



AMERIX PRECIOUS METALS CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS

FOR QUARTER ENDED OCTOBER 31, 2006

DATED: DECEMBER 27, 2006

Disclosure Regarding Forward-Looking Statements

This Management Discussion and Analysis contains certain “Forward-Looking Statements” within the meaning of applicable securities legislation. All statements, other than statements of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Corporation’s expectations are disclosed in the Corporation’s documents filed from time to time with the TSX Venture Exchange and, among others, the Ontario Securities Commission as well as under the heading “Risk Factors” in the Management Discussion and Analysis.

ITEM 1 – OVERVIEW

Amerix Precious Metals Corporation (the “Corporation” or “Amerix”) is a junior resource company involved in the acquisition, exploration and development of mineral properties. The Corporation presently has interests in two mineral properties located in Brazil – the Limão Property and the Vila Porto Rico Property. All monetary values within this document are in Canadian Dollars unless otherwise stated.

During the quarter ended October 31st, 2006, the Corporation’s activities included the following material events:

On August 8th, 2006: The Corporation provided an update on the drill program at the Vila Porto Rico Property. Through July 31st, 2006, the drill contractor, Kluane International Drilling, has completed 2,469.9 meters of diamond drilling in fourteen holes. The initial phase of the drill program, which commenced on April 25th, 2006, is designed to test and confirm the Nova Brasilia target along strike and at depth.

On August 8th, 2006: The Corporation announced that it had completed the sale of its 50% interest in the Santo Domingo Project in central Mexico to Stroud Resources Ltd. which was previously announced on March 22nd, 2006. The consideration for the 50% interest was Cdn\$1.8 million, satisfied as to Cdn\$1.5 million in cash and Cdn\$0.3 million by the offset of a payable owing to Stroud. In addition, Stroud granted to Amerix a net smelter royalty equal to 5% of the net proceeds from the sale of minerals from the project, to a maximum of Cdn\$1.0 million.

On September 21st, 2006: The Corporation announced the first assay results from the 2006 exploration program at Nova Brasilia on the Vila Porto Rico Property. Through August 31, 2006, drilling along the mineralized shear zone totaled 2,740 m in 16 diamond drill holes. Geologic mapping and geochemical soil surveys indicate that the Nova Brasilia shear zone is at least 2.5 km long, with 1.6 km yet to be drilled and tested. The potential for structures that branch off the Nova Brasilia shear zone is considered to be equally important. In addition, 4-5 drill targets have been identified along structures unrelated to the Nova Brasilia shear zone in the northern part of the Vila Porto Rico Property.

On October 18th, 2006: The Corporation reported progress on the second phase of diamond drilling which began in mid-September at the Carumbé prospect on the 40,000-hectare Vila Porto Rico Property. The Corporation also reported that new exploration concessions had been granted for the Limão Property and for two areas adjacent to and contiguous with the Vila Porto Rico Property in Pará State, Brazil.

Subsequent to the quarter ended October 31st, 2006, the Corporation’s activities included the following material events:

On November 20th, 2006: The Corporation announced that the DNPM (Departamento Nacional da Produção Mineral – Brazilian Government Mining Bureau) had renewed all

four of its exploration licenses for the Vila Porto Rico Property. These exploration licenses are valid for three years and were granted to Mineração Vila Porto Rico which is wholly-owned by Amerix.

Warrant & Option exercises

There were no warrants or options exercised during the quarter.

The Corporation does not presently have sufficient financial resources to complete, by itself, the exploration and development of its properties, or any other properties it may acquire. The development of the Corporation's properties will therefore depend upon the Corporation's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There is no assurance that the Corporation will be successful in obtaining the required financing.

The Corporation declared a net loss for the quarter of \$106,423 compared to a net loss of \$87,275 in the prior year, an increase of \$19,148 which is substantially attributable to the treatment of non-cash stock-based compensation.

	Quarter Ending October 31, 2006 (Unaudited) \$	Quarter Ending October 31, 2005 (Unaudited) \$	Year Ending July 31, 2006 (Audited) \$	Year Ending July 31, 2006 (Audited) \$
Expenses				
Stock-based compensation	50,950	29,270	247,402	292,332
Management fees	12,000	12,000	48,000	49,364
Professional fees	26,855	5,002	98,934	60,530
Travel and promotion			15,353	27,591
Transfer agent & filing fees	3,825	2,125	28,817	15,873
General office & telephone	13,445	12,774	56,200	57,273
Rent	684	482	2,749	5,002
Investor relations	21,421	26,398	185,817	62,055
Loss (gain) on foreign exchange	(23,480)	(1,534)	15,153	9,317
Write off of note receivable	-	-	122,410	-
Loss on disposition of mining properties	-	-	330,360	-
Amortization	723	758	3,458	4,252
Total Expenses	106,423	87,275	1,154,653	583,589
Net loss for period	(106,423)	(87,275)	(1,154,653)	(583,589)

During the quarter ended October 31, 2006, the fair value of stock options that were granted in prior periods and vested during the quarter was estimated using the Black-Scholes valuation model. The value of the options which vested during the three months amounted to \$50,950.

