject to a 1% net smelter return royalty on any mineral production from the Property. The Company has the option to purchase one-half of this royalty for \$1 million.

On August 30, 2004 the Company received TSX acceptance pertaining to the acquisition from Masuparia of a 100% interest in the Property. The TSX deemed the value of the shares to be \$0.53 per share but the issued shares were to be placed into escrow, and released to Masuparia on the basis of one share for each \$0.42 in expenditures made by the Company.

The Company issued 3 million common shares to Masuparia in accordance with the property agreement. The shares are held in escrow by the Company’s escrow and transfer agent, Computershare Investor Services Inc. In September 2006, 578,864 of the 3 million common shares issued to Masuparia Gold Corporation in escrow were released.

Property # 6 (Ubex):

On March 30, 2004, the Company entered into an agreement with Ubex Capital Inc., Menace Capital Corp., and Monaco Investment Corp. (collectively, the "Vendors") to acquire a 100% interest in 334 mineral claims comprising approximately 31,850 acres located as four property groups in the Ungava Area, Province of Quebec. The consideration payable for a 100% interest in the subject property was 125,000 common shares issued on receipt of Exchange approval and cash payments totaling \$30,000 (paid). The TSX Venture Exchange accepted the agreement on April 12, 2004 and Goldbrook issued 125,000 common shares on April 12, 2004, at a deemed price of \$0.48 per share for a total of \$60,000.

Pursuant to the agreement, the Vendors will retain a 1% net smelter return royalty of which 0.5% may be purchased by the Company for \$1,000,000.

Property # 7 (VVC):

On March 29, 2004, the Company entered into an agreement with VVC Exploration Corporation and Aavdex Corporation to acquire a 70% interest in 894 mineral claims comprising 36,753.40 hectares located in the Ungava Area, Province of Quebec from VVC Exploration Corporation ("the property"). Aavdex Corporation acquired the remaining 30% interest in the claims and agreed to form a joint venture with the Company to further explore and develop the property. As consideration for the 70% interest, the Company issued 200,000 common shares to VVC Exploration Corporation on receipt of Exchange approval and incurred sufficient work expenditures to extend the expiry date of all claims for a period of one year.

Additional joint venture work expenditures with Aavdex Corporation will be split 70/30 between the Company and Aavdex Corporation per the joint venture arrangement. In addition, there is a 2% net smelter return of which 1.5% can be purchased by the Company and Aavdex for \$500,000 per 0.5%.

The TSX Venture Exchange accepted the agreement on April 8, 2004 and Goldbrook issued 200,000 common shares on April 8, 2004, at a deemed price of \$0.48 per share for a total of \$96,000.

On April 5, 2005, the Company entered into an agreement with Aavdex to buy its 30% interest in the property. The transaction will give the Company a 100% stake in the claims subject to a 2% NSR.

Under the terms of the agreement, the Company will pay to Aavdex \$90,000 (paid) and issue from treasury 225,000 common shares (issued) to Aavdex. The Company has the right to buy back, at any time, at a price of \$500,000 per 0.5% NSR, up to a total of 1.5% NSR. The TSX Exchange accepted the agreement on April 26, 2005 and the 225,000 common shares were issued on the same day.

Property # 8 (Scott):

On April 6, 2004, the Company entered into an agreement with Mr. Peter Bambic to acquire a 100% interest in 278 mineral claims comprising 29,057.48 acres located in Raglan District, Province of Quebec. The consideration payable for the property was \$21,291 (paid).

Pursuant to the agreement, the property is subject to a 1% net smelter return on any mineral production from the property. The Company has the option to purchase up to 50% of the 1% royalty for \$500,000.

Exploration Results and Future Developments (Properties 3 – 8)

A total of 817 surface rock and drill core samples and 1,623 soil and till samples were collected for analysis during the exploration program. A total of 9,403 line km of airborne geophysics (AeroTEM II system) were flown by the AeroQuest.

The exploration program was successful in the discovery of at least 15 new sulphide showings on the claims. Several were followed up by mapping and ground geophysics to define drill targets. Drilling commenced on August 11 for a total of 2,376 metres in 16 holes. Eight 8 holes were drilled in the Nancy region and 8 additional holes were drilled on 2 other targets. Given the number of new showings discovered, in particular the Turquoise showing located in the Nuvilik region, the exploration budget was increased from \$4 million to \$6 million to follow up as many targets as possible with mapping and ground geophysics, in order to define targets for drill testing in 2007.

