

**ROBEX RESOURCES INC.  
MANAGEMENT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**COMPANY PROFIL AND MISSION**

Robex Resources Inc. (“Robex” or “the Company”) is a Canadian mining exploration and development company focusing on Mali, West Africa. Mali is currently the fourth most important gold producing country in Africa. Robex’s permanent exploration office is located in Mali, and is operated by senior geologists with an extensive experience in West African mining exploration. The team works on projects the Company already owns and is always on the lookout for new projects with favourable geology and a high potential for the discovery of world-class gold deposits. This permanent presence in Mali has allowed Robex to become one of the most active exploration and development companies in West Africa. In 2005, Robex was the third most important mining company operating in Mali in terms of investment in exploration. The Company’s shares are traded on the TSX Venture under the symbol **RBX**. Additional information may be available by contacting the [www.sedar.com](http://www.sedar.com) web site, under the Company’s section “Sedar filing” and the Robex website: [www.robexgold.com](http://www.robexgold.com).

**SUMMARY OF ACTIVITIES DURING THE YEAR**

- Exploration expenses totalling \$ 2,261,396 in 2005 (see “Summary of exploration activities”);
- Acquisition of six mining properties. Three of them through joint-venture agreements with Geo Services International Ltd. (“GSI”) (see “Mining properties acquisitions” heading);
- Early in the year, Mr. Bill Bird, President and Chief Executive Officer resigned for personal reasons. On January 12, 2005, Mr. Richard Savard joined the team as president and chief executive to replace him. Mr. Serge Biron, President of GSI and geologist with an extensive experience in African exploration and development has joined Robex in April, as Vice-President of Operations in Mali
- Closing of a private placement totalling \$ 2,425,000 in October 2005 and agreement on a private placement of \$ 5,000,000 on April 6, 2006.

**RESULTS OF OPERATION**

**Summary of exploration activities**

Geological work has been conducted on all the permits held by Robex in South Mali and West Mali. During the three first months of the year, work was concentrated on the permits located in the south of Mali west, Kolomba, Dabiya West, Moussala, Kossaya, Wili Wili and Wili Wili West. Starting in April, exploration work was mostly focused on the Mininko Property, South Mali, where two drilling programs were carried out.

### Exploration expenses analyses

Description	Mininko	Kolomba	Dian- gounté	Moussala	Kamasso	Others	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Exploration</b>	718,924	434,702	94,006	72,669	53,157	141,077	<b>1,514,535</b>
<b>Equipments</b>	342,410	2,167	12,457	7,726	3,743	8,563	<b>377,066</b>
<b>Development fees</b>	-	20,354	33,394	2,639	-	1,848	<b>58,235</b>
<b>Management fees</b>	-	16,817	992	5,782	2,840	24,427	<b>50,858</b>
<b>Travel expensess</b>	53,044	4,184	7,851	-	-	3,266	<b>68,345</b>
<b>Others</b>	103,452	20,494	13,982	30,325	16,125	7,979	<b>19,357</b>
	<b>1,217,830</b>	<b>498,718</b>	<b>162,682</b>	<b>119,141</b>	<b>75,865</b>	<b>187,160</b>	<b>2,261,396</b>

*Geological information presented herein was summarized by Richard Savard, M.Sc., Geo (president) , qualified person under National Instrument 43-10.*

