

**INTERNATIONAL BARYTEX RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS
NINE MONTHS ENDED SEPTEMBER 30, 2007**

Date of Information

The information contained in this Management Discussion and Analysis (“MD&A”) covers the period from January 1, 2007 through November 23, 2007. The following information should be read in conjunction with the unaudited and unreviewed financial statements for the nine months ended September 30, 2007 and related notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles. Additional information relating to the Company is available on the Company’s website at www.barytex.com and the SEDAR website at www.sedar.com.

Forward-Looking Statements

This MD&A may contain statements that are forward-looking in nature. These forward looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these forward looking statements. Forward looking statements may include, but are not limited to, statements with respect to future reclamation activities, future mineral exploration, the success of exploration activities, requirements for additional capital. Forward looking statements involve known and unknown risks and uncertainties and other factors which may cause the actual results to be materially different from any future results expressed or implied by the forward looking statements. Such factors include, among others, risks related to actual results of exploration activities, changes in economic and political conditions, future prices of commodities, changes in foreign exchanges rates, accidents, labour disputes, delays in obtaining governmental approvals or financing .

Description of Business

International Barytex Resources Ltd. (the “Company”) is a natural resource corporation currently engaged in the identification, acquisition, evaluation and exploration of mineral properties, especially with the potential to host base metals and is currently active in the Democratic Republic of Congo (“DRC”). The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange under the symbol IBX.

Overall Performance

The Company is in the exploration and early development stage and has no operating revenue. Since the acquisition of the Shituru copper-cobalt Property in May 2005, the Company has devoted its resources towards development of this property located in the DRC. It is the Company’s goal to complete the development of the Shituru Property and place it into commercial production.

The key performance factors affecting the Company’s financial performance include copper prices, ore grades, recovery rates, energy and transportation costs, cost control, efficient mine development, and the ability to raise additional capital.

During the year ended December 31, 2006, the Company completed a private placement of 4,883,721 units at the price of \$2.15 per unit for total proceeds of \$10,500,000 before share issuance costs. In addition, there were 480,000 stock options and 3,715,665 warrants exercised to net the Company \$91,900 and \$5,201,931 respectively. There were no financing activities during the current period.

During the nine months ended September 30, 2007, the Company incurred a total of \$721,940 in acquisition of property, plant, and equipment, \$23,765 in acquiring mining concessions and \$5,851,434 in deferred exploration costs. The majority of these expenditures are related to the Shituru Property. During the quarter ended September 30, 2007, the Company commenced activities to evaluate and pursue further exploration opportunities in the DRC. The Company has earned a 60% interest in East China Capital Holdings Ltd., which company’s sole asset is an option to acquire a 75% share interest in the Shituru copper-cobalt deposit in the DRC.

During the nine months ended September 30, 2007, the Company incurred a net loss of \$798,846 after allocating \$519,739 as project management fees to the Shituru Property. Non-cash expenses during the period included \$924,357 in stock-option compensation and \$5,120 in write down of deferred costs.

In April 2007, the government of the DRC appointed a commission to review 61 mining contracts drawn up by state companies with private investors. The Company's agreement with Generale Des Carrieres et des Mines ("Gecamines") on the Shituru Property is included in this review process. While portions of the commission's report were leaked to the public in November, the Company has received no official notification from the government of DRC on the commission's findings, which has announced its intention to commence a parliamentary review of the commission's report. The Company is awaiting the outcome of that review and is in discussion with the government of the DRC in preparation for the review activities.

Management Change

On May 25, 2007, Mr. Michael Liu was appointed as member of the audit committee replacing Mr. William Phillipow.

On November 15, 2007, the Company announced the appointment of Mr. Samuel Yik as Chief Financial Officer. Mr. Yik is a chartered accountant with over 18 years of diversified business experience, and joined the company after having spent the past three years in the resource sector where he served in senior management roles in areas of corporate finance, investor relations, corporate development and commercial management. Mr. Yik also spent over 10 years with a major public chemical company where he held various management positions in finance, operations and marketing. In addition to his CA designation, Mr. Yik holds a commerce degree from the University of British Columbia, and is a member of the Canadian Investor Relations Institute.