In the Nancy region, Wakeham property, prospecting and the mapping of ultramafic sills increased the area of known showings to the east and south. Drilling of targets based on mapping, geological interpretation and near-surface (<75m) geophysical conductors was undertaken. An additional two targets were also drilled in the Ungava and Masuparia claim blocks. A total of 12 holes were surveyed by down-hole pulse EM for 1731 metres in total.

Rock and core assay and soil and till sample results are pending at the time of writing.

Results of Operations

The loss for the six months ended October 31, 2006 was \$434,462 as compared with a loss of \$673,859 for the six months ended October 31, 2005. The increases and decreases in the expenses for the three months were in the following categories:

- Consulting fees decreased by \$92,528 as the geological consulting expenses have been capitalized to properties;
- Professional fees decreased by \$46,476 due to the decreased sponsor/financial advisory fees compare to the six months ended October 31, 2005;
- Stock option compensation expenses increased by \$30,860 comparing to the six months ended October 31, 2005;

Below is a comparison of the General and Administration Expenses during the three months ended October 31, 2006 and 2005:

	Oct. 31, 2006	Oct. 31, 2005	Increase (Decrease)
Amortization	7,072	6,695	377
Consulting fees	121,265	213,793	(92,528)
Foreign exchange	-	8,276	(8,276)
Office & general expenses	17,465	36,910	(19,445)
Management fees	40,000	30,000	10,000
Professional fees	46,693	93,169	(46,476)
Property investigation	2,277	1,576	701
Regulatory fees and services	38,969	29,100	9,869
Rent and telephone	29,175	43,113	(13,938)
Shareholders' communication, travel and promotions	145,190	163,746	(18,556)
Stock option compensation	102,680	71,820	30,860
Wages and benefits	40,536	32,146	8,390
Total	\$591,322	\$730,344	\$(139,022)

Investor Relations Activities

Currently, the Company has no formal arrangements in place with respect to investor relations. Three spokespersons are assigned to respond to any shareholder or investor calls. They are also responsible for handling shareholder mail-outs and represent the Company in trade shows and conferences.

During the six months, the Company issued press releases, responded to investor inquiries and conducted shareholder and investor mail outs.

Financings, Principal Purposes & Milestones

On October 5, 2006, the Company closed its private placement of flow-through units (the "FT Units") and units (the "Units") with Pacific International Securities Inc. acting as agent (the "Agent"). Pursuant to the private placement, the Company has issued 17,200,000 FT Units at a price of \$0.35 per FT Unit and 500,000 Units at a price of \$0.30 per Unit, for gross proceeds of \$6,170,000.

Each FT Unit consists of: i) one flow-through common share; ii) one half of one transferable non-flow-through share purchase warrant (an "A Warrant"), each whole A Warrant being exercisable into one common share for three years at a price of \$0.45; and iii) one half of one transferable non-flow-through share purchase warrant (a "B Warrant"), each whole B Warrant being exercisable into one common share for three years at a price of \$1.00. Each Unit consists of: i) one non-flow-through common share; ii) one half of one A Warrant; and iii) one half of one B Warrant.

As consideration for acting as agent, the Agent received a cash commission of \$223,932.50, 693,225 units with the same terms as the Units, and 1,770,000 agent's options (the "Agent's Options"). Each Agent's Option is exercisable for one common share for two years at a price of \$0.45.

All of the securities issued pursuant to the private placement are subject to a hold period expiring on February 6, 2007.

The proceeds from the private placement will be used for exploration on the eastern and central parts of Goldbrook's property in Raglan, Quebec. The proceeds from the sale of the FT Units will be used for exploration expenses that will constitute Canadian exploration expenses (as defined in the Income Tax Act) and will be renounced for the 2006 taxation year.

