



# MANAGEMENT DISCUSSION AND ANALYSIS

For the period ended March 31, 2007

May 15, 2007

## Date

This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial condition of Solex Resources Corp. ("Solex" or the "Company") during the nine months period ended March 31, 2007. Management of the Company has prepared this MD&A as of May 15, 2007.

This MD&A is a complement and supplement to the unaudited interim consolidated financial statements for the nine months ended March 31, 2007. It should be read in conjunction with both the Company's unaudited interim consolidated financial statements for the nine months ended March 31, 2007 and the audited consolidated financial statements and notes for the year ended June 30, 2006, both can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

## Forward-Looking Statements

Except for historical information, this MD&A includes forward-looking statements which are subject to risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The Company assumes no obligation to update its forward-looking statements to reflect results, changes in assumptions or changes in other factors affecting such statements.

## Overall performance

### Exploration activities

During and subsequent to the period, the Company has been increasingly applying its resources to the development and exploration of its uranium properties. In addition to the on-going 20,000 metres drill program on the joint ventured Macusani East uranium properties, exploration work during the period saw the completion of the current Base Metal programs and the activation of work on the Company's 100% owned Uranium properties.

### Uranium Properties

Solex and Frontier Pacific Mining Corporation ("Frontier") (Joint Venture Partner and Operator) are currently in the process of completing a US\$2.5 million, 20,000 metre diamond drill program on the advanced Macusani East uranium project, focusing on resource definition drilling on a minimum of eight targets. Upon completion of this program, expected in the third quarter of 2007, Frontier will likely complete their 50% earn-in on the project. This program started in mid December 2006 and is on going. The first results from the drilling, 61 shallow holes drilled on the Calvario III target, were reported in April 2007 and identified uranium mineralization within near surface flat lying ignimbrite volcanic flow 10 metres thick over a surface area of 158,000 square metres. The preliminary overall average grade was 0.32 lbs per ton. The assay results further indicate an increase in the uranium grade in a northwest direction, enlarging the identified uraniferous ignimbrite zone. The Operator believes that further drilling on Calvario III later in the year may significantly increase both the grade and size of this target. Drilling is currently underway at the Sayana, Sayana West, Sayana Central and Calvario I, has been completed on the Agaton targets, and is yet to start on the Puncopata and Calvario II targets. Concurrently, a regional exploration program is on-going to identify possible additional drill targets throughout the concession area.

Consistent with the move to focus more predominantly on its Uranium properties, the Company has completed early stage reconnaissance work on small areas of both its Macusani West (43,500 hectares, 51 claims) and Picotani (1,800 hectare, two claims). The Company is currently in the planning stages to launch regional programs on both of these properties. These will consist of geological and geophysical mapping aimed at identifying and drill testing new target areas. Drill permits have been received for two targets within the Macusani West claims, but further ground work, to better define the targets, will be completed prior to mobilizing the drill rig.

# MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

March 31, 2007

## Base Metal Properties

A main focus during the period was drilling on the lead-zinc-silver, Princesa property, 5 claims of 2,500 hectares. The objective was to test the extent, orientation and down dip extension of a particular structure, originally identified by surface outcrops. Geophysical surveys being carried out concurrently with the initial phase of drilling significantly increased the intended scope for the drill program. The surveys identified what appears to be an extension of the original feature more than doubling it in size, and in addition a new parallel feature was identified to the south. The scope of the drilling was then extended to encompass the testing of these geophysical targets and thus provide a better understanding of the, now considerably larger, geological target area. This drilling has recently been completed with a total of 64 holes and 5,860 metres and the last of the assay results are currently being received by the Qualified Person and will undergo a period of compilation, interpretation and modeling.

In addition, a geophysical survey covering the 1,000 hectare zinc-lead-silver Pilunani property was also completed during the period, complementing the surface soil surveys done in 2006/2005. Both surveys identified coincident anomalous areas which are currently being drill tested, seven holes have been completed and assay results are pending.

Consistent with the Company's strategy to focus increasingly more on its uranium assets, the Company will be seeking partners to further the development of these base metal properties.

## Financing

After completed a \$2,000,000 private placement with Sprott Asset Management in August 2006, the Company completed another private placement of \$10,350,000 with Dundee Securities Corporation and Sprott Securities Inc. in February; consisting of 9,000,000 units at \$1.15. Throughout the nine month period, the Company raised a further \$3,620,617 through the conversion of options and warrants.

