

SIMBERI GOLD CORPORATION - MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2005

Set out below is a discussion of the activities, results of operations and financial condition of Simberi Gold Corporation ("Simberi" or the "Corporation") for the year ended December 31, 2005 compared to the year ended December 31, 2004. Management's Discussion and Analysis (MD&A) was prepared as of April 28, 2006 and should be read in conjunction with the audited consolidated