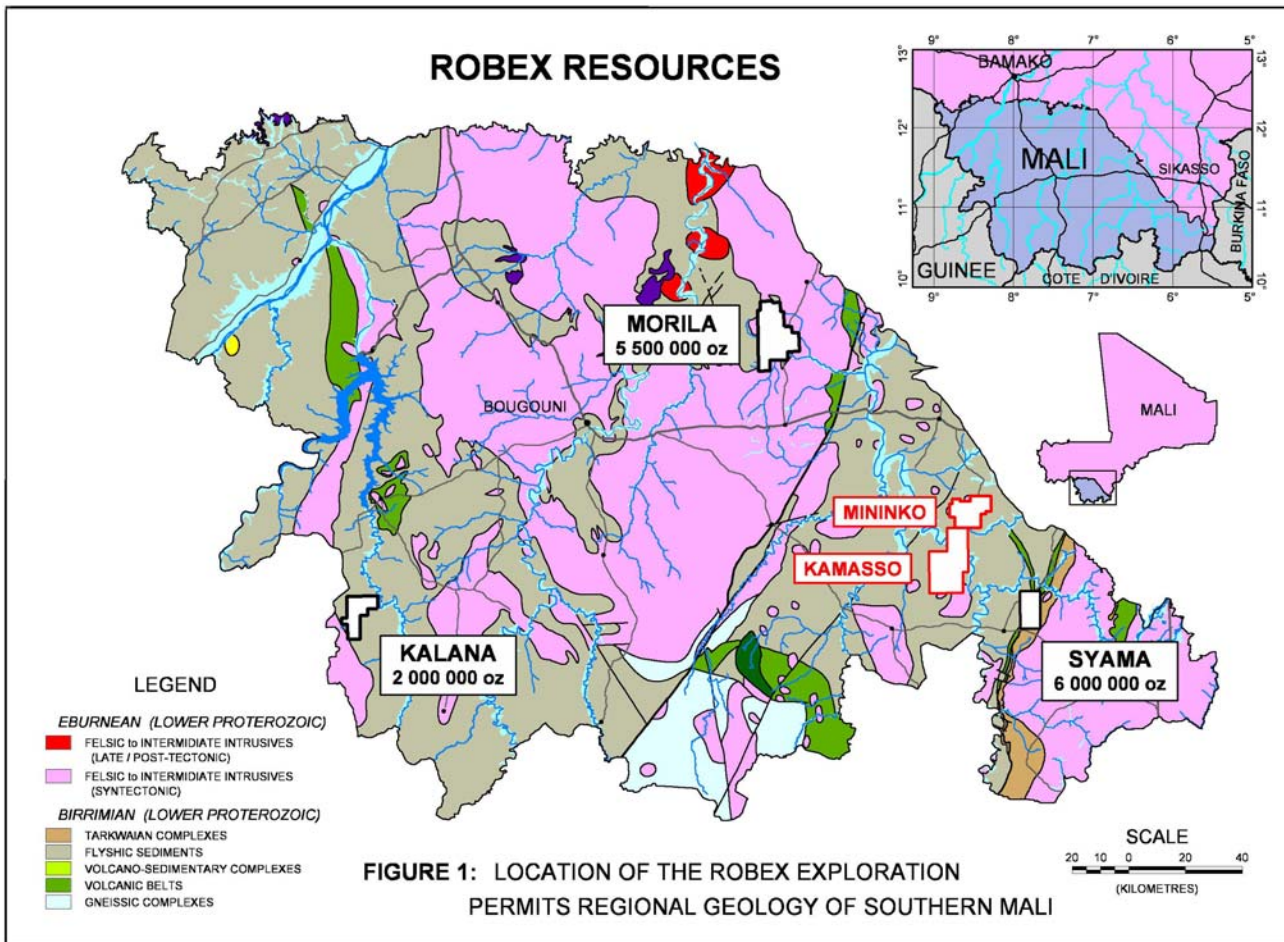


Figure 1: Location of the Mininko and Kamasso permits, south Mali

## **Exploration and results from South Mali (Figure 1)**

### **Mininko Property**

Following the joint-venture agreement with GSI, Mininko has become a priority for Robex. Work on this property consisted of soil geochemistry, geophysics (IP), and two drilling programs.

The first drilling program, carried out in June 2006, tested the results of the work from a joint-venture agreement between GSI and Golden Star Resources. It also tested the southern extension of the Nampala gold mineralization system. Twenty-six holes, for a total drilling program of 2,648 meters, were drilled on the Nampala gold mineralization system and its outskirts. The results confirmed the work from GSI and Golden Star Resources. A map of the drilling targets and results may be consulted on Robex's web site under NEWS.

A second drilling program of sixty-two holes, (6,352 meters AC/RC and 658 meters core drilling), was carried out from October 2005 to January 2006.

The goal for these programs was to test the lateral extension and the depth of the Nampala gold anomaly, the combined geochemical/electromagnetic anomaly on Sikoro in the southern part of the permit and to test other gold anomalies surrounding Nampala and N'Golola located southeast of Nampala.

### *Nampala Target*

Drilling in Nampala shows that the mineralized zone can be followed at a depth of 368 meters in the central part. Most of the mineralization is found in very rough, strongly altered sandstone. Because the holes were drilled towards the east it is possible that mineralization will be found at depth towards the west, closer to the contact with the intrusive rocks. Drilling shows that the tonalite located west of the central zone is also mineralized to a depth of 131 meters, that is where the drilling ends. Coincidentally, this is where the highest grades are found, with a zone grading at 1,58 g/t Au over 12 meters between meters 119 and 131. This drilling proves that the tonalite may be mineralized over wide intervals. These results suggest that the tonalite contains a large zone open in several directions.

The Nampala East Zone extends over five kilometres from south-west to north-east, east of the central Nampala zone. Positive results from this central section therefore confirm the potential of this zone.