Exploration and Property Acquisition and Disposition

Mel Zinc-Lead-Barite Property

The Mel zinc-lead-barite property is located in the Watson Lake Mining Division, in southeast Yukon, approximately 100 kilometres northeast of the town of Watson Lake. The Company acquired from Breakwater Resources Ltd. ("Breakwater") a 100% interest in the Mel Property which currently consists of 257 claims. To date the Company paid a total of \$1,000,000 and incurred \$1,372,375 (including \$472,706 by Cominco) expenditures on the property. The Company also issued 600,000 common shares of the Company to Breakwater and has agreed to pay a royalty of 1% of any net smelter return from the property to Breakwater. The cost of the Mel project was written down to a nominal value of \$1 during the year ended December 31, 2004. Subsequent to December 31, 2004, all deferred exploration costs relating to this property were written off in the period when they were incurred. The Company still considers the Mel property to be of merit and is evaluating options with respect to exploration of the property.

Barb Zinc-Lead-Silver Property

The Barb zinc-lead-silver property is located in the Watson Lake Mining Division in southeast Yukon, approximately 100 kilometres north of the town of Watson Lake. The property consists of 31 mineral claims. Historic exploration on the property has outlined a small deposit of zinc, lead, and silver. In 1998, an airborne geophysical survey conducted over the property outlined several geophysical anomalies that warrant testing.

The cost of the Barb property was written down to a nominal value of \$1 during the year ended December 31, 2001. Subsequent to December 31, 2001, all deferred exploration cost relating to this property were written off in the period when they were incurred. The Company still considers the Barb property to be of merit and is evaluating options regarding additional exploration.

Shituru Property, DRC

By agreement dated May 27, 2005 and subsequently amended on February 20, 2006 and April 26, 2006, the Company acquired an option to purchase up to an 86.67% interest in East China Capital Holdings Ltd. ("ECCH"), which company's sole asset is an option to acquire a 75% share interest in the Shituru copper-cobalt deposit from Gecamines by agreeing to provide all funds to place the property into production. When the option is fully exercised, the Company will indirectly hold a 65% interest in the Shituru Property which is located one kilometre east of the Gecamines metallurgical complex on

the southern limits of the city of Likasi in the DRC. In accordance with the terms of the agreement, the Company agreed to pay a total of US\$5,000,000 and issue 6,950,000 common shares of the Company in stages to the vendors of the property as follows:

- (1) payment of US\$200,000 upon execution of the agreement (paid);
- (2) payment of US\$1,300,000 (paid) and issuance of 1,600,000 common shares (issued) of the Company to acquire a 30% interest in ECCH within five days following the later of the date when the agreement is accepted for filing with the TSX Venture Exchange and the date when the legal title to the Shituru Property has been transferred to a joint venture corporation (“TSX Acceptance Date”);
- (3) payment of US\$500,000 (paid) and issuance of 1,600,000 common shares (issued) of the Company on or before February 18, 2006 plus US\$500,000 on or before May 18, 2006 (paid) to acquire an additional 20% interest in ECCH;
- (4) payment of US\$1,000,000 on or before May 18, 2006 (paid) to acquire an additional 10% interest in ECCH;
- (5) payment of US\$1,500,000 and issuance of 2,150,000 common shares of the company to acquire an additional 5% interest in ECCH upon completion of a feasibility report and a production decision is made (not due);
- (6) issuance of 1,600,000 common shares of the Company to acquire an additional 21.67% interest in ECCH upon commencement of commercial production (not due).

In addition to the above, the Company must also assume certain obligations with respect to the underlying option agreement between ECCH and Gecamines, which includes US\$300,000 payment (paid) within seven months of legal title transfer to the joint venture company, US\$700,000 payment within 30 days of submission of the feasibility study, and a further US\$1,500,000 payment in seven monthly payments commencing in the fourth month after the start of commercial production. The property is subject to a 1.5% to 2% net sales revenue royalty to be negotiated depending on the results of the feasibility study. In addition, the property is subject to a 2% net sales royalty imposed by the laws of the DRC.