Expenses during the quarter were in line with prior years' with the exception of professional fees which increased to \$26,855 (2005 = \$5,002), \$4,875 of these costs were for increased audit fees associated with increased reporting requirements and \$21,639 was for legal fees primarily in connection with the sale of the Corporation's 50% interest in the Santo Domingo Project in Mexico.

SELECTED ANNUAL INFORMATION

The following table sets out selected financial information of the Corporation for the past three years. The Corporation's financial year end is July 31st.

	Year Ending July 31 st , 2006 (Audited) \$	Year Ending July 31 st , 2005 (Audited) \$	Year Ending July 31 st , 2004 (Audited) \$
Net Income (Loss)	(1,154,653)	(583,589)	(512,560)
Net Loss per Share	(0.03)	(0.02)	(0.02)
Working Capital	3,307,800	567,941	3,255,845
Properties:			
Deferred Acquisition & Exploration Costs	6,308,559	6,354,581	3,795,350
Other Assets	10,248	10,863	15,115
Long Term Liabilities	Nil	Nil	Nil
Total Assets	9,985,652	7,138,595	7,126,614
Shareholders' Equity			
Dollar amount	9,626,607	6,933,385	7,066,310
Number of Shares Outstanding	44,774,973	36,324,973	35,537,473

The Corporation's working capital as at October 31st, 2006 was \$2,426,041 compared to \$3,307,800 at the end of the previous financial year. The major portion of the decrease in working capital was expended in an investment of \$1,027,009 in exploration costs. Details of these exploration costs are provided in the following tabulation. In the quarter ended October 31st, 2005 investments in exploration activities were \$240,476.

Drilling, assays, and related field work	\$921,429
Project administration and general	10,349
Interest income	(24,053)
Property acquisition and holding costs	114,299
Foreign exchange loss (gain)	4,985
TOTAL	\$1,027,009

Total assets of the Corporation increased to \$10,105,696 compared to \$9,985,652 at the end of the 2006 financial year (July 31st, 2006).

The Corporation is a junior exploration company with no revenue generating properties.

The loss recorded in 2006 was higher than the two preceding years due to non-cash charges to income arising out of the sale of the Santo Domingo Project (\$452,770) and increased expenditures on Investor Relations (\$123,762).

For further audited financial information, please refer to the Corporation's consolidated audited financial statements that have been filed on SEDAR.

ITEM 2 – RESULTS OF OPERATIONS

Brazilian Properties

Vila Porto Rico

In 1997, the Corporation negotiated an option agreement with Matapi Exploração Mineral Ltda. ("Matapi"), a Brazilian company, to acquire a 70 per cent interest in Matapi's Vila Porto Rico Property located west of the Tapajós Garimpeiro reserve, in north-central Brazil. The Vila Porto Rico Property is 40,000 hectares in extent and is divided into 4 equal-sized 10 kilometer by 10 kilometer claim blocks. Under the option agreement, the Corporation was to make payments totaling US\$715,000 over three years and carry out exploration programs with expenditures of US\$2.25 million within the same three year period. Upon fulfillment of these terms, Matapi was to be awarded a 30 per cent shareholding in the Corporation's subsidiary holding the Vila Porto Rico Property.

A technical report dated October, 1997 was prepared for the Corporation by Behre Dolbear & Company Ltd. and Behre Dolbear Chile & Cia. Ltda. (Dolbear) with respect to the Vila Porto Rico Property. The report is filed on SEDAR and is available for review at www.sedar.com.

During 1998, the option agreement with Matapi was renegotiated such that the Corporation was to acquire 100 per cent of the Vila Porto Rico Property subject to (i) paying US\$715,000 in four stages over three years, and (ii) issuing 1,966,250 common shares in five stages, being four stages of 250,000 common shares each, and the remaining 966,250 common shares being contingent upon the delivery of an independent study identifying at least 2,000,000 ounces of gold in the probable reserve category. There were no continuing work expenditure requirements.

