QUEENSLAND MINERALS LTD.

AMENDED MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2007

The following management's discussion and analysis ("MD&A") of the operations, results, and financial position of Queensland Minerals Ltd. (the "Company" or "QML"), dated April 23, 2008, covers the years ended December 31, 2007 and 2006 and should be read in conjunction with the audited consolidated financial statements and related notes for the years ended December 31, 2007 and 2006 (the "December 31, 2007 and 2006 consolidated financial statements").

The December 31, 2007 and 2006 consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Canada ("Canadian GAAP").

All financial results are expressed in Canadian dollars unless otherwise indicated.

BUSINESS OVERVIEW

The Company is engaged in the business of mineral exploration in Queensland, Australia through its wholly-owned subsidiaries, Queensland Minerals (Australia) Pty Ltd. ("QMA") and Asmam Pty Ltd. ("Asmam"). Its objective is to discover and develop mineral properties of merit. The Company is in the process of exploring its mineral projects and has not yet determined whether these properties contain mineral resources or mineral reserves. To this date, the Company has not generated any revenues from operations.

Highlights for 2007

- Completion of IPO on March 1, 2007 and listing of common shares on the TSX Venture Exchange;
- Commencement of drilling in July 2007;
- Very encouraging initial Au-Cu results on the Lynd Anastasia and Dingo Peak prospects announced in early 2008;
- Option Agreement with Echo Resources on the Reedy Creek area near Lynd Anastasia;
- Impairment charge on ABCP held.

Initial Public Offering

In March 2007, the Company successfully completed its Initial Public Offering ("IPO") for the sale of 20,000,000 units and 350,000 warrants, including the exercise of an over-allotment of 2,000,000 units, to raise gross proceeds of $12,003,500 and received approval for the listing of its common shares on the TSX Venture Exchange ("TSX Venture"). The Company's common shares started trading on the TSX Venture on March 1, 2007, under the symbol QML.

Exploration Activities

The Company incurred exploration costs of $3,670,700 in 2007 (compared to $207,500 in 2006), of which $1,949,100 was spent on the Lynd River Project and $1,658,900 on the Sybil Graben Project as more fully described below. Of the total amount spent, $1,717,100 was for drilling and assaying, $505,600 for wages, $507,700 for field supplies, vehicle and base operating costs and $579,300 for administration. The Company has had very encouraging results from its 2007 drilling campaign as described in the Company's news releases dated January 16, February 12 and April 14, 2008.

Reedy Creek Project

On December 12, 2007, the Company announced that its wholly-owned subsidiary Queensland Minerals (Australia) Pty Ltd. ("QMA") had entered into a Heads of Agreement with Echo Resources Limited ("Echo"), an Australian-listed company, in relation to Echo's Reedy Creek Project in North Queensland.

The Reedy Creek Project encompasses a number of gold-silver and base metal workings and prospects located 13km northwest of the Company's Anastasia Prospect on the Lynd River Project, approximately 50km southwest of the town of Chillagoe.

The principal terms of the agreement are as follows:

- QMA may earn a 70% interest in the Reedy Creek Project by spending A$1,000,000 within 30 months, including A$450,000 for a 50% interest during the initial 18 months.
- If QMA earns a 70% interest, Echo and QMA will enter into a joint venture on a QMA 70% - Echo 30% basis.
- QMA may, subject to Echo's prior consent, elect to earn an additional 10% interest in the joint venture by completing a bankable feasibility study within 4 years. Echo will be free carried to the completion of the bankable feasibility study. On completion of the bankable feasibility study, Echo will have a 20% interest. Echo can participate in the joint venture with its 20% interest, or dilute to a 2% Net Smelter Royalty.
- QMA must complete a predefined number of exploration drill holes in the Project area.
- QMA will be the manager of the exploration program during the earn-in phase, and thereafter as long as QMA's interest is greater than 50%.

The Reedy Creek Project consists of two exploration permits and one application covering a total area of 230 km^2 of prospective ground with more than two dozen identified geological and geophysical targets. The principal geological units in the Reedy Creek Project are the Proterozoic McDevitt Metamorphics and Fig Tree Hill Granite Complex, and the Carboniferous to Permian Scardons Volcanic Group and the Desert Creek Granite Complex. The area is considered prospective for intrusion-related gold-silver deposits.

The Company plans to commence drilling on the Reedy Creek Project in the second quarter of 2008 utilizing the proximal well established Anastasia exploration program camp facilities.