## Corporate

During the period, the Company enhanced its Board of Directors with the addition of seasoned professionals with prominent backgrounds in Finance and Operations in the form of Mr. Robert Boaz, appointed as independent Chairman, replacing the out-going Mr. Sebastian Reidl, and Mr. Gary German and Mr. Etienne Walter were both appointed as Directors. In additional, Ms. Deborah Thiel was appointed as Director of Corporate Communication.

## Selected Interim Information

The following chart shows the financial results, derived from the company's financial statements for each of the three most recently completed nine months period ended March 31.

	March 31, 2007	March 31, 2006	March 31, 2005
Loss for the period	\$ 3,536,200	\$ 1,525,303	\$ 192,810
Loss per share	0.08	0.06	0.01
Total assets	18,324,514	2,606,664	887,027

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

March 31, 2007

### Results of Operations for the nine months and three months ended March 31, 2007 and 2006

Nine months ended March 31, 2007

Expenditures on Mineral properties increased significantly during the period, principally due to geophysical and drilling programs on the Princesa and Pilunani properties. The total exploration expenditure increased to \$2,811,816 this year compared to the comparative period of \$310,146.

The Company had a net loss of \$ 3,536,200 for the nine months ended March 31, 2007, compared to \$1,525,303 for the same period ended March 31, 2006. \$2,181,967 of this loss is attributable to the Stock based compensation charge for the current period. Over the nine month period, the Company granted options to purchase up to 3,215,000 shares at the average price of \$1.19 per share, whereas only \$437,873 of the Stock compensation cost was charged to the corresponding period. In line with its increasing operating activities, the expenses in Salaries, Investor relations and Consulting fees also increased. The Salaries expense is \$124,598 higher than the corresponding period. Investor relations expense also increased by \$119,751 as a result of more active promotional activities to increase shareholders' awareness and develop new sources of investment capital.

Three months ended March 31, 2007

Expenses on Mineral properties amounted to \$1,456,995 in three months, in sharp contrast to \$57,669 for the corresponding period.

For the three months ended March 31, 2007, the Company incurred a loss of \$2,576,139. Stock compensation cost of \$2,007,653 attributed to more than three quarters of the loss. For the same period last year, the Company incurred a loss of \$594,601, and the Stock compensation cost was \$147,623. Among the general administrative expenses, Office, rent and miscellaneous decreased by \$5,074 in the three months compared to the prior year. Management fees also decreased substantially, with Mr. Sebastian Reidl stepping down as an Officer of the Company and becoming a consultant. However, the active promotional activities resulted in higher Investor relations and Travel costs. During the current quarter, the Company attended three trade shows: Vancouver Resource Investment Conference, PDAC Convention 2007, and The Natural Resource Summit of the Americas 2007.

Total cash was realized from the private placements, exercise of warrants and options in the amount of \$12,073,538, whereas, only \$1,713,333 was realized from the financing activities in the same period of the prior year. The Company's cash position is sufficient to meet its current work programs. Consequently, the Company is now earning notable amounts of interest income, \$52,647 throughout the period, compared to minor amounts in the comparative period.

The financings also resulted in increases in Filing fees by \$39,255 and Professional fees by \$54,357, compared to the comparative period.

### Results of Operations for the nine months ended March 31, 2007 and the year ended June 30, 2006

Over the nine months since the last fiscal year end, the Company had incurred a loss of \$3,536,200, and has accumulated losses of \$6,236,519 (2006 - \$2,700,319)

During the period, total assets increased, from \$3,670,103 to \$18,324,514. This was mainly due to an increase in cash of \$15,243,680 resulting from a combination of private placements and exercise of warrants and options.

In the nine months' period, the Company spent \$3,148,255 on the mineral properties. The majority of the funds spent on the drill programs on Pilunani-Princesa Belt.

Among the general administrative expenses, Rent expense remains unchanged. Salaries and Office & miscellaneous stay on the same level since June 30, 2006. Increased Filing and Professional fees were required by the two private financings completed during the period and the higher volume of trading transactions. Active promotion activities also entailed higher Investor Relations and Travel expenses.

# MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

March 31, 2007

## Summary of Quarterly Results

	March 31, 2007	December 31, 2006	September 30, 2006	June 30, 2006	March 31, 2006	December 31, 2005	September 30, 2005	June 30, 2005
Operating loss for period	\$ 2,628,786	\$ 527,270	\$ 473,078	\$ 496,018	\$ 589,218	\$ 682,482	\$ 188,107	\$ 303,610
Total loss for period	2,576,139	503,084	456,977	325,350	594,601	745,296	185,406	351,607
Loss per share	\$0.05	\$0.01	\$0.01	\$0.01	\$0.02	\$0.03	\$0.01	\$0.04

## Exploration Activities

### Uranium Properties

#### Macusani East, joint ventured uranium properties

The Macusani East joint ventured properties consist of 49,700 hectares and 73 claims and are the subject of an option agreement with Frontier Pacific Mining Corporation ("Frontier"). The Operator, Frontier, is undertaking a 20,000 metre drill program that commenced mid Dec 2006. Upon completion of this program, expected in the third quarter of 2007, Frontier will likely complete their 50% earn-in on the project.

This phase of drilling is intended to test eight targets, most of which were drill tested by scout drilling in 2006.

The first results from the drilling were released in April 2007 reported the completion of 61 shallow holes drilled on the Calvario III target. This drilling had identified uranium mineralization within near surface flat lying ignimbrite volcanic flow 10 metres thick over a surface area of 158,000 square metres with a preliminary overall average grade of 0.32 lbs per ton. Highlighted was drill hole No. 56 which intercepted 0.089% U308 (1.92 lbs per ton) over 10 metres (33 feet), including 0.3% U308 (6.65 lbs per ton) over 3 metres (10 feet).

The assay results further indicate an increase in the uranium grade in a northwest direction, enlarging the identified uraniferous ignimbrite zone. The Operator believes that further drilling on Calvario III later in the year may significantly increase both the grade and size of this target. Drilling is currently underway at the Sayana, Sayana West, Sayana Central and Calvario I, has been completed on the Agaton targets, and is yet to start on the Puncopata and Calvario II targets.

Concurrently, a regional exploration program is on-going to identify possible additional drill targets throughout the concession area.

#### Macusani West, 100% owned uranium properties

During the period, initial reconnaissance work was undertaken on the large 43,500 hectare, 51 claims, property holding that makes up the Macusani West property block, located west of the joint ventured Macusani East properties. At 4,500 to 5,000 metres in altitude, these claims are somewhat more remote than the Macusani East property. This initial work concentrated on a handful of the more easily accessible claims identifying similar outcropping and geological formations as witnessed on the Macusani East claims.

Having adopted a more singular focus on Uranium, the Company is now in the process of detailed planning for an extensive regional program of geological and geophysical mapping designed to identify target areas for drilling within the Macusani West Claim block. A number of crude targets (Chuyo Chuyo and Centilla claims) identified during the initial reconnaissance work will undergo further work to expand and better evaluate the area.

A significant part of the work currently being undertaken is in establishing and maintaining a healthy and respectful dialogue with local residences and the communities who are currently or may in the future be affected by our work programs.

# MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

March 31, 2007

## Picotani, 100% owned uranium properties

The Picotani property is grass roots in nature, consisting of two claims totaling 1,800 hectares, and is of interest for uranium. Very little is known of the area and a program of regional exploration is currently being planned to better understand the region and its potential for further more detailed uranium exploration.

## Base Metal Properties

### Princesa

The current drilling on the Princesa property, 5 claims of 2,500 hectares in total, commenced in October 2006, following scout drilling earlier in 2006 that had returned encouraging lead-zinc-silver assays. The objective of the drilling was to test the extent, orientation and its down dip extension of a structure, originally the scope was determined by that which could be identified by surface outcrops. However, geophysical surveys were conducted, concurrently with the start of drilling, further along the strike length as well as parallel to the known outcropping feature. These surveys identified what appeared to be an extension of the original feature more than doubling it in size, and duplicating the potential with a new feature parallel to the south. Drilling was then extended to expand the scope of the drilling to test the geophysical targets.

This drilling has now been completed with a total of 64 holes and 5,860 metres and the data is being compiled, interpreted and modeled. Consistent with the Company's strategy to focus increasingly more on its uranium assets, the Company will be seeking partners to share in the further development of these properties.