All payments to Matapi were optional to the Corporation. Matapi retained a maximum 2.0 per cent net smelter return royalty (“NSR”) that could be purchased by the Corporation for US\$800,000 at any time. The Corporation closed the property transaction in July 1998 by making a cash payment of US\$115,000 and issuing 250,000 common shares. From 1997 through 2003, title to the Vila Porto Rico Property was held by Mineração Vila Porto Rico Ltda., the Corporation’s Brazilian subsidiary, via Mineral Exploration Licenses, Numbers 3647-3650 dated November 25, 1997 as granted by the Brazilian Department of Mines.

In August, 1999, the Corporation paid a further US\$125,000 and issued 250,000 common shares to Matapi.

On May 22, 2001, the Corporation entered into an amending agreement with Matapi with respect to the Vila Porto Rico Property in relation to the Corporation’s option to acquire a 100 per cent interest therein. The consideration for the exercise of the option was amended as follows:

- (a) a payment of US\$240,000 (instead of US\$715,000), as already paid by the Corporation;
- (b) a 1.5 per cent NSR, with a buyout of US\$1,275,000 (which may be paid down, in whole or in part, at any time by the Corporation); and
- (c) 1,966,250 common shares of the Corporation of which 500,000 common shares had been issued and the balance of 1,466,250 common shares were issuable to Matapi upon receipt by the Corporation of an independent study that confirmed a reserve (in the probable category or better) of at least 2,000,000 ounces of gold on the Vila Porto Rico Property.

On July 31, 2003, Mineração Vila Porto Rico Ltda., the Corporation’s Brazilian subsidiary, was granted four new Mineral Exploration Licenses, Numbers 5827-5830 dated July 25, 2003 by the Brazilian Department of Mines in respect of the Vila Porto Rico Property.

On November 13, 2003, the Corporation entered into a new agreement with Matapi with respect to the Vila Porto Rico Property in relation to the Corporation’s option to acquire a 100 per cent interest therein. The consideration for the option was agreed as follows:

- (a) a payment of US\$400,000 to Matapi in installments during the 2004 to 2006 period;
- (b) a 2.0 per cent NSR, with a buyout of US\$800,000 (which may be paid down at any time by the Corporation on the basis of US\$200,000 for each one-quarter or 0.5 per cent of the NSR acquired); and
- (c) 1,466,250 common shares of the Corporation of which 250,000 common shares were issued on January 1, 2004 and 250,000 common were to be issued on September 1, 2004. The balance of 966,250 common shares is to be issued to Matapi upon receipt by the Corporation of an independent study that confirmed a reserve (in the probable category or better) of at least 2,000,000 ounces of gold on the Vila Porto Rico Property.

On July 28th, 2004, the Corporation signed an agreement with the original mineral rights holder of the Vila Porto Rico Property. Under the terms of this agreement the option to purchase the

Vila Porto Rico Property was extended through July 2010. The Corporation will pay an additional US\$180,000 to the original mineral rights holder and will pay additional consideration if a reserve of 2,000,000 ounces of gold is identified on the Vila Porto Rico Property.

On July 30th, 2004, the Corporation announced that it had reached agreement with the local garimpeiro operation at the Ouro Roxo deposit on the Vila Porto Rico Property. Under the terms of this agreement (the “Garimpeiro Agreement”) the Corporation ceded a 100 hectare area within the 40,000 hectare Vila Porto Rico Property to the garimpeiro who will be permitted to work the eluvial material and the associated tailings.

On August 3rd, 2004, the Corporation signed a new option agreement with Matapi which establishes a revised payment schedule under which the Corporation will acquire from Matapi an undivided 100 per cent right, title and interest in the Vila Porto Rico Property (subject to the Garimpeiro Agreement) such that:

- (a) the Corporation will pay Matapi US\$80,000 over the period through March 2006;
- (b) the Vila Porto Rico Property will be subject to a 2.0 per cent NSR, with a buyout of US\$800,000 (which may be paid down, in whole or in part, at any time by the Corporation); and
- (c) 1,216,250 common shares of the Corporation of which 250,000 common shares were issued on September 1, 2004 and the balance will be issuable to Matapi upon receipt by the Corporation of an independent study that confirms a reserve (in the probable category or better) of at least 2,000,000 ounces of gold on the Vila Porto Rico Property.

In August 2004, the necessary camp and support equipment was purchased and Mineração Vila Porto Rico Ltda. established an exploration camp to support drilling operations and other field operations.