The initial exploration program will involve a geological, geochemical, geophysical and GIS synthesis to rank the prospectivity of the targets in the area. This will be combined with a rapid assessment of the prospects on the ground to define a matrix of prospectivity.

Lynd Anastasia

Core drilling commenced at Anastasia on the Lynd River Project on July 9, 2007 and an additional eighteen (18) holes completed to the end of March 2008, for an additional 4,304 meters. The Company released encouraging results from the thirteen (13) holes completed in 2007 in separate press releases dated January 16 and February 12, 2008. On April 14, 2008, the Company released results for the first seven (7) holes completed in 2008, which also included positive results. Assays are pending from all subsequent holes. The turn around period for assay results is currently over eight weeks.

The exploration program is focused on a half kilometre mineralized portion of a 20 km north-west trending structural corridor that contains other favourable targets that the Company intends to evaluate by drilling later in 2008.

The Anastasia prospect is located 50 km south west of Chillagoe on the margin of the Permo-Carboniferous Scardon's Igneous Complex and at the intersection of the major northwestern structure with a 10 km north easternly trending linear feature. Anastasia is a polymetallic high sulphidation epithermal to mesothermal system covering a 600 m x 300 m wide main zone within a down faulted block of amphibolite grade Proterozoie metasediments. These are intruded by a rhyolite flow dome complex that is spatially and temporally associated with the gold-copper mineralization. This is inferred from limited vein intersections within the volcanic breccias and the adjacent altered older microgranites at depth to the north.

In general, significant mineralization is constrained at depth in the felsic subvolcanic intrusives, but there is evidence for a NE trending structural hydrothermal feeder zone adjacent to or within the rhyolites that is relatively untested and may have considerable depth extent.

Previous drilling in the 1980's resulted in 30 drill holes with positive results. These have been reported previously in the 43-101 Technical Report by Resource Equity Consultants Pty Ltd. dated February 20, 2007.

Analysis of the drilling and assay results, suggest that the host breccias are tabular and dip moderately to the NE. However, steeply dipping feeder zones are postulated and are one of the targets for the ongoing program. The geology and geochemistry appears to be vectoring to the ENE. Drill holes are in planning to test this zone to locate the up-flow area that produced the mineralization discovered to date.

Late in 2007 a dipole-dipole induced polarization ("IP") geophysics program was completed over the main Anastasia prospect. More IP needs to be undertaken and additional drilling is in progress to test the geophysics response and extend the gold-copper zone to the northwest.

The encouraging results returned late in 2007 prompted management to commit to recommence drilling in January 2008. Exploration is generally not undertaken in North Queensland at this time since it is the height of the rainy season. However, adequate preparations were made to supply the camp with food, fuel and consumables to allow work to continue during this period. An all weather airstrip is located 25 km NW of the prospect along good roads with no major stream or river crossings to use for re-supply and personnel transport.

Management believes that the results to date indicate a potentially significant new gold-copper discovery at the Lynd Anastasia Project. The system is open along strike and at depth and there are other prospects nearby which will be evaluated over the coming months.

Sybil Graben

The Sybil Graben Project is an area to the northwest corner of a 35 km by 15 km structure known as Sybil Graben in North Queensland, 100 km west of Townsville, Australia. Core and reverse circulation drilling using a UDR650 drill rig began on August 7, 2007 at the Quartz Ridge target. The rig was moved to the Francis Creek target on October 12, 2007 and commenced a series of 14 holes to test the epithermal quartz veins. This program was completed in December 2007. Francis Creek drilling has totaled 1,933 metres.

A total of one reverse circulation (RC) and 6 diamond core holes have been drilled totalling 488 meters and 1,230 meters respectively at Quartz Ridge in 2007. No significant assays have been received for any of the holes completed at Quartz Ridge.

Drilling at Francis Creek has located colloform textured banded brecciated epithermal veins sometimes with adularia and abundant silica replacing carbonate textures. The main area of interest is within a 3 km by 2 km area of epithermal veins cutting strongly altered crystal tuffs lying on top of carbonaceous basement rocks. Final drill holes for 2007 have cut epithermal veins in both the acid volcanics and underlying basement sediment pile.

A total of 12 RC and 6 diamond core holes have been drilled to total 1,596 and 659 meters respectively at Francis Creek since drilling began in October 2007. Initial results from the Francis Creek drilling have been encouraging.

Drilling is scheduled to resume at Francis Creek in late April 2008. Another 3,000 m of drilling is planned to continue testing epithermal veins at depth and along strike for continuing epithermal gold mineralization.