Drilling carried out on a target identified through geophysics 1,600 meters north of the extension of the Nampala Central Zone graded 2.12 g/t Au at depth between 55 and 60 meters. Although the zone is relatively thin, the grade is good and most important, this drill hole shows that the zone is open in all directions and could very well be the northern extension of the Nampala Central Zone.

### *N'Golola Target*

The N'Golola zone is divided in two sections: the West and the East zones. Drilling results from N'Golola West returned high grades: 3,72 g/t Au over 13 meters at a depth between 26 and 39 meters. This is a complex zone that will necessitate an interpretation of the relationship between the various types of intrusive rocks that are found. Like the mineralization found in the Central Nampala Zone, the mineralization present on N'Golola West is linked to very rough, strongly altered sandstone.

The N'Golola East zone also shows promising result. One zone in particular graded 3,95 g/t Au over 9 meters. This zone, also very complex, is open mostly towards the east. Mineralization in this zone is also linked to very rough, strongly altered sandstone.

### *Sikoro Target*

The Sikoro target is characterized by a strong EM airborne anomaly on the SYSMIN regional map. Drilling based on the detailed PP ground gradient has not returned significant results. The graphitic shale zones intersected could explain this EM anomaly.

### *Mininko Arsenic Anomaly*

In November, an analysis for arsenic was made on ground geochemical samples collected in 2002-2003. These samples, taken at a 400m by 200m grid to cover the Mininko permit, had back then been tested for gold only. As expected, the Nampala and the N'Golola zones show strong and extended arsenic anomalies. Surprisingly, a zone located in the northwest part of the permit showed an anomaly similar in strength and in size to the Nampala and N'Golola zones. Additional work will be done to explain this newly found anomaly.

### **Kamasso Property**

Exploration work done on the Kamasso Property located south of Mininko was related to the study of the combined geophysical and geochemical Sikoro anomaly, located at the southern extremity of Mininko. Work consisted of the analysis for the arsenic content of the samples collected in 2003, geochemical ground surveys for gold on the northern part of the permit, geophysical IP gradient survey to cover the zone directly south of Sikoro and of geological reconnaissance in the northern part of the permit.