On November 22nd, 2004, the Corporation announced that a 5,000-meter drill program had commenced at the Vila Porto Rico Property. The initial diamond drilling occurred at Ouro Roxo North and was comprised of 1,000 meters in six holes which extended the drill grid started by RTZ/CRA in 1995 and 1996 on the 429.5 North, 200 North and 100 North Sections.

On December 15th, 2004, the Corporation reported that the first phase of diamond drilling at Ouro Roxo North had been completed and a total of 1,112 meters had been drilled in six holes.

On February 14th, 2005, the Corporation announced the results from the first three drill holes at Ouro Roxo North at the Vila Porto Rico Property.

On March 1st, 2005, the Corporation announced the results of the second three drill holes at Ouro Roxo North at the Vila Porto Rico Property and the commencement of drilling of a 14-hole program on Ouro Roxo South.

On May 17th, 2005, the Corporation announced the completion of 13 diamond drill holes (1,340.7 meters) of a 14-hole program (1,380 meters) to test the geochemical anomaly at Ouro

Roxo South (Pimenteiras). Assay results from the first three holes identified gold mineralization and the Corporation believes that Ouro Roxo South (Pimenteiras) has the potential similar to Ouro Roxo North (Buriti).

On August 15th, 2005, the Corporation provided a further progress report on exploration activities at the Vila Porto Rico Property, including further assay results from Ouro Roxo North, where hole number 27 intersected a mineralized zone 148 meters below the collar, which averaged 7.7 grams of gold per tonne over 18 meters, including 25.5 grams of gold per tonne gold over 5 meters.

On October 25th, 2005, the Corporation announced the discovery of extensive gold mineralization at Nova Brasilia at the Vila Porto Rico Property. The mineralized zone extends for at least 550 meters and yielded grab samples assaying up to 162.74 grams of gold per tonne gold.

On November 28th, 2005, the Corporation announced the discovery of gold mineralization at Carumbé at the Vila Porto Rico Property. The mineralized zone is similar to the Nova Brasilia mineralization and yielded grab sample assays of 57.47, 20.72, 1.86 and 5.34 grams of gold per tonne.

In July 2005, the Corporation engaged Behre Dolbear & Company (USA), Inc, to complete a report on the Vila Porto Rico Property and to present its findings in a document that complied with the requirements of Canadian National Instrument 43-101, Standards of Disclosure for Mineral Projects (“NI 43-101”).

In November 2005, the Corporation engaged Senior Engenharia Ltda. of Belo Horizonte, Minas Gerais, Brazil to complete a resource report for the Ouro Roxo deposit. This report was incorporated in a petition to the 5th District of the Departamento Nacional da Prudução Mineral (DNPM) to increase the term of the exploration concessions granted to Mineração Vila Porto Rico (MVPR) in 2003 and/or to extend these exploration concessions by an additional three years.

In January 2006, the Corporation engaged SRK Consulting (Canada) Inc. to incorporate the results of the resource report completed by Senior Engenharia Ltda. of Belo Horizonte into a technical report which complied with the requirements of NI 43-101.

On June 23rd, 2006, the Corporation reported that an independent NI 43-101 Technical Report on the Vila Porto Rico Property in the Tapajós Gold District of Pará State, North-Central Brazil had been prepared and filed on SEDAR. The report, dated June 20, 2006 was completed by SRK Consulting (Canada) Inc. in collaboration with SRK (Brazil).

In their report to the Corporation, SRK opined that:

- Both the Ouro Roxo North and South deposits are open along the strike of the shear zone to the north and south of each deposit. SRK believes that there is sufficient evidence to indicate that the auriferous zones within the Ouro Roxo deposits are continuous.
- SRK believes there is a good possibility of extending the gold mineralization as

well as discovering new auriferous shoots to the north and south of the current resources.

- Ouro Roxo North is open at depth and the deposit has good potential of extending gold mineralization as well as discovering new shoots of gold mineralization down dip of the current resources.
- SRK considers the entire Cantagalo-Ouro Roxo structure highly prospective for gold mineralization.
- SRK considers that the regional shear is proven as a large hydrothermal conduit of gold bearing mineralized fluids and the numerous gold showings including Pachiúba, Inferno Verde and Nova Brasília confirm the extent of the mineralization.
- The Ouro Roxo North and South deposits also demonstrate that the system is capable of hosting significant gold resources.

SRK computed an inferred resource estimate of 1.34 million tonnes at a grade of 5.8 grams of gold per tonne containing 252,000 ounces of gold. The SRK estimate was based on 27 drill holes on sections approximately 100 metres apart, using the inverse distance method and a cut off grade of 1.0 gram of gold per tonne.