On September 20, 2005, the TSX Venture Exchange accepted for filing the acquisition of the Shituru Property. On November 18, 2005, the legal title to the Shiruru Property was transferred to the joint venture corporation. As of September 30, 2007, the Company has earned a 60% interest in ECCH.

To date about 18,000 metres of diamond drilling in 130 holes have been drilled for exploration and engineering studies. Drill results to date continue to support the interpretation of a stratiform deposit with above average copper grades near surface. Cobalt grades are variable and appear to be of better grade at the extremities of the known deposit. The deposit consists of broad zones of mineralization typical of the Congo copper belt with dips varying from 60 to 85 degrees. The mineralization consists of predominately malachite with minor chrysocolla and chalcocite hosted in dolomitic sediments and volcanoclastic rocks occupying an anticlinal structure. The exploration drilling also indicates that carbonate-rich host rocks occur principally at depth and this has significant implications for the metallurgical process being considered for the project.

Geo-technical drilling to determine pit-wall slope parameters for feasibility study and condemnation drilling for site infrastructure has been undertaken. Drilling for groundwater investigations and environmental monitoring was commenced in October 2007. Data collection for environmental baseline characterization and surface water monitoring began during the quarter.

Management remains focused on characterizing the oxide mineralization to a level sufficient to support a Mineral Reserve estimate to be used in a feasibility study. Exploration drilling designed to delineate the oxide copper Mineral Reserve for a feasibility study was completed in October 2007. This information consists of 14,157 metres of drilling in 98 holes.

Relations with the community of Likasi, a town of approximately 250,000, have been cordial.

In July, the Company announced a Mineral Resource estimate for the Shituru copper property prepared by SRK Consulting of Johannesburg, an independent engineering firm. SRK estimated an Indicated Resource of 7.9 million tonnes grading 4.4% copper and 0.08% cobalt and an additional Inferred Resource of 2.2 million tonnes grading 2.7% copper and 0.04% cobalt based on a 1% cut-off grade. This Mineral Resource was based on the results of 6,400 metres of diamond drilling in 43 drill holes. In August, the Company received a 43-101 compliant technical report by SRK on the Shituru deposit. Detailed results of this report plus all the assay results are available on the Company’s website at www.barytex.com

The Mineral Resource estimate prepared by SRK Consulting of Johannesburg in July 2007 will be used as the basis for a Preliminary Assessment which will consider technical and economic aspects of the Shituru deposit. Metallurgical testing completed during the period indicates that Whole Ore Leaching is the preferred process route for the low carbonate content

mineralization which is estimated to represent the majority of the deposit, particularly in the early years of mining. As a consequence it was decided to incorporate this information into the Preliminary Assessment which is now scheduled to be completed late in 2007. The Preliminary Assessment will provide a scoping study level of detail for Shituru and identify areas requiring further study and refinement during the Feasibility Study. The company intends to proceed with a feasibility study following completion of the Preliminary Assessment.

Core samples were sent to Alfred H. Knight (Zambia) Limited laboratories located at Kitwe, Zambia and to ALS/Chemex located in Johannesburg for preparation and analysis. Alfred H. Knight (Zambia) Limited has ISO/IFC 17025 accreditation for analysis of minerals and metals and is SANAS accredited for Copper and Cobalt.

All samples were prepared to normal industry standards and assayed for total copper, acid soluble copper, total cobalt, acid soluble cobalt and calcium oxide (CaO). In addition to the laboratory's internal quality control measures, the Company has implemented a quality assurance and quality control program which includes insertion of appropriate standards and blanks into the sample stream.

Bruno Barde, P. Geo., Exploration Manager for the Company, is supervising the drilling program and has reviewed the technical aspects of this management discussion and analysis. Mr. Barde is a qualified person as defined under National Instrument 43-101.