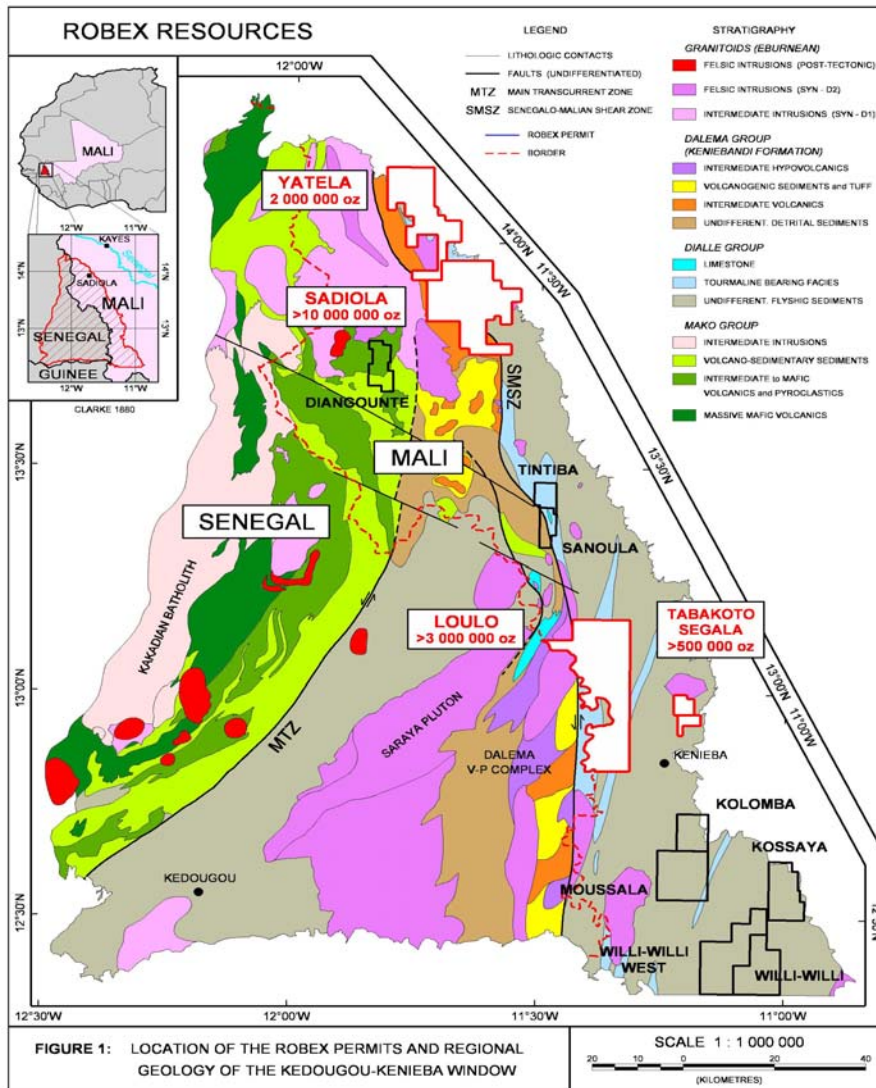


FIGURE 1: LOCATION OF THE ROBEX PERMITS AND REGIONAL GEOLOGY OF THE KEDOUGOU-KENIEBA WINDOW

Figure 2 : Diangounté Permit, Sanoula, Tintiba, Kolomba, Moussala, Kossaya, Wili Wili and Wili Wili West in the Kénieba Valley, Mali West

**Exploration and results from West Mali (Figure 2)**

**Diangounté Property**

Work carried out in 2005 on the Diangounté Property consisted of a compilation of all the exploration done by Robex over the last 10 years, including geological reconnaissance, results of the geophysical surveys, pit digging, drilling and evaluation of the La Corne Placer. This compilation aimed at finding the primary gold source that fed the La Corne Placer.

A combination of geological reconnaissance of the northern section of the permit and the results of the sampling of outcrops reported to be mineralized with gold did not return anything conclusive.

Robex's geologists have re-evaluated the regional gold anomaly associated to the La Corne Placer through satellite pictures and visits on the field. The study resulted in the identification of a N 100 à150 structure associated to the placer.

### **Kolomba Property**

An important exploration program including soils and rocks geochemistry, geophysics, sampling of drilling and of trenches, initiated in 2004 was continued in the first months of 2005 on the Kolomba permit. The analytical results returned interesting sporadic values without showing mineralization continuity. The opening of a few more trenches and the writing of a technical report describing the operations and the results gathered in 2004, were the only work done after February 2005.

Robex plans exploration work on the Moussala Property located south of Kolomba. Positive results from this planned exploration would justify the continuation for exploration activities on Kolomba.

### **Sanoula Property**

Robex acquired the Sanoula Property, overlapping the Mali-Senegalese tectonic structure, through a joint-venture agreement concluded with Geo Services International (GSI) in February 2005. Sanoula is located between the Sadiola (Anglogold and Iamgold) and Loulo (Randgold) mines, close to the well-known gold anomalies situated on both sides of the Mali-Senegalese tectonic structure. Sanoula shows an excellent mining potential. No exploration work was conducted on Sanoula in 2005.

### **Prospecting Authorization on Tintiba**

Located just north of Sanoula, Tintiba was acquired on October 12, 2005 by Robex through a Prospecting Authorization, valid for a three-month period and renewable for additional three-month periods. No work was carried out in 2005.

### **Dabiya West Property**

A compilation of exploration carried out in 2004 and the outcoming results received in 2005 was written and given to mining Malian authorities in 2005. This report describes the absence of a gold potential on the property. Consequently, Dabiya West was abandoned in November 2005.

### **Kossaya Property**

Geological reconnaissance and the collection and analysis of fifty-two rock samples coming from volcanic outcrops, rich in sulphides in the central section of the permit constitute the totality of the exploration done on Kossaya this year.

### **Moussala Property**

Early in the year, a ground geochemical survey covered the northern half of the permit. In addition, five trenches were cut north of the permit and sampled through metric stripping. During the second part of the year, reconnaissance of the regolith was completed over the totality of the permit.

## **Wili Wili and Wili Wili West Properties**

Robex has acquired these two permits located at the southern extremity of the Kénieba Valley, West Mali in March 2005. A consulting geologist working for Robex wrote a qualification report in April for each property. Two geological reconnaissance program including sampling and analysis of one hundred outcrops were carried out.

## **EXPLORATION PLANS FOR 2006**

The exploration programs planned for 2006 includes, among other things, drilling programs on three properties: Mininko, Sanoula and Diangounté and grassroot exploration works on Wili Wili and Wili Wili West, Kossaya, Kamasso and Moussala.

No work was planned or recommended on the Kolomba property.