### Pilunani

A geophysical survey covering most of this 1,000 hectare property was completed during the period, complementing the surface soil surveys done in 2006/2005. Both surveys identified coincident anomalous areas which are currently being drill tested to see the extent to which the anomalous areas represent an extension of the previously identified mineralization. Encouraging zinc grades were originally recovered from scout drilling and trenching, completed on a small section of this property in 2006.

This drilling (seven holes) has now been completed and assay results are pending, and await compilation and interpretation. Consistent with the Company's strategy to focus increasingly more on its uranium assets, the Company will be seeking partners to share in the further development of these properties.

### Cullquimayo

No further work was done during the period.

# MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

March 31, 2007

## Resource property expenditures

	Pilunani-Princesa Belt	Cullquimayo (formally Viicabamba)	Macusani East	Macusani West	Picotani	Totals
<b>Balances, June 30, 2006</b>	\$ 1,070,835	\$ 116,750	\$ -	\$ 135,433	\$ 66,678	\$ 1,389,696
Acquisition Cost	211,057	17,834	21,784	44,017	713	295,405
<b>Deferred Exploration Costs</b>						
Assaying	18,465	9,361	-	2,175	-	30,001
Geology/Engineering	48,884	62,915	3,076	51,045	5,573	171,493
Geophysics	155,446	-	-	-	12,026	167,472
Drilling	584,427	-	-	-	-	584,427
Field Works	586,687	8,087	625	19,418	2,430	617,247
Logistic	206,793	-	-	-	-	206,793
Consulting	501,799	27,730	25,819	44,564	37,906	637,818
Travel & Accommodation	61,969	11,426	1,048	21,032	5,685	101,160
<b>Total Spending</b>	<b>2,375,527</b>	<b>137,353</b>	<b>52,352</b>	<b>182,251</b>	<b>64,333</b>	<b>2,811,816</b>
Prepaid Exploration	-	-	-	-	-	532,027
<b>Balances, March 31, 2007</b>	<b>\$ 3,446,362</b>	<b>\$ 254,103</b>	<b>\$ 52,352</b>	<b>\$ 317,684</b>	<b>\$ 131,011</b>	<b>\$ 4,733,539</b>

## Liquidity

The Company had cash on hand and short term Guaranteed Investments Certificates of \$13,047,889 as of March 31, 2007 (June 30, 2006 - \$1,807,413). The Company currently has sufficient cash resources to meet its ongoing obligations as they become due.

	March 31, 2007	June 30, 2006
Working Capital	\$ 12,612,583	\$ 1,893,973
Deficit	6,236,519	2,700,319

## Corporate Activities

Mr. Sebastian Reidl, Chairman, CEO and Director stepped down from the Company as of February 1, 2007 to pursue other ventures, and Mr. Robert Boaz, an independent director of the Company, became the independent Chairman of the Board.

During the period, the Company appointed Mr. Gary German and Mr. Etienne Walter as Directors. Summary biographies of each director were reported in the March 13 and February 9 news releases.

Ms. Deborah Thiel was appointed as Director of Corporate Communications on March 27, 2007.

# MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

March 31, 2007

## Capital Resources

The Company has no operations that generate cash flow and its long-term financial success is dependant on management's ability to discover economically viable quantities of ore. The exploration process can take many years and is subject to factors that are beyond the Company's control.

In order to finance the Company's exploration programs and to cover administrative and overhead expenses, the Company raises money through equity sales and from the exercise of convertible securities. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for exploration investment, the Company's track record and the experience and caliber of its management.

The Company currently has sufficient financial resources to meet its administrative overhead expenses and to undertake all of its planned exploration activities for the next twelve months. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration activity. Management believes it will be able to raise equity capital as required in the long term, but recognize there will be risks involved that may be beyond their control. The Company intends to continue to use various strategies to minimize its dependence of equity capital, including the securing of joint venture partners where appropriate.

At March 31, 2007, the Company had 5,294,200 warrants and 5,020,000 options outstanding.

## Off-Balance Sheet arrangements

There are no off-balance sheet arrangements or amounts.

## Transactions with Related Parties

The Company has incurred charges from directors and officers of the Company and companies in which a director or an officer acts as a manager of the Company. These charges were measured by the exchange amount, which is the amount agreed upon by the transacting parties.