On July 4th, 2006, the Corporation provided an update on the drill program at the Vila Porto Rico Property. Through June 30th, 2006, the drill contractor, Kluane International Drilling, had completed 1,866.4 meters of diamond drilling in eleven holes.

On August 8th, 2006, the Corporation provided an update on the drill program at the Vila Porto Rico Property. Through July 31st, 2006, the drill contractor, Kluane International Drilling, had completed 2,469.9 meters of diamond drilling in fourteen holes. The initial phase of the drill program, which commenced on April 25th, 2006, being designed to test and confirm the target at Nova Brasília along strike and at depth.

On September 21st, 2006, the Corporation announced the first assay results from the 2006 exploration program at the Vila Porto Rico Property. Through August 31, 2006, drilling along the mineralized shear zone totaled 2,740 m in 16 diamond drill holes. Geologic mapping and geochemical soil surveys indicate that the Nova Brasília shear zone is at least 2.5 km long, with 1.6 km yet to be drilled and tested. The potential for structures that branch off the Nova Brasília shear zone is considered to be equally important. In addition, 4-5 drill targets have been identified along structures unrelated to the Nova Brasília shear zone in the northern part of the Vila Porto Rico Property.

On September 28th, 2006, the DNPM (Departamento Nacional da Produção Mineral – Brazilian Government Mining Bureau) granted two exploration licenses (Numbers 9208 and 9209 pursuant to DNPM Processes 850.015/2006 and 850.017/2006) to MVPR. These licenses cover the properties contiguous with the Vila Porto Rico Property on its northern and eastern boundaries and comprise 9,875.43 hectares and 8,361.07 hectares, respectively.

On October 5th, 2006, MVPR filed an official memo with the DNPM advising that exploration activities had commenced on the properties to the north and east of the original Vila Porto Rico Property. These additional exploration licenses allow MVPR to expand its exploration program into the northerly extension of the Vila Porto Rico shear zone. The eastern claim is adjacent to Nova Brasilia and Inferno Verde and exhibits important and promising structures indicative of additional mineralized zones.

On October 18th, 2006, the Corporation reported progress on the second phase of diamond drilling which began in mid-September at Carumbé on the Vila Porto Rico Property. The Corporation also reported that new exploration concessions had been granted for the Limão Property and for two areas adjacent to and contiguous with the Vila Porto Rico Property.

On November 20th, 2006, the Corporation announced that the DNPM (Departamento Nacional da Produção Mineral – Brazilian Government Mining Bureau) had renewed all four of its exploration licenses for the Vila Porto Rico Property. These exploration licenses are valid for three years and were granted to Mineração Vila Porto Rico which is wholly-owned by Amerix.

The Corporation's ability to exercise the option and acquire an interest in the Vila Porto Rico Property is conditional upon the Corporation raising sufficient financing to make all required payments. There is no guarantee the Corporation will be successful, in whole or in part, in raising such financing. If the Corporation is unsuccessful in this regard, it may lose all of its interest in the Vila Porto Rico Property, including forfeiting all payments made to date. See "Risk Factors".

Limão

During 1997, the Corporation negotiated an option agreement with Cooperativa Mineral do Vale do Rio Tocantins Ltda. ("UNITINS"), a Brazilian company, to acquire a 70 per cent interest in the Limão Property (the "Limão Property") in north-central Brazil. The Limão Property covers approximately 11,812 hectares in the Tapajós Garimpeiro reserve. Under the option agreement, the Corporation was to make payments totaling US\$285,000 over three years and carry out exploration programs with expenditures of US\$2.25 million within the same three year period. Upon fulfillment of these conditions, UNITINS was to be awarded a 30 per cent shareholding in the Corporation's subsidiary holding the Limão Property.

A technical report dated October, 1997 was prepared for the Corporation by Behre Dolbear & Company Ltd. and Behre Dolbear Chile & Cia. Ltda. (Dolbear) with respect to the Limão Property. The report is filed on SEDAR and is available for review at www.sedar.com.

During 1998, the option agreement with UNITINS was renegotiated such that the Corporation was to acquire a 100 per cent interest in the Limão Property subject to (i) paying US\$285,000 in four stages over three years, and (ii) issuing 783,750 common shares in four tranches of 100,000 shares each, and with the issue of 383,750 common shares being contingent upon an independent study identifying at least 1,000,000 ounces of gold in the probable reserve category. There were no continuing work expenditure requirements. All payments to UNITINS were optional to the

Corporation. UNITINS retained a maximum 2.0 per cent NSR that could be purchased by the Corporation for US\$500,000 at any time.