<b>LOCATIONS</b>	<b>DESCRIPTION</b>	<b>\$</b>
MININKO PROPERTY	Geophysics,.diamond drilling and analysis	501 000
SANOULA PROPERTY	Geophysics,.diamond drilling and analysis	133 000
DIANGOUNTÉ PROPERTY	Geophysics,.diamond drilling and analysis	125 000
MALI-COMMON COSTS	Office and equipment	62 000
	Travels	187 000
	Lodging and foods	180 000
	Salaries anf fringe benefits	352 000
	Contractors	160 000
	Geochemistry	33 000
	Grassroot exploration	75 000
	Complementary diamond drilling and analysis	100 000
CANADA	Salaries, travels and promotions	600 000
<b>TOTAL</b>		<b>2 508 000</b>

## **Exploration on the South Mali Properties (Figure 1)**

### **Mininko Property**

Complementary soil geochemistry geophysics (I.P gradient) are planned to cover the zones surrounding the Nampala and N'Golola gold anomaly located south east of Nampala.

A RC/AC and diamond-drilling program will aim at confirming mineralization identified during the 2004 program as well as to test the extensions of the mineralization south and east of Nampala and at depth. The results from this first drilling program will determine the need for a second one.

## **Kamasso Property**

In 2006, Robex plans on completing a ground geochemical survey, with a 200m x 400m grid, for the sample analysis for gold and arsenic. Geophysical surveys (IP gradient) will be carried out on the anomalies identified through the geochemical survey. Drilling could be considered.

## **Exploration on the Mali West properties (figure 2)**

### **Sanoula Property**

The compilation and analysis of exploration work carried out by the BRGM, including drilling will be studied. Soil geochemistry, detailed geophysics and mapping of the two zone anomalous in gold, identified on each side of the Mali-Senegalese tectonic structure, will be followed by a 2 000-meter minimum drilling program.

### **Tintiba Property**

The first step on this property will be to give an exploration report to the Malean authorities accompanied by a request for the renewal of the prospecting authorization for a new three-month period. Detailed soil geochemistry and geophysics carried out on Sanoula will extend north to cover the Tintiba property. Depending on the results, drilling will be considered.

### **Diangounté Property**

In 2006, Robex will try to identify the primary gold source that fed the La Corne Placer. The angular shape of the nuggets suggests the proximity of the source. A detailed geophysical survey (IP gradient) covering a zone including the placer is planned. The zones anomalous in gold and the geophysical anomalies identified with this survey will help determine drilling targets. A drilling program is planned before the rainy season, either in May or June 2006.

### **Moussala Property**

Grassroots exploration, including soil geochemistry, geophysics and subsequently pits and trenches will be carried out in the southern part of the permit to cover the junction of the two regional faults heading north, towards the Kolomba permit. Robex wants to evaluate the potential of this property and the potential of Kolomba at the same time. Negative preliminary results could mean abandoning the Kolomba Property. Negative results would not immediately affect Moussala, solely owned by Robex.

### **Kolomba Property**

Additional work on Kolomba will only be considered if results on Moussala justify it. Otherwise no exploration is planned for this property.

## **Kossaya Property**

Prospecting, geochemical surveys and maybe drilling will be undertaken on Kossaya in 2006.

## **Wili Wili and Wili Wili West Properties**

Grassroots exploration will begin before the 2006 rainy season. Soil and rocks geochemistry, sampling of old wells, particularly in a zone overlapping the two permits that returned high gold grades in previous exploration programs. Results will determine the continuation of exploration through geophysical surveys and drilling

### **Mining properties acquisitions**

<u>Properties</u>	<u>\$</u>
Kolomba	19,264
Kossaya	17,338
Willi-Willi	70,770
Willi-Willi West	70,656
Mininko	107,869
Kamasso	106,211
Sanoula	88,974
Dabiya	16,281
Tintiba	-
	<u>497,363</u>

## **Kolomba and Kossaya**

On November 2003, the Company concluded a progressive acquisition agreement, over a five-year period, for prospecting and exploration permits in the Republic of Mali. These payments in 2005 are part of this progressive acquisition agreement. Please refer to financial statements, note 4(2).

## **Willi-Willi and Willi-Willi West**

On February 2005, the Company concluded a progressive acquisition agreement, over a four-year period, for prospecting and exploration permits in the Republic of Mali. These payments in 2005 are part of this progressive acquisition agreement. Please refer to financial statements, note 4(4).

## **Mininko and Kamasso**

On March 8, 2005, the Company entered into an agreement to acquire the Mininko and Kamasso properties. According to this agreement, to obtain an undivided interest of 51%, the Company will have to pay US \$450,000 and to spend on exploration work an amount of US \$ 1,440,000 over a of three-years period. Half of the amount of US\$450,000 will be payable in cash, and the other half will be payable in shares. The initial payment of US\$100,000, which was agreed upon during the signing of the agreement, was settled by way of a payment of US\$50,000 in June 2005 and an issue of 161,750 shares, which were issued in March, 2005 . In December, 2005 a payment of \$ 75 000 US was made to settle the cash porton of the second payment totalling US \$150,000. An issue of 379,259 shares in January, 2006 will complete the commitment of the

second payment, which totals US\$150,000. At the end of the three-year period, the Company can acquire the remaining 49% undivided interest for US\$480,000.. As at December 31th, the Company has spent \$1,293,695 in exploration expenses.