Deferred Exploration Costs:

	<u>Mel</u> <u>Property</u>	<u>Barb</u> <u>Property</u>	<u>Shituru</u> <u>Property</u>	<u>Congolese</u> <u>Concessions</u>	<u>Total</u>
Three Months Ended September 30, 2007					
Balance, June 30, 2007	\$ -	\$ -	\$ 8,251,971	\$ -	\$ 8,251,971
Addition during the period:					
Amortization	-	-	52,813	7,303	60,116
Assay and Analysis	-	-	284,853	-	284,853
Drilling	-	-	707,095	-	707,095
Field expenses	-	-	101,955	6,082	108,037
Geological consultants	-	-	205,863	-	205,863
Office administration	-	-	210,942	31,190	242,132
Permits and fees	-	420	1,277	38,563	40,260
Preseasibility study	-	-	126,431	-	126,431
Project management fees	-	-	213,603	-	213,603
Salaries, wages and benefits	-	-	153,888	8,543	162,431
Surveys	-	-	5,895	-	5,895
Taxes	-	-	862	7,589	8,451
Travel and accommodation	-	-	282,232	14,339	296,571
Vehicle and equipment expenses	-	-	57,665	873	58,538
	<u>-</u>	<u>420</u>	<u>2,405,374</u>	<u>114,482</u>	<u>2,520,276</u>
Written off during the period	<u>-</u>	<u>(420)</u>	<u>-</u>	<u>-</u>	<u>(420)</u>
	<u>-</u>	<u>-</u>	<u>2,405,374</u>	<u>114,482</u>	<u>2,519,856</u>
Balance, September 30, 2007	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,657,345</u>	<u>\$ 114,482</u>	<u>\$ 10,771,827</u>

	Mel Property	Barb Property	Shituru Property	Congolese Concessions	Total
Nine Months Ended September 30, 2007					
Balance, December 31, 2006	\$ -	\$ -	\$ 4,925,513	\$ -	\$ 4,925,513
Addition during the period:					
Amortization	-	-	107,183	7,303	114,486
Assay and analysis	-	-	607,989	-	607,989
Drilling	-	-	1,873,286	-	1,873,286
Field expenses	-	-	496,633	6,082	502,715
Geological consultants	-	-	489,677	-	489,677
Office administration	-	-	328,661	31,190	359,851
Permits and fees	2,915	2,205	1,277	38,563	44,960
Prefeasibility study	-	-	243,464	-	243,464
Project management fees	-	-	540,070	-	540,070
Salaries, wages and benefits	-	-	382,557	8,543	391,100
Surveys	-	-	16,710	-	16,710
Taxes	-	-	17,601	7,589	25,190
Travel and accommodation	-	-	525,446	14,339	539,785
Vehicle and equipment expenses	-	-	101,278	873	102,151
	2,915	2,205	5,731,832	114,482	5,851,434
Written off during the period	(2,915)	(2,205)	-	-	(5,120)
	-	-	5,731,832	114,482	5,846,314
Balance, September 30, 2007	\$ -	\$ -	\$ 10,657,345	\$ 114,482	\$ 10,771,827

Results of Operations

Quarter Ended September 30, 2007

The Company's revenue during the quarter ended September 30, 2007 consisted of management services provided to a junior mining company in the amount of \$10,140 (2006 - \$10,140) and interest income of \$63,058 (2006 - \$60,067). The Company recorded net earnings during the quarter ended September 30, 2007 in the amount of \$22,853 as compared with net loss of \$511,506 during the same period the previous year. This is primarily due to gain from foreign exchange and costs reallocated to the project. During the quarter, major expenses were as follows:

- i) Stock based compensation of \$179,071 (2006 - \$372,076) due to stocks granted in previous year and vested during the current period;
- ii) Wages and benefits of \$61,998 (2006 - \$68,679).
- iii) Management fees of \$22,500 (2006 - \$22,500);
- iv) Cost recovery of \$191,786 (2006 - \$Nil) being project management fees reallocated to Shituru Project;