During 1999, UNITINS acquired title to the Limão Property and transferred title to the Corporation's subsidiary, Mineração Vila Porto Rico Ltda. At that time, the Corporation paid US\$50,000 and issued 100,000 common shares to UNITINS. Title was held via Mineral Exploration Licenses, Numbers 329 and 330 dated January 25, 1999 as granted by the Brazilian Department of Mines.

On May 22, 2001, the Corporation entered into an amending agreement with UNITINS in relation to the Corporation's option to acquire a 100 per cent interest in the Limão Property. The consideration for the exercise of the option was amended to:

- (a) the payment of US\$110,000 (instead of US\$285,000), as already paid by the Corporation;
- (b) a 1.5 per cent NSR, with a buyout of US\$675,000 (which may be paid down, in whole or in part, at any time by the Corporation); and
- (c) 783,750 common shares of the Corporation of which 200,000 common shares have been issued and the balance of 583,750 common shares are issuable to UNITINS upon receipt by the Corporation of an independent study that confirms a reserve (in the probable category or better) of at least 1,000,000 ounces of gold on the Property.

On October 16th, 2006, the DNPM granted two exploration licenses for the Limão Property (Numbers 9513 and 9576 pursuant to DNPM Process 850.263/2002 and 850.262/2002) to Matapi Exploração Mineral Ltda ("Matapi"). These licenses will be transferred to MVPR through previous agreements with Matapi. MVPR has completed the field work required for an environmental license at the Limão Property and expects to commence drilling on the property in early 2007.

All of the expenditures of the Corporation to date on the Limão Property have gone into acquisition payments. See "Risk Factors".

Mexican Properties

Santo Domingo Project

The Corporation has acquired from Stroud Resources Ltd. ("Stroud"), 50% of Stroud's interest in Compañía Minera San Diego y La Espanola, S.A. de C.V. ("SDLE"). SDLE is a private Mexican company that holds exploitation licenses to two mineral properties located 90 kilometres north of Guadalajara, Mexico known as the *Santo Domingo II* and the *Nombre de Dios* properties and together referred to herein as the "*Santo Domingo Property*".

On March 22nd, 2006, the Corporation and Stroud Resources Ltd. announced that Stroud had agreed, subject to financing, to acquire Amerix's 50% ownership interest in the Santo Domingo

Project for consideration of Cdn\$1.8 million. Amerix retains a 5% net smelter royalty (NSR) on the project to a maximum of Cdn\$1.0 million.

On August 8th, 2006, the Corporation announced that it had completed the sale of its 50% interest in the Santo Domingo Project to Stroud Resources Ltd.

ITEM 3 – SUMMARY OF QUARTERLY RESULTS

The following table sets forth, for the quarter ended on the date indicated, information relating to the Corporation's revenue, net loss and loss per common share as prepared under generally accepted accounting principles in Canada.

	Revenues	Net Income (Loss)	Loss/Share Basic and Diluted
January 31, 2005	Nil	(84,062)	(0.00)
April 30, 2005	Nil	(129,778)	(0.00)
July 31, 2005	Nil	(268,394)	(0.01)
October 31, 2005	Nil	(87,275)	(0.00)
January 31, 2006	Nil	(463,557)	(0.01)
April 30, 2006	Nil	(260,202)	(0.01)
July 31, 2006	Nil	(343,619)	(0.01)
October 31, 2006	Nil	(106,423)	(0.00)

The Corporation is a junior exploration company with no revenue generating properties. Currently, the Corporation's funding continues to be derived from issuing securities and its short-term investments.

For further quarterly financial information, please refer to the Corporation's unaudited interim consolidated financial statements that have been filed on SEDAR.

ITEM 4 – LIQUIDITY

The Corporation's primary source of cash is from the issuance of its own securities, as it is an exploration company with interests in precious metals mining prospects. The Corporation's working capital ratio was approximately 8.2:1 as at October 31st, 2006 with working capital of \$2.43 million.

The Corporation does not currently have contractual obligations with regards to any purchase obligations or financings. The Corporation does have optional payments required in order to maintain its various mining interests. These amounts are as follows:

Thousands of Dollars				
Contractual Obligations	Total	2007	2008-2009	2010
Long Term Debt	-	-	-	-
Capital Lease Obligations	-	-	-	-
Operating Obligations	-	-	-	-
Purchase Obligations	-	-	-	-
Other Long Term Obligations	2,163	146	448	1,569
Total Contractual Obligations	2,163	146	448	1,569

The obligations for 2007-2009 relate to option payments for the Vila Porto Rico Property which payments are due in the 3rd quarter of each year. The obligation for 2010 is conditional upon the discovery of at least 2 million ounces of gold at the Vila Porto Rico Property. All obligations are based on the gold price of \$22.42 per gram on July 28th 2006.