### **Sanoula**

On March 8, 2005, the Company entered into an agreement to acquire the Sanoula property. Under this agreement, to obtain an undivided interest of 51%, the Company will have to pay US\$175,000 and to spend in exploration works an amount of US\$725,000 over a of three-years period. Half of the amount of US\$175,000 will be payable in cash, and the other half will be payable in shares. The initial payment of US\$75,000 was settled by way of a payment of US\$37,500 and an issue of 185,015 shares, which were issued in November 2005. At the end of the three years, the Company can acquire the remaining 49% undivided interest for US\$240,000. The seller would subsequently receive "net smelter return" (NSR) royalties of 2% on which Robex will have a first refusal. As at December 31th, the company has spent \$29,654 in explorations expenses.

### **Tintiba**

On October 12, 2005, the Company concluded a 90-day agreement, renewable for one other 90-day period, authorizing the Company to explore the Tintiba property. The pre-emption right related to this authorization is not a right by wich the Company can acquire the Tintiba property.

### **Dabiya**

A compilation of exploration carried out in 2004 and the outcoming results was written and given to mining Malian authorities in 2005. This report describes the absence of a gold potential on the property. Consequently, Dabiya West was abandoned in November 2005.

## **OPERATION RESULTS AND SELECTED ANNUAL INFORMATION**

Net loss for the year is \$ 1,134,363 (\$ 887,650 for 2004) whereas administration fees for the year totalled \$779,148 (\$ 979,799 for 2004)

	<b>As at December 31, 2005 \$</b>	<b>As at December 31, 2004 \$</b>	<b>As at December 31, 2003 \$</b>
<b>Income</b>	73,436	92,149	14,018
<b>Net loss</b>	(1,134,363)	(887,650)	(1 912,436)
<b>Net loss of basic and diluted shares</b>	(0.026)	(0.024)	(0.07)
<b>Total assets</b>	9,899,545	8,260,612	5,162,938

Income

- Income is mostly composed of interests on investments and transactions on long-term investments.

#### Net loss

- 2005: Write-off of the Dabiya property for a total expense of \$ 428,650 (\$ 223,801 in deferred exploration expenses and \$ 204,849 in mining properties). Administrative expenses are slightly lower as compared with previous year: Decrease in promotion expenses and stock based compensation expenses.
- 2004: The statement of operations also demonstrates some increases in overheads over 2003, including professional fees \$284,942 compared to \$80,997 and financial reporting and stock exchange fees totalling \$84,016 compared to \$43,234 due to increased staffing and compensation, cost related to financings and those related to stock exchange and Securities Commission requirements. The costs of advertising and promotion increased from \$23,777 in 2003 to \$131,445 in 2004 because the Company was not known through the financial community and should invest to raise the money needed to develop all new properties optioned at the end of 2003.
- 2003: During this year, management decided to write off from its assets, the costs related to the Baryte project located in Upton, Quebec for an amount of \$1,529,504.

#### Total assets

##### 2005 compared to 2004

- Financing with shares issuance significantly decreased in 2005 totalling \$ 2,425,000 compared to \$3,988,200 in 2004.
- Mining property acquisitions in 2005 totalled \$ 497,363 compared to \$261,533 in 2004. The Dabiya property was written off (\$ 204,849).
- In 2005, exploration expenses totalled \$ 2,261,396 and were mostly incurred on the following properties:
  - Mininko: Geology and diamond drilling.
  - Kolomba: Geochemistry, sampling of tranches and diamond drilling.
  - Diagounté : Compilation of all the exploration done by Robex over the last 10 years, including geological reconnaissance.
  - Moussala: Geochemistry, and sampling of tranches.

During the year, deferred exploration expenses totalling \$ 223,801 (Dabiya property) were written off.

##### 2004 compared to 2003

- The year ended December 31, 2004 saw a fundamental transformation of our business as two significant private placements of share equity were completed. As a result, Robex's scope and scale of activity mineral materially in numerous areas, including exploration, staffing levels, both for technical and administrative operations and investor relations efforts. The Company's assets totalled approximately \$ 8.3 million as at December 31, 2004 compared to \$ 5.2 million at December 31, 2003 mostly because the Company raised over \$3.6 million net financings.