	March 31, 2007	June 30, 2006
Consulting fees, paid to Jonathan Challis, President and Director	\$ 90,000	\$ 120,000
Management fees, paid to Sebastian Reidl, CEO and Director, Resigned on February 01, 2007	87,000	148,680
Rent and office services - Paid to Jonathan Challis, President and Director	60,000	80,000
Rent paid to Nikora Investments Inc, controlled by Deborah Thiel, an Officer of the Company	2,400	-
Management fees and rent expenses, prepaid to Sebastian Reidl for July 2006	-	18,000
	\$ 239,400	\$ 366,680

## Proposed Transactions

There are no proposed transactions

## Changes in Accounting Policies including Initial Adoption

During the period there were no changes in accounting policies or adoption of new accounting policies.

# MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

March 31, 2007

## National Instrument 51-102 Section 5.4

### Warrants

The following summarizes the warrants that have been granted, exercised, cancelled or expired during the period ended March 31, 2007 and the years ended June 30, 2006:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2006	4,480,817	\$ 0.37
Granted	7,312,727	1.31
Exercised	(6,424,544)	0.51
Expired	(74,800)	0.75
Balance, March 31, 2007	5,294,200	\$ 1.49

The Company had share purchase warrants outstanding as follows:

Expiry Date	Exercise Price	Number of Shares	
		March 31, 2007	June 30, 2006
September 20, 2006	\$0.25	-	1,720,567
April 28, 2006/2007	\$0.25/\$0.35	254,200	564,000
June 29, 2007	\$0.40	-	1,636,250
August 25, 2007	\$0.75	-	560,000
February 16, 2008	\$0.75	-	-
August 27, 2008	\$1.60	4,500,000	-
February 27, 2008	\$1.20	540,000	-
		5,294,200	4,480,817

### Stock options

The following summarizes the options that have been granted, exercised, cancelled or expired during the period ended March 31, 2007 and the years ended June 30, 2006:

	Number of Shares	Exercise Price Per Share
Balance, June 30, 2006	3,055,000	\$ 0.41
Options granted	3,215,000	1.19
Options exercised	(1,170,000)	0.31
Options cancelled	(80,000)	0.40
Balance, March 31, 2007	5,020,000	\$0.93

Other than Investor relations personnel, whose options vest in four equal installments over the first 12 months, stock options vest 100% upon grant.

Stock-based awards are measured and recognized using a fair value based method. During the period, the Company granted options to purchase up to 3,215,000 shares at the average exercise price of \$1.19 per share, with an estimated combined fair value of \$2,181,967 on the grant date as determined using the Black-Scholes option pricing model.

## MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

March 31, 2007

The fair value of each option grant is calculated using the following weighted average assumption:

	March 31, 2007	June 30, 2006
Expected life (years)	2.00	1.50-2.00
Interest rate	3.87%-6.00%	4.00%
Volatility	76%-125%	71%-98%
Dividend yield	0.00%	0.00%

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

As at March 31, 2007, the following share purchase options were outstanding:

Expiry Date	Exercise Price	Number of Shares	
		March 31, 2007	June 30, 2006
February 15, 2007	\$ 0.13	-	550,000
October 7, 2007	\$ 0.40	1,155,000	1,375,000
November 17, 2007	\$ 0.28	-	100,000
January 30, 2008	\$ 0.49	200,000	300,000
March 27, 2008	\$ 0.68	400,000	500,000
April 26, 2008	\$ 0.50	135,000	230,000
August 11, 2008	\$0.46	185,000	-
September 30, 2008	\$0.46	100,000	-
November 30, 2008	\$0.58	200,000	-
February 9, 2009	\$1.20	150,000	-
February 9, 2009	\$1.27	150,000	-
March 7, 2009	\$1.35	1,845,000	-
March 13, 2009	\$1.35	250,000	-
March 27, 2009	\$1.35	250,000	-
Total options outstanding	\$ 0.93	5,020,000	3,055,000
Total options exercisable	\$ 0.91	4,607,500	2,780,000

# MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

March 31, 2007

## Escrow shares

A total of 4,550,000 common shares were subject to an escrow agreement signed in 2004. Shares are subject to a time release over a six-year period as follows:

- (i) 10% - October 28, 2004 (released);
- (ii) 15% - 6 months after October 28, 2004 (released);
- (iii) 15% - 12 months after October 28, 2004 (or October 28, 2005) (released);
- (iv) 15% - 18 months after October 28, 2004 (or April 28, 2006) (released);
- (v) 15% - 24 months after October 28, 2004 (or October 28, 2006) (released);
- (vi) 15% - 30 months after October 28, 2004 (or April 28, 2007); and (released subsequent to period end);
- (vii) 15% - 36 months after October 28, 2004 (or October 28, 2007).