The Corporation plans to invest approximately \$2,000,000 on its exploration programs in Brazil during fiscal 2007. Long term obligations will depend upon the results of these exploration programs.

Currently, the Corporation has sufficient cash reserves to meet its financial obligations for upcoming exploration programs. However, the Corporation may seek to raise additional funding to finance planned and future exploration programs should the directors deem it to be advisable. The timing and ability to fulfil this need will depend on the liquidity of the financial markets as well as the acceptance of investors to finance resource-based junior precious metals companies.

ITEM 5 – CAPITAL RESOURCES

As of October 31st, 2006, the Corporation had the following capital commitments for fiscal 2007 to keep its property agreements in good standing.

Brazilian Projects

In order to maintain its option to acquire a 100 per cent interest in the Vila Porto Rico Property the Corporation is required to make an option payment of \$146,000 during fiscal year 2007.

No option payments are due on the Limão Property during fiscal year 2007.

Working Capital

The Corporation estimates that it requires approximately \$450,000 per year for administration and general working capital. Total capital required to maintain all property agreements and

provide sufficient funds for exploration for fiscal 2007 is estimated to be \$2,400,000. Should drilling results warrant, the Corporation may choose to increase the projected expenditures on either or both of the Brazilian properties.

Available Funds

The Corporation has sufficient cash reserves to meet its financial obligations for the 2007 exploration programs. However, the Corporation will need to raise additional funding to finance future exploration programs. The timing and ability to fulfil this need will depend on the liquidity of the financial markets as well as the acceptance of investors to finance resource-based junior precious metals companies.

ITEM 6 – OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect upon the results of operations or financial condition of the Corporation, including, and without limitation, such considerations as liquidity and capital resources.

ITEM 7 – TRANSACTIONS WITH RELATED PARTIES

The Corporation maintains a consulting arrangement with one officer of the Corporation at the rate of \$4,000 per month and pays medical insurance costs on behalf of the same officer. The Corporation pays consulting fees to officers of the Corporation for services provided in Brazil or Mexico up to a maximum of \$30,000 per year. In addition, directors and officers are reimbursed for travel and other expenses incurred on behalf of the Corporation.

One of the Corporation's directors is a partner in a law firm which received compensation for legal services in the aggregate amount of \$16,973 during the recently completed quarter.

ITEM 8 – RISK FACTORS

Investment in a natural resource company involves a significant degree of risk. The degree of risk increases substantially where the Corporation's properties are in the exploration, as opposed to the development or production stage. All of the Corporation's properties are in the exploration stage.

There are a number of risks inherent to the Corporation's business. These may be summarized as follows:

Limited Business of the Corporation: Other than the Corporation's option to acquire the Vila Porto Rico Property and the Limão Property in Brazil, the Corporation has no material non-cash assets. There is no assurance the Corporation will be able to finance the acquisition of properties or the exploration or development thereof.

Exploration and Development: All of the resource properties in which the Corporation has an interest or the right to acquire an interest are in the exploration stage and without a known body of commercial ore. Development of any resource property held or acquired by the Corporation will only follow obtaining satisfactory exploration results. Exploration for and the development of natural resources involve a high degree of risk and few properties which are explored are ultimately developed into producing properties. There is no assurance that the Corporation's exploration activities will result in any discovery of commercial ore.

Substantial expenditures are required to establish reserves through drilling, to develop processes to extract reserves and to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that resources will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. Few properties that are explored are ultimately developed into producing mines.

Loss of Brazilian Properties: The Corporation has not paid the full purchase price for the either of the Brazilian properties and there is the risk the property vendors may seek to repossess the properties, or either of them, if the required payments are not made as scheduled.

Environmental and Government Legislation: Existing and possible future environmental legislation, regulations, and actions could cause significant expense, capital expenditures, restrictions, and/or delays in the activities of the Corporation, the extent of which cannot be predicted and which may well be beyond the capacity of the Corporation to fund. The Corporation's right to exploit any mining properties is subject to various reporting requirements and to obtaining certain governmental approvals and there is no assurance that such approvals, including environmental approvals, will be obtained without delay or at all.

Any exploration program executed by the Corporation will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In addition, the profitability of any mining project is affected both by production costs and by markets for the project's metals which in turn may be influenced by factors including the supply and demand for such metals, the rate of inflation, the inventories of larger producers, the political environment and changes in international investment patterns.