Nine Months Ended September 30, 2007

The Company's revenue during the nine months ended September 30, 2007 consisted of management services provided to a junior mining company in the amount of \$30,421 (2006 - \$30,420) and interest income of \$248,613 (2006 - \$98,115). The Company's interest income was significantly higher than the same period last year due largely to higher cash balance on hand as a result of cash received from the private placement and warrants exercised in 2006. The Company recorded a net loss during the nine months ended September 30, 2007 of \$798,845 as compared to net loss of \$980,817 during the same period the previous year. The loss before cost recovery was actually higher due to increased business activities. During the period, major expenses were as follows:

- i) Stock-based compensation of \$924,357 (2006 - \$630,169) being option benefits for granting 540,000 stock options to directors, officers, and consultants plus stock options granted in previous year and vested in the current period;
- ii) Wages and benefits of \$161,843 (\$113,956);

- iii) Office rent of \$126,775 (2006 - \$31,048);
- iv) Management fees of \$22,500 (2006 - \$53,400);
- v) Cost recovery of \$328,316 (2006 - \$Nil) being project management fees allocated to Shituru Project;

Investor Relations

During the period, investor relations services were provided by the Company's employee, Mr. Ivan Bebek. Duties included acting as the Company's investor relations contact, preparing materials for publication purposes, maintaining the Company's website and handling investment dealer communications.

Summary of Quarterly Results

Quarter Ended	Revenue (\$)	Net Income (Loss) (\$)	Basic & Fully Diluted Loss per Share (\$)	Total Assets (\$)	Long Term Liabilities (\$)	Cash Dividend (\$)
September 30, 2007	73,198	22,852	-	27,731,183	Nil	Nil
June 30, 2007	94,324	(179,333)	-	27,570,506	Nil	Nil
March 31, 2007	111,512	(642,365)	(0.02)	27,754,582	Nil	Nil
December 31, 2006	122,965	374,450	0.01	27,108,609	Nil	Nil
September 30, 2006	70,207	(511,506)	(0.01)	26,485,899	Nil	Nil
June 30, 2006	30,717	(146,010)	-	16,281,464	Nil	Nil
March 31, 2006	27,611	(323,301)	(0.01)	11,295,900	Nil	Nil
December 31, 2005	31,236	(76,008)	-	5,332,196	Nil	Nil

During the last eight quarters, the Company's operating losses varied widely. The fluctuations were caused by cost recovery from the Shituru Project as project management fees, stock-based compensation expenses and write-down of deferred costs.

It is estimated that the Company will continue to incur losses in the immediate future quarters until a mineral property is developed and in commercial production. The losses are expected to continue to fluctuate widely depending on non-cash expenses such as stock-option compensation and write down of deferred costs during the quarter.

Liquidity and Capital Resources

As at September 30, 2007, the Company had working capital of \$5,087,726 (December 31, 2006 - \$11,414,797), and cash and cash equivalent plus short-term investments of \$5,123,525 (December 31, 2006 - \$11,341,004) with no long term debts. The Company has invested its cash with high credit quality financial institutions in the form of term deposits. The Company does not have any investments in Asset Backed Commercial Papers.

In September 2006 the Company completed a private placement of 4,883,721 units at the price of \$2.15 per unit which consists of one common share and one warrant to net the Company \$9,481,649 net of share issuing expenses. Each warrant entitles the holder to purchase one common share at the price of \$2.55 for a period of two years. The warrants are subject to an acceleration clause whereby if the common shares of the Company trade above \$3.50 for a period of 20 consecutive trading days at any time after four months and one day after closing the private placement; the Company may require warrant holders to exercise the warrants within 30 days of formal notice of the Company. In consideration for the above financing, the Company paid certain finders a total of \$278,273 in commissions, and 142,953 in finders' units with the same terms as the private placement units sold, and issue 447,255 in finders' warrants subject to the same terms as the private placement warrants.

During the year ended December 31, 2006, the Company also received \$91,900 from stock options exercised and \$5,201,931 for warrants exercised. There were no financing activities during the current period.