- The short term asset increase from \$1,516,603 to \$2,431,327 explained by the private placements as described above.
- In 2004, exploration expenses totaled \$ 1,516,603 and affected mainly the following properties :
  - Kolomba: Sampling of tranches, geophysics and diamond drilling.
  - Diagounté : Gold recovery and resource study and pits sampling.
- In 2003, exploration expenses totaled \$211,566 and devoted to the Dagounté property. Management decided to write off from its assets, the costs related to the Baryte project located in Upton, Quebec for an amount of \$1,529,504.

## SUMMARY OF QUARTERLY RESULTS

(\$ 000 except loss/share)	2005				2004			
	T4	T3	T2	T1	T4	T3	T2	T1
Income	22	33	6	12	15	13	47	17
Net loss	(650)	(143)	(122)	(219)	(51)	(416)	(263)	(157)
Net loss per share	0.015	0.003	0.003	0.005	0.001	0.011	0.004	0.005

Variations in quarterly loss can be explained by the following:

- 2005-Q4** Write off of the Dabiya property for a total amount of \$ 428,650 including \$ 223,801 in deferred exploration expenses.
- 2005-Q3** Increase in professional fee: New office premise in Mali and income from investments of \$29,531 and stock based compensation expenses of \$ 24,462.
- 2005-Q2** Cancellation of Q1 stock based compensation expenses of \$ 63,630.
- 2005-Q1** Stock based compensation expenses of \$ 63,630.
- 2004-Q3** Accounting for stock based compensation expenses of \$ 255,000 and increase in Financial reporting and stock exchange fees explained by 2004-Q4 financing.
- 2004-Q2** Accounting for stock based compensation expenses of \$ 106,912 and income from investments of \$32,801.
- 2004-Q1** Income from investments of \$14,415.

## FOURTH QUARTER

Highlights of the fourth quarter of 2005 are the following :

- Exploration expenses totalling \$ 366,803 mostly on Mininko property (diamond drilling) and Willi Willi (geochemistry);
- Write-off of \$ 223,801 and \$ 204,849 (Dabiya property) decreased the deferred exploration expenses and mining properties respectively; and
- Private placement of \$2,425,000.

## **CASH FLOW SITUATION**

The working capital decreased by \$ 872,946 as at December 31, 2005 going from \$ 1,931,837 as at December 31, 2004 to \$ 1,058,891 as at December 31, 2005 and is explained by the decrease in financing compared to 2004 (\$2,425,000 in 2005 compared to \$ 3,988,200 in 2004).

The free cash flow total \$ 1,642,708 as at December 31, 2005 compared to \$ 2,198,257 as at December 31, 2004 (cash and temporary investments).

On April 6, 2006 the Company signed a letter of intent to undertake up to \$ 5 million cash non-brokered private placement. This private placement financing consists in the issuance of up to 20 million units at a price of \$0.25. Each unit consists of one common share and one warrant, valid for a two-year period, and entitles the holder to subscribe one common share at a price of \$0.35.

The Company is considered to be in the exploration stage, thus it is dependent on obtaining regular financing in order to continue exploration. Despite previous success in acquiring sufficient financing, there is no guarantee of obtaining any future financing.

The Company considers the cash on hand sufficient for the known obligations. As at December 31, 2005, the Company did not have any debt or any financial commitments in the upcoming quarters except the progressive acquisition agreements as described to note 13 from financial statements.

## **FINANCING**

During 2005, the Company closed two private placements and issued 9,700,000 common shares for an amount of \$ 2,425,000 (price per share of \$ 0.25 with a half-warrant) :

To date (April 24, 2006):

- 51,940,439 common shares were outstanding.
- 5,283,500 options were granted and can be exercised at prices between \$ 0.30 to \$ 0.64 before 2006 to 2009. Each option can be exchange by the holder for one common share of the Company.
- 11,583,333 warrants were issued, entitling their holders to subscribe the same amount of common shares of the company at prices between \$ 0.30 and \$ 1.00 with expire date ranging from May 2006 to October 2007.
- 664,000 Broker's warrants issued in 2005 entitling their holders to subscribe the same amount of units of the Company at the price of \$ 0.25 on or before October 17,2007. Each unit consists of one common share and one-half warrant.