Mungana - Dingo Peak Prospect

The Dingo Peak prospect is situated within the Mungana tenements in the Chillagoe region of North Queensland and lies 30 km to the east of the Anastasia prospect and 35 km south of the Red Dome copper gold mine. Dingo Peak is positioned along a North-South trending splay of the highly mineralized Palmerville Fault, and lies in the southern part of a 2 km long by 1 km wide geochemical and geophysical anomalous zone. The main target Is a large copper-gold porphyry system with elevated gold and copper in soil values over an area of 1,200 m x 1,000 m surrounding the intrusive core.

Late in 2007, two diamond drill holes for 266 meters were completed over the two main targets at the Dingo Peak porphyry in the south and Quartz Needle to the north. In a press release dated April 14, 2008, the Company announced encouraging results at the Dingo Peak prospect with better grade and thickness parameters than previous shallow drilling. The key intersection occurs within an extensive mapped zone of strongly hydrothermally altered and brecciated basement metamorphics. These lie peripheral to the central high-level quartz porphyry core of this well developed mineralized system in readily accessible hilly terrain.

The Company intends to finish digital compilation of previous exploration data at Dingo Peak prior to conducting further surface geochemical work and RAB drilling aimed at identifying priority targets for more systematic core drilling into extensive high level porphyry system. Given the very limited current drilling of this major system it is expected that planned systematic surveys and proposed follow-up diamond drilling will result in the definition of a large resource target.

Asset-backed commercial paper ("ABCP")

In 2007, the Company had invested an amount of $8.95 million in short-term debt obligations, issued by limited purpose trusts and sponsored and managed by non-bank entities. These obligations are commonly known as ABCP. In mid-August 2007, a number of sponsors of non-bank managed ABCP announced that they could not place ABCP due to unfavourable conditions in the Canadian capital markets. As a result, the non-bank ABCP market is currently the subject of an agreement signed August 16, 2007 among a number of affected parties (the "Montreal Proposal ABCP"). On September 6, 2007, a Pan Canadian Committee (the "Committee") consisting of a panel of major Montreal Proposal ABCP investors was formed. The Committee subsequently retained Goodmans and JP Morgan Chase as legal and financial advisors, respectively, to oversee the proposed restructuring process. On October 16, 2007, the Chairman of the Committee announced the proposed restructuring of one of the 22 conduits affected by this crisis.

On December 23, 2007, the Committee announced that an agreement in principle had been reached regarding a comprehensive restructuring of the ABCP issued by 20 of the 21 remaining trusts covered by the Montreal Proposal ABCP. On March 20, 2008, an Information Statement in respect of a Plan of Compromise and Arrangement (the "Plan"), pursuant to the Companies Creditors Arrangement Act ("CCAA") was sent to all noteholders of Canadian third-party structured ABCP. A meeting of the noteholders to vote on the Plan has been scheduled for April 25, 2008.

At December 31, 2007, the Company estimated the fair value of the ABCP it holds and applied a total impairment charge of $2,425,000.

Additional information on the terms of the proposed December 23, 2007 restructuring and the Company's estimation of fair value are included in note 4 to the December 31, 2007 consolidated financial statements.

CONSOLIDATED FINANCIAL INFORMATION

The following selected financial information should be read in conjunction with the Company's consolidated financial statements and related notes.

	December 31, 2007	December 31, 2006
	$	$
Balance Sheet		
Cash	392,000	109,300
Asset-backed commercial paper	6,493,100	-
Deferred exploration expenses	4,305,100	634,400
Bank loan	2,313,700	-
Total assets	11,689,600	774,600
Shareholders' equity	8,532,200	317,200

	Year ended December 31,		
	2007	2006	2005
	$	$	$
Operations			
Administration expenses	536,700	204,100	177,900
Stock-based compensation cost	1,257,300	-	-
Interest income	(184,900)	-	(3,000)
Impairment charge on ABCP	2,425,000	-	-
Write-down of mineral properties	-	-	1,188,100
Other	80,900	(11,900)	35,100
Net loss	(4,115,000)	(192,200)	(1,398,100)
Basic and diluted loss per share	(0.11)	(0.01)	(0.11)
Cash flows			
Operating activities	(555,300)	(229,800)	(196,700)
Investing activities	(12,236,300)	(183,500)	(515,800)
Financing activities	13,074,200	458,700	730,800

The Company has not paid any cash dividends on its outstanding common shares to date and does not intend to pay dividends in the foreseeable future. The Company plans to retain earnings, if any, for use in the operation of its business, to finance growth and expand its operations.