1.4 Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Q2 31-Oct-06	Q1 31-Jul-06	Q4 30-Apr-06	Q3 31-Jan-06	Q2 31-Oct-05	Q1 31-Jul-05	Q4 30-Apr-05	Q3 31-Jan-05
Net sales	-	-	-	88,478	-	34,867	-	-
Net Loss:								
Total	\$169,492	\$264,970	\$297,978	\$508,398	\$375,646	\$298,213	\$1,026,494	\$281,280
Per share	\$0.003	\$0.004	\$0.01	\$0.01	\$0.01	\$0.01	\$0.03	\$0.01
Per share	\$0.003	\$0.004	\$0.031	\$0.01	\$0.01	\$0.01	\$0.03	\$0.01
- diluted								

Discussion

For the quarter ended October 31, 2006, please refer to Section 1.4 - *Results of Operations*.

1.5 Liquidity

As the Company has no revenue generating projects at this time, the ability of the Company to carry out its business plan rests with its ability to secure equity and other financings.

At October 31, 2006, the Company has total assets of \$23,360,897. The primary assets of the Company are cash of \$5,765,893, accounts receivable of \$847,849, short term investments in public companies at cost of \$300,492, and mineral properties with a historic cost of \$16,343,243. The Company has no long-term liabilities and has working capital of \$3,841,020.

The Company will require additional financing to fund any new acquisitions, exploration programs as well as its holding costs on all of its properties. The ability of the Company to successfully fund the Ungava properties and to acquire additional projects is conditional on its ability to secure financing when required. The Company proposes to meet any additional financing requirements through the exercise of outstanding warrants, or arranging other forms of equity financing. In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions will be possible at the times required or desired by the Company.

1.6 Capital Resources

The only capital resource of the Company is the mineral properties with a historic cost of \$16,343,243. The Company is committed to further expenditures on these properties, as detailed in Section 1.4 - *Results of Operations*.

1.7 Off Balance Sheet Arrangements

There is no off-balance sheet arrangements to which the Company is committed.

1.8 Transactions with Related Parties

There is no amount due to related parties included in accounts payable and accrued liabilities at October 31, 2006 (October 31, 2005 - \$2,754).

During the six months ended October 31, 2006 and 2005, the Company was charged the following amounts by directors and officers of the Company or by companies controlled by directors, officers, and related parties:

	October 31	
	<u>2006</u>	<u>2005</u>
Consulting fees		
- Financial	\$ 15,000	\$ 32,500
- Marketing	21,000	8,500
- Shareholders' communication	30,000	-
Corporate and administration fees	-	25,000
Management fees	40,000	30,000
Website fees	9,000	9,000
Deferred exploration costs	95,750	80,000
Total	<u>\$ 210,750</u>	<u>\$ 185,000</u>

1.9 Second Quarter

Second quarter results do not differ significantly from other quarters.

1.10 Proposed Transactions

None.

1.11 Critical Accounting Estimates

N/A

1.12 Changes in Accounting Policies

N/A

1.13 Financial Instruments and Other Instruments

For cash and equivalents, accounts receivable, investment in public company shares, and accounts payable and accrued liabilities, the carrying amounts of these financial instruments approximate their fair value, except for the investment in public company shares which are recorded at cost of \$300,492, with a market value of \$234,870 at October 31, 2006. The decrease in value of \$65,622 is not recorded in these financial statements.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial statements.

The recoverability of the amounts capitalized for the mineral properties under exploration is dependent upon the determination of economically recoverable ore reserves, the ability to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

1.14 Other MD&A Requirements

Disclosure of Outstanding Share Capital

	Number of shares	Book Value
Common Shares	80,189,438	\$ 25,579,804
Incentive Stock Options	5,629,000	\$ 1,355,315
Warrants	30,235,025	\$ 17,153,128

Additional Disclosure

The Company is a venture issuer that has not had significant revenue from operations in either of its last two financial years. The Company has capitalized all expenditures relating to the exploration of its mineral properties. Details of deferred expenditures for each property are as follows:

Summary of Mineral Properties, October 31, 2006

Refer to the financial statements and notes of the Company.

Other Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Subsequent Events

On November 2, 2006, the Company announced that it had engaged Gilford Securities Incorporated (“Gilford”) as its non-exclusive advisor to provide financial consulting and advisory services. In exchange for these services, the Company will pay a quarterly retainer and issue stock options to purchase 500,000 of the Company’s shares for a period of three years or until the agreement is terminated, whichever is earlier, at an exercise price equal to 110% of the market price of the Company’s shares. The options vest over nine months.