Variations in share capital as at April 24, 2006 are the following:

<b>Description</b>	<b>Number of shares</b>	<b>Price \$</b>	<b>Amount \$</b>
<b>As at December 31, 2004</b>	40,958,860		16,302,735
<b>Private placements</b>	9,700,000	0,25	2,069,700
<b>Mining properties acquisition</b>	902,320	0.34	305,249
<b>As at December 31, 2005</b>	51,561,180		18,677,684
<b>Mining properties acquisition</b>	379,259	0,23	88,497
<b>As at April 24, 2006</b>	51,940,439		18,766,181

### *Options*

Variations in outstanding options as at April 24, 2006 is the following :

<b>Date</b>	<b>Number of options</b>	<b>Average exercise price \$</b>
<b>As at December 31, 2004</b>	5,496,000	0.47
<b>Issued</b>	1,335,000	0.33
<b>Exercised</b>	-	-
<b>Expired</b>	(1,347,500)	0.52
<b>As at December 31, 2005</b>	5,483,500	0.43
<b>Expired</b>	(200,000)	0.44
<b>As at April 24, 2006</b>	5,283,500	0.43

Options granted and exercisable as at April 24, 2006 to directors, officers, employees and suppliers:

<b>Number of options</b>	<b>Price (\$)</b>	<b>Expiry date</b>
308,000	0.35	June 3, 2007
365,000	0.35	January 20, 2007
90,000	0.47	November 23, 2008
188,000	0.55	August 10, 2009
100,000	0.60	December 6, 2006
100,000	0.50	January 23, 2010
200,000	0.35	March 31, 2010
200,000	0.35	April 26, 2010
150,000	0.30	September 19, 2010
585,000	0.30	November 7, 2010
902,500	0.50	September 6, 2006
290,000	0.50	December 22, 2006
185,000	0.50	July 8, 2008
353,000	0.35	June 28, 2009
150,000	0.35	January 24, 2010
478,000	0.65	May 23, 2010
50,000	0.48	August 15, 2010
334,000	0.35	March 18, 2011
80,000	0.42	October 3, 2011
175,000	0.37	January 13, 2012

The fair value of these options was estimated using the Black Scholes stock option evaluation model with the following assumptions: estimated weighted average duration of 3 to 5 years for these options, risk free interest rate of 3.5% to 4.5%, variable volatility and no forecast dividend.

### **Warrants**

Variations in outstanding warrants since the beginning of year is as follows:

<b>Date</b>	<b>Number of warrants</b>	<b>Average exercise price \$</b>
<b>As at December 31, 2004</b>	12,967,172	0.53
<b>Issued</b>	4,850,000	0.30
<b>Exercised</b>	-	-
<b>Expired</b>	(4,458,214)	0.30
<b>As at December 31, 2005</b>	13,358,958	0.51
<b>Expired</b>	(1,775,625)	0.42
<b>As at April 24, 2006</b>	11,583,333	0.59

Warrants characteristics as at April 24, 2006 are the following:

<b>Number</b>	<b>Exercise price</b>	<b>Expiry date</b>
4,850,000	\$0.30	October 2007
5,000,000	\$0.80	May 2006
1,733,333	\$1.00	November 2006
<u>11,583,333</u>		

### **RELATED PARTY TRANSACTIONS**

The statements of loss and share issue expenses include an amount of \$272,109 (\$239,499 in 2004) incurred directly with directors and officers or with companies controlled by them. In addition, an amount of \$544,440 (\$67,420 in 2004) was capitalized to “mining rights and titles.” These transactions occurred in the normal course of business and are measured at the exchange amount, which is the amount of the consideration established by the related parties.

### **SUBSEQUENT EVENTS**

On January 16, 2006, the Company issued 379,259 common shares of a deemed value of US\$75,000 in order to complete the payment-in-shares component of the second payment totalling US\$150,000 on the Mininko and Kamasso properties.

On February 27, 2006 1,755,625 warrant were expired. None of these warrants have been exercised.

On April 6, 2006 the Company signed a letter of intent to undertake up to \$ 5 million cash non-brokered private placement. This private placement financing consists in the issuance of up to 20 million units at a price of \$0.25. Each unit consists of one common share and one warrant, valid for a two-year period, and entitles the holder to subscribe one common share at a price of \$0.35.

## **OTHER INFORMATION**

This discussion and analysis of the financial position and results of operation as at April 24, 2006 should be read in conjunction with the audited financial statements for year ended December 31, 2005 and the audited financial statements for the year ended December 31, 2004.

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

The Company maintains internal control systems designed to ensure that financial information is relevant and reliable and that assets are safeguarded..

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

The external auditors, Samson Bélair/Deloitte & Touche s.e.n.c.r.l., appointed by the shareholders at the Annual General Meeting have audited the Company's financial statements with their report indicating the scope of their audit and their opinion on the financial statements.

(signed) Richard Savard, president

(signed) Léon Paquin, treasurer

Quebec, April 24, 2006