Results of Operations

The Company had no revenues from operations for the years ended December 31, 2007 and 2006.

During the year ended December 31, 2007, the Company incurred expenses totalling $1,835,600 compared to $204,100 in 2006. Prior to the Company's listing on the TSX Venture on March 1, 2007 the Company's expenses were limited to fees and other expenses required to maintain the Company active. The Company incurred $536,700 in administration expenses in 2007 and $1,257,300 in stock-based compensation cost, following the grant of 3,350,000 stock options during the year.

In 2007, the Company earned $184,900 in interest income on liquidities held prior to the August 16, 2007 standstill agreement relating to ABCP. For the comparative period in 2006, the Company had no interest income.

A write-down of the Company's ABCP in the amount of $2,425,000 was charged to earnings in 2007 (see further discussion under Business Overview - Asset-backed commercial paper).

The Company accounted for a loss on foreign exchange of $22,500 in 2007 compared to a gain of $11,800 in 2006. These amounts result from the change in value of the Australian dollar relative to the Canadian dollar applied on the conversion of monetary items held in Australian currency at the balance sheet dates.

Quarterly information

The table below presents revenues, net loss and net loss per share for the last eight quarters.

Period ended	Revenues	Net loss	Net loss per share
	$	$	$
December 31, 2007	-	(1,586,645)	(0.03)
September 30, 2007	-	(1,609,043)	(0.04)
June 30, 2007	-	(246,117)	(0.01)
March 31, 2007	-	(673,239)	(0.03)
December 31, 2006	-	(27,285)	-
September 30, 2006	-	(53,263)	-
June 30, 2006	-	(17,938)	-
March 31, 2006	-	(93,750)	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

The Company's working capital deficit at December 31, 2007 totalled $2,445,700 compared to $317,300 at December 31, 2006. The working capital deficit includes cash of $392,000 and a bank loan of $2,313,700.

On August 30, 2007 (with amendments dated October 9, 2007, December 6, 2007 and February 6, 2008), the Company entered into a temporary credit facility of $5,000,000, secured by the Company's ABCP, to fund working capital requirements. As at December 31, 2007, an amount of $2,313,700 has been drawn on the facility, which bears interest at prime less 1.50% and matures on May 31, 2008. The Company is required to reduce the amount of the outstanding credit facility with any proceeds received from the sale of the ABCP. As at March 31, 2008, the amount drawn on the facility totals $3,575,000.

On March 1, 2007, the Company successfully completed its Initial Public Offering ("IPO") for the sale of 18,000,000 Units to raise gross proceeds of $10,800,000. As part of the IPO, the Agents were also granted an over-allotment option and on March 29, 2007, an additional 2,000,000 Units at a price of $0.60 per Unit and 350,000 warrants at a price of $0.01 per warrant were issued, thus increasing the gross proceeds of the IPO by $1,203,500. The Units offered under the IPO were sold at a price of $0.60 each. Each Unit is comprised of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.80 for a period ending 18 months from the closing date of March 1, 2007. After the date that is six months from the closing date, in the event that the closing price of the common shares is $1.20 or more for a period of at least 20 consecutive trading days, the Company has the right to accelerate the termination of the exercise period of the warrants to 30 days from the notice of such acceleration. As part of the IPO, the Company paid the Agents a cash commission equal to 7% of the gross proceeds of the IPO. The Company also issued to the Agents warrants to acquire such number of common shares that is equal to 7% of the number of Units sold pursuant to the IPO, exercisable at the issue price of $0.60 for a period of 18 months from the closing date.

In 2007, the Company also issued a total of 1,407,125 common shares following the exercise of warrants relating to the 2005 private placements, for total proceeds of $366,438.

Funding requirements and ABCP implications

The Company currently funds its exploration program through its credit facility. The Company believes that through the combination of the credit facility and the fair value of its ABCP of $6.5 million, it has sufficient funds to pursue its exploration programs and to meet its corporate and administrative obligations for the next four to six months. The Company's ability to fund its exploration programs after that period is dependent upon its ability to raise additional capital. The Company is presently evaluating financing alternatives to pursue without interruption its exploration programs. In the event that the Company is not successful in raising sufficient funds, it may need to substantially reduce its exploration activities. A significant portion of the Company's exploration expenditures represent discretionary spending and can be adjusted to reflect results of exploration and the Company's level of capital resources.