Environmental Factors: All phases of the Corporation's future operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's business.

Financing: The Corporation does not presently have sufficient financial resources to complete, by itself, the exploration and development of its properties, or any properties it may acquire. The

exploration and development of the Corporation's properties will therefore depend upon the Corporation's ability to obtain financing through the joint venturing of projects, private placement financing, public financing or other means. There is no assurance that the Corporation will be successful in obtaining the required financing.

Limited Operating History and Lack of Cash Flow: The Corporation has a limited business history. The Corporation has no history of earnings or cash flow from its present operations. The only present source of funds available to the Corporation is through the sale of equity or debt securities or borrowing. Even if the results of exploration are encouraging, the Corporation may not have sufficient funds to conduct further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on any property it has or it acquires and the Corporation may not realize a return on its investment. While, the Corporation may generate additional working capital through equity offerings, borrowing, sale or the joint venture development of its properties and/or a combination thereof, there is no assurance that any such funds will be available. Failure to obtain such additional capital, if needed, would have a material adverse effect on the Corporation.

The Corporation has neither declared nor paid dividends during the past five years and does not anticipate doing so in the foreseeable future.

Conflicts of Interest: Certain of the directors and officers of the Corporation are also directors, officers or shareholders of other companies that are engaged in the business of acquiring, exploring and developing natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation, to disclose any material interest which they may have in any project or opportunity of the Corporation, and to abstain from voting on such matter.

Operating Hazards and Risks: Future operations in which the Corporation has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. The nature of the risks associated with the Corporation's business are such that liabilities might exceed insurance policy limits, the liabilities and hazards might not be insurable, or the Corporation may elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Corporation could incur significant costs that could have a material adverse effect upon its financial condition.

The Corporation may become subject to liability for personal injury, property, or environmental damage, and other hazards of mineral exploration against which it cannot insure or against which it may elect not to insure due to high premium costs or other reasons. Payment of such liabilities could have a material adverse effect on the financial position of the Corporation.

Permits and Licenses: Upon acquisition of a property interest, the operations of the Corporation will require licenses and permits from various governmental authorities. There can be no

assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

Fluctuating Prices: The Corporation's future revenues, if any, are expected to be in large part derived from the extraction and sale of precious metals. The price of those commodities fluctuates widely and is affected by numerous factors beyond the Corporation's control including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of precious metals, and therefore the economic viability of any of the Corporation's exploration projects, cannot be predicted accurately.

ITEM 9 – PROPOSED TRANSACTION

The Corporation has not entered into any significant transaction, nor is it currently reviewing any such transaction, which requires board approval, shareholder approval or regulatory approval that has not been discussed within this MD&A.

ITEM 10 – CHANGES IN ACCOUNTING POLICIES

Effective August 1st, 2003, the Corporation prospectively adopted the fair value-based method for stock-based compensation in accordance with the recommendations of Section 3870 "Stock-Based Compensation and Other Stock-Based Payments", issued by the CICA. Previously, no compensation expense was recognized for stock options granted to officers or directors. Under the new policy, a compensation expense for stock options is accounted for using the Black Scholes fair value-based option valuation model. The institution of this change in accounting policy has no impact upon the cash position of the Corporation or the Corporation's ability to execute the planned exploration programs.

The Corporation has not changed any of its other accounting policies, nor does it expect that any recent new accounting pronouncements shall have any material impact on the financial condition or results of operations.

ITEM 11 – FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Corporation is not involved in any hedging program, nor is it a party to any financial instruments that may have an impact on its financial position.

ITEM 12 – OTHER MD&A REQUIREMENTS

Additional information relating to the Corporation, including its audited annual consolidated financial statements, its unaudited quarterly financial statements and related management discussion and analysis for each period therein is available on SEDAR at www.sedar.com.

As of the date of this filing, the Corporation has 45,274,973 common shares outstanding. In addition, the Corporation has the following convertible securities outstanding:

Type	Quantity	Exercise Price	Expiry Date
Options	774,000	\$0.25	December 16, 2007
Options	1,000,000	\$0.44	December 15, 2008
Options	50,000	\$0.32	April 27, 2009
Options	100,000	\$0.30	June 27, 2009
Options	700,000	\$0.35	November 8, 2009
Options	500,000	\$0.44	June 28, 2010
Options	100,000	\$1.25	May 3, 2011
Options	725,000	\$0.93	June 30, 2011
Warrants	3,225,000	\$0.70	April 6, 2007
Warrants	600,000	\$0.50	April 6, 2007