The Company expects to seek additional funding in the next 12 months for continued development of the Shituru project and general corporate activities. The Company's ability to continue as a going concern is dependant upon the ability of the Company to generate profitable operations in the future, and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

Stock Options

On March 19, 2007, the Company announced that it has granted stock options to directors, officers, employees and consultants to purchase a total of 540,000 common shares of the Company for a period of five years at a price of \$1.87 per share.

On November 7, 2007, the Company issued stock options to an officer to purchase a total of 125,000 common shares of the Company at \$1.23 per share, subject to regulatory approval, with 45,000 vesting immediately, 45,000 vesting in one year and the balance of 35,000 vesting in two years.

Related Party Transactions

During the nine months ended September 30, 2007, the Company paid \$67,500 (2006 - \$53,400) for management services to H. Leo King & Associates Inc. ("HLK"), a company controlled by Leo King, the President of the Company. On July 1, 2006, the Company entered into a contract with HLK to provide management services at the rate of \$7,500 per month for a period of three months renewable at the end of each period.

For the nine months ended September 30, 2007, the Company incurred \$32,675 (2006 - \$12,985) for accounting services to Albert Wu & Associates Ltd., a private corporation controlled by Albert Wu who is the former Chief Financial Officer of the Company, who resigned on November 7, 2007.

During the nine months ended September 30, 2007, the Company paid \$22,500 (2006 - \$Nil) for geological consulting services to Ted Muraro, a director of the Company.

As of September 30, 2007, a total of \$37,515 was due from companies with common directors and officers, certain directors and officers for travel advances for their share of the office rent, administration and general office expenses.

Companies with common directors and officers	
Texon Technologies Ltd.	\$ 28,119
Pacific Imperial Mines Inc.	8,319
Andagan Resource Corp.	1,013
Directors	
Ted Muraro	47
Leo King	17
	<u>\$ 37,515</u>

As of September 30, 2007, a total of \$22,502 was due to a company with common directors and officers and one private company controlled by a director and another private company controlled by a former officer.

Companies with common directors and officers	
Kobex Resources Ltd.	\$ 20,659
Private companies:	
Albert Wu & Associates Ltd., controlled by Albert Wu	636
H. Leo King & Associates Ltd., controlled by Leo King	1,207
	<u>\$ 22,502</u>

The amounts due from or to related parties are non-interest bearing and are unsecured with no specific terms of repayment. These transactions are in the normal course of operations and are measured at the exchange amount, which approximates fair value and is the amount of consideration established and agreed to by the related parties.

Risk and Uncertainties

The Company holds an interest in a mineral property in the Democratic Republic of Congo and as such is exposed to the laws governing the mining industry in that country with respect to such matters such as taxation, repatriation of profits, restrictions on production, export controls, environmental compliance, and expropriation of property or limitations on foreign ownerships, as well as shifts in the political stability of the country and labour unrest, any of which could adversely affect the Company and its exploration and production activities in the country.

The agreements pursuant to which the Company acquired its interests in the properties provide that the Company must make a series of cash payments over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. If the Company fails to make such payments or expenditures in a timely fashion, the Company may lose its interest in those properties. Further, even if the Company does complete exploration activities, it may not be able to obtain the necessary licenses to conduct mining operations on the properties, and thus would realize no benefit from its exploration activities on the properties.

The acquisition of title to resource properties or interests therein is a very detailed and time-consuming process. Title to and the area of resource concessions may be disputed. The Company has conducted an internal investigation of title to its significant resource properties. Based on a review of records maintained by the relevant government agencies in each country in which the Company has properties, and, based upon legal opinions prepared for the Company, there is no guarantee of title to any of the Company's properties. The properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. Title may be based upon interpretation of a country's laws, which laws may be ambiguous, inconsistently applied and subject to reinterpretation or change.

The business of mineral exploration and extraction involves a high degree of risk. Few properties that are explored are ultimately developed into production and there is a risk that none of the Company's properties are commercially viable. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in extraction operations and the conduct of exploration programs. There are also physical risks to the exploration personnel working in developing countries, often in poor climate conditions.