At September 30, 2006, the company had released 2,502,500 shares (55%) from escrow. In the meantime, an additional 157,500 shares were added to the amount under escrow as a result of an exercise of warrants.

During the second quarter, the company released 735,000 shares. At December 31, 2006, the Company had released a total of 3,237,500 shares from escrow, leaving a balance of 1,470,000 shares still in escrow.

Subsequent to the period end, on April 26, 2007, there were 735,000 escrow shares released, leaving a balance of 735,000 shares held in escrow.

## Risks and Uncertainties – Environmental, Regulatory, Capital Markets and Others

The Company operates as a mineral explorer in the mining industry. Mineral exploration involves considerable financial and technical risk. Substantial time and expenditures are usually required to make a discovery and to establish economic ore reserves. It is impossible to assure that the current exploration properties and programs planned by the Company will result in an economic mineral discovery and development. Accordingly, success in achieving the objectives of the Company is affected by many circumstances over which the Company has no control. There is inherent risk in the exploration for mineral resources that is unavoidable.

Also, there are risks associated with political instability, the impact of commodity prices on the valuation of mineral properties and share prices and general changes in economic conditions.

The Company's mineral exploration activities have to be financed either through joint ventures or in the capital markets through the sale of its Common Shares. The ability of the Company to raise exploration funds in the capital market is highly dependent on the value the market places on the Company's mineral properties and the strength of the metal markets. The value the market places on the Company's mineral properties is directly related to the grade and thickness of the contained mineralization being reported and the potential to develop these mineral values into an economic deposit.

## Outlook

The Company believes the continuing increase in the cost of securities reporting, regulatory compliance and audit and accounting fees remains a significant factor that could have an impact on the future financial condition of the Company. The Company believes these costs will continue to rise in ensuing years due to the constant change of regulatory reporting, corporate governance and compliance, interim and annual financial documentation and reporting.

Another area of financial risk to the Company is the rise in cost to perform exploration activities throughout Peru. Over the last three years, exploration costs have gone up significantly as the mineral industry struggles with the increased cost associated with land use permitting, the increased price of fuel and materials, a shortage of equipment and trained people and delays that result from these conditions.

Factors that may positively or negatively impact the future financial condition and performance of the Company is the overall health of the global economies as the Company usually derives a significant portion of its working capital from public financings and trading marketable securities.

Other factors that may affect the performance of the Company is the positive or negative movement in metal prices, which is strongly related to the health of the global markets, which affects the overall demand for metals.

Currently the metal markets are generally strong driven by rapidly expanding Asian economies. The Company believes the current strong metal prices are generally sustainable in the immediate future due to the overall growth in the global economies and particularly in the developing nations such as China and India.

# MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

March 31, 2007

The uranium market is one area where the Company has been affected positively. Uranium prices have increased seven-fold in the last five years and continues to climb. The current market trend in uranium prices will greatly assist the Company in any funding required for current and future exploration activities on its Uranium projects.

## Other

### Share Ownership Interest of Directors and Officers

As of May 15, 2007, the directors of the Company own the common shares and options as follows:

Name	Common Shares	Options
Jonathan Challis, CEO and Director	1,444,000	800,000
Robert Boaz, Chairman and Director	-	250,000
Tony Wood, CFO and Director	-	650,000
Gary German, Director	-	250,000
Jason Birmingham, Director	1,085,500	450,000
Mohan Vulimiri, Director	-	200,000
Etienne Walter, Director	-	200,000
Deborah Thiel, Officer	100,000	250,000

No fees are paid to the directors.

### Property Reports

The company's most recent property reports for the Macusani, Pilunani and Cullquimayo properties, prepared under national instrument 43-101 are available on [www.sedar.com](http://www.sedar.com).