The amount and timing of additional funding may be significantly impacted by, among others, the strength of the capital markets and the outcome of the Plan of Compromise and Arrangement regarding the ABCP restructuring, should the amount recovered be lower than management's current best estimate of recovery and should funds not be readily available.

There can be no assurance that the Company will be able to raise sufficient funds as and when these funds are required.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2007, the Company had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the year ended December 31, 2007, the Company:

1. paid or accrued consulting fees, office and administration and other exploration costs of $210,700 (2006 - $92,700) to a Company controlled by an officer and director of the Company;
2. paid or accrued legal fees of $100,900 (2006 - $175,700) to a law firm of which a director of the Company is a partner; and
3. accrued professional and administration fees $285,800 (2006 - $42,900) to Reunion Gold Corporation, a company under common management.

As at December 31, 2007, the Company owed $36,100 to Reunion Gold Corporation, a company under common management.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

BOOK VALUE OF MINING PROPERTIES

At the end of each period, work performed on exploration projects is reviewed to evaluate its potential. Following this analysis, a write-down is recorded, if required. The Company has established that no write-down was required at December 31, 2007.

CHANGES IN ACCOUNTING POLICIES

On January 1, 2007, the Company adopted prospectively Section 1530, *Comprehensive Income*, Section 3251, *Equity*, Section 3855, *Financial Instruments - Recognition and Measurement* and Section 3861, *Financial Instruments - Disclosure and Presentation,* issued by the Canadian Institute of Chartered Accountants. These new sections include comprehensive standards for the recognition, measurement, presentation and disclosure of financial instruments and require that the Company classify all of its financial assets and liabilities in categories which clearly defined rules determine the standards to be applied. The adoption of these new standards had no impact on the values of the Company's balance sheet items at January 1, 2007.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, ABCP, receivables, bank loan, accounts payable and accrued liabilities and amounts due to a related party. Other than the ABCP (as previously discussed), management does not believe that these financial instruments expose the Company to any significant interest or credit risks. The fair market value of these instruments, other than the ABCP, at December 31, 2007 approximates their carrying value. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The Company's risk management is coordinated by the officers of the Company, in close co-operation with the members of the board of directors.

OUTSTANDING SHARE DATA

Common shares and convertible securities outstanding at March 31, 2008 are as follows:

Securities	Expiration date	Exercise price	Securities outstanding
Common shares	n/a	n/a	42,861,268
2007 warrants	1-Sep-08	$0.80	10,350,000
2007 Broker warrants	1-Sep-08	$0.60	1,400,000
Stock options	1-Mar-12	$0.60	1,755,000
Stock options	26-Mar-12	$0.60	10,000
Stock options	14-Jun-12	$0.60	250,000
Stock options	17-Dec-12	$0.60	1,217,500
Stock options	17-Mar-13	$0.60	150,000

If all warrants and options were exercised, total shares outstanding would be 57,993,768 shares.

RISKS AND UNCERTAINTIES

The following discussion reviews a number of significant risks which management believes could impact the Company's business. For a more complete discussion of these and other risk factors, please refer to the "Risk Factors" section of the Company's prospectus dated February 21, 2007 accessible on www.sedar.com.

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

All of the Company’s prospects are in the exploration stages only and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Title Risks

The Company, through its Australian subsidiaries, owns or has entered into agreements to acquire the mineral rights comprising its projects. Some of those mineral rights, including the permit for the Lynd Anastasia Project, have expired and their renewals are subject to the approval of the State of Queensland. In addition, several of the Company’s mineral rights are not yet registered in the name of the Company’s subsidiaries. Transfer applications have been submitted to the regulatory authorities in the State of Queensland to effect the transfer of those mineral rights to QMA, the Company’s subsidiary, but the State of Queensland will not process those applications until they have processed the renewal applications. There is no assurance if, or when, such renewals and transfer applications will be approved.

Some other mineral rights are still in the application stage and there is no assurance if, or when, such applications will or may be approved by the applicable regulatory authorities or, if approved, that the granted mineral rights will include the sub-blocks requested in the applications. Until an application is approved and a mineral rights is granted, an application for exploration permit for minerals (“EPMA”) or an application for mineral development lease (“MDLA”) does not confer on the holder any exploration rights. The Company has submitted an application for a mineral development licence (“MDL”) over most of the area which currently comprises the Sybil Graben Project. If the MDLA is not accepted, the Company may be required to relinquish most of the area which comprises the Sybil Graben Project.

The Company could lose title to, or its interests in, the mineral rights comprising its projects if conditions under applicable laws are not met or if sufficient funds are not available to meet expenditure commitments.