The Company has limited experience in placing mineral deposit properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if the Company places mineral deposit properties into production.

Previous mining operations may have caused environmental damage at certain of the Company's properties. It may be difficult or impossible to assess the extent to which such damage was caused by the Company or by the activities of previous operators, in which case, any indemnities and exemptions from liability may be ineffective. If any of the Company's properties is found to have commercial quantities of ore, the Company would be subject to additional risks respecting any development and production activities.

The Company's business, results of operations, financial condition, and the trading price of its common shares could be materially adversely affected by any of the foregoing risks and by other risks, including risks related to copper and cobalt prices, change of laws and regulations, enforcement of judgements, competition, dependence on key employees and consultants, additional funding requirements, insurance, currency fluctuations, conflicts of interest, and share trading volatility.

Critical Accounting Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities at the date of the financial statements and the reported amounts of certain revenue and expenses during the period. Actual results could differ significantly from those estimates.

Specific items requiring estimates are accounts receivable, equipment and amortization, asset retirement obligations, future income taxes, stock-option compensation and other accrued liabilities and contingent liabilities.

At September 30, 2007, the net book value of capital assets amounted to \$750,878. Except for leasehold improvements which are amortized on a straight line basis, amortization of these costs is calculated on the declining balance method using estimated percentages.

The Company has estimated the present value of estimated future asset retirement costs for the Shituru Property to be \$Nil at September 30, 2007. Estimates of these closure costs and the expected timing of their incurrence are reviewed periodically. It is possible that the Company's estimates of its ultimate asset retirement obligations could change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation, cost estimates or the estimated remaining ore reserves.

The Company recorded stock-based compensation expense of \$924,357 based on an estimate of the fair value of the options granted. This accounting required estimates of interest rates, life of options, stock price volatility and the application of the Black-Scholes option pricing model.

Changes in Accounting Policies

On January 1, 2007, the Company adopted new accounting standards issued by the CICA relating to Financial Instruments – Recognition and Measurement and Comprehensive Income. The adoption of these standards had no impact on the Company's financial statements. The fair market value of the Company's financial assets and liabilities approximates the carrying amount as a result of the short-term nature of the instruments. The Company has not entered into any hedging relationships and does not hold any available-for-sale securities that would result in the recognition of other comprehensive income or loss.

Off-Balance-Sheet Arrangements

The Company has not entered into any off-balance-sheet arrangements.

Disclosure and Internal Financial Reporting Control and Procedures

The Company has evaluated the effectiveness of its disclosure and internal financial reporting controls and procedures as of September 30, 2007 and concluded that the Company's disclosure and internal financial reporting controls and procedures, as at September 30, 2007, are effective in ensuring that material information is disclosed adequately and timely. The Company's Chief Financial Officer and Chief Executive Officer ("Certifying Officers") are responsible for establishing and maintaining disclosure controls and procedures which provide reasonable assurance that information required to be disclosed by the Company under provincial securities legislation is reported within the time periods specified. The procedures are designed to ensure that material information relating to the Company is accumulated and communicated to management as appropriate to allow for timely decisions regarding the required filings.

The Company's Certifying Officers are responsible for establishing and maintaining internal controls over financial reporting and have designed such internal controls, or caused them to be designed under their supervision, which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Canadian GAAP. Due to the geographical locations of the Company, it is not feasible to achieve complete segregation of duties to provide absolute controls over financial reporting. In addition, the Company may not have the necessary in-house knowledge to address complex accounting, taxation and legal issues that may arise.

It should be noted that while the Certifying Officers of the Company, as required under Multilateral Instrument 52-109 issued by the Canadian Securities Administrators, have evaluated the effectiveness of these disclosure controls and procedures for the nine months ended September 30, 2007 and have concluded that they are being maintained as designed, they do not expect that the disclosure controls and procedures or internal controls over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

Latest Outstanding Share Data

As of November 23, 2007, the Company had the following outstanding securities:

(1)	Common shares issued	40,625,775
(2)	Stock options	2,735,000
(3)	Share warrants	6,606,671