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to its properties will not be challenged or impugned. The mineral properties, in which the Company has its interests, may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Surveys have not been carried out on any of the mineral properties, therefore, in accordance with the laws of the jurisdiction in which such properties are situated, their existence and area could be in doubt. Until competing interests in the mineral lands have been determined, the Company can give no assurance as to the validity to those lands or the size of such mineral lands.

Compulsory Work Obligations

Each of the Company’s mineral rights, and those mineral rights that it has a right to acquire, is subject to expenditure and work commitments which must be met in order to keep such tenement in good standing. These commitments may be varied on application by the tenement holder but any such variation is at the sole discretion of the Minister administering the relevant State mining legislation. If no variation is approved, and there is a failure to meet the commitments, this could lead to forfeiture of the tenement.

Native Title and Aboriginal Cultural Heritage

In carrying out exploration and/or mining operations, the Company must observe Native Title legislation (where applicable) and Aboriginal Cultural Heritage legislation.

The *Native Title Act* 1993 legally recognizes the unique title rights of indigenous Australians over areas where those rights have not been lawfully extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration or obtain production mineral rights. Native title may affect the status, renewal and conversion of existing mineral rights and the granting of new mineral rights.

There may be sites and objects of significance to indigenous Australians located on the land relating to the mineral rights that the Company has rights to. State and Commonwealth Aboriginal Cultural Heritage legislation aims to preserve and protect these sites and objects from use in a manner inconsistent with Aboriginal tradition. Aboriginal cultural heritage may restrict access to the affected land and result in the preclusion of any exploration or mining activities in that area. This may result in increased operating costs for the Company in executing its proposed exploration plans. Also, cultural heritage surveys of the exploration areas will need to be conducted prior to accessing the land and access agreements may need to be negotiated with affected parties.

Liquidity crisis and Requirement for Additional Financing

The Company has limited financial resources. In light of the current situation concerning the market for Asset-Backed Commercial Paper (“ABCP”), the Company is currently unable to access or convert its holdings in such ABCP. As a result, the Company is financing its activities through a bank loan. Failure to access these liquidities on a timely basis may cause the Company to postpone its development plans, forfeit rights in some or all of its projects or reduce or terminate some or all of its operations.

The further development and exploration of the Company’s projects depends upon the Company’s ability to obtain financing through equity financing, joint ventures, debt financing, or other means. There is no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets for precious and base metals may make it difficult or impossible for the Company to obtain equity financing or debt financing on favourable terms or at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone its development plans, forfeit rights in some or all of its projects or reduce or terminate some or all of its operations.

Environmental Regulations, Permits and Licenses

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations or cause delays in the development of mining projects.

The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various federal, provincial or territorial and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. There can be no assurance, however, that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Mineral Exploration and Mining Carry Inherent Risks

Mining operations are subject to hazards normally encountered in exploration, development and production. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact production throughput. Although it is intended to take adequate precautions to minimize risk, there is a possibility of a material adverse impact on the Company’s operations and its financial results.

Volatility of Metal Prices

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that the Company's properties can be mined at a profit. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, the Company's principal products and exploration targets, gold, copper and silver, is affected by various factors, including political events, economic conditions and production costs.

Foreign Currency Exchange

The Company incurs most of its expenditures in Australian dollars, while most of the funds it raises are Canadian dollars. This renders the Company subject to foreign currency fluctuations which may materially affect its financial position and operating results.

Forward Looking Statements

Except for historical information, this MD&A may contain forward looking statements. Forward-looking statements are not historical facts and are subject to a number of known and unknown risks and uncertainties beyond the Company's control. Uncertainties relate to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; the possibility that required permits may not be obtained in a timely manner or at all; changes in planned work resulting from weather, logistical, technical or other factors; potential resources, exploration results, costs and supply of material relevant to the mining industry; and future plans and objectives of the Company. These statements may cause the actual results, levels of activity, performance or achievement of the Company to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward looking statements.

Statements relating to the effects and impacts of the market disruption are forward-looking information within the meaning of Canadian securities laws. These forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward looking statements, including, ABCP market conditions, additional defaults under ABCP, the ability of ABCP funds to obtain funding from liquidity facilities supporting the ABCP, and other risks and uncertainties, including those described in this MD & A.

Additional Information and Continuous Disclosure

This MD & A has been prepared as at April 23, 2008. Additional information on the Company is available through regular filings of press releases and financial statements on SEDAR (www.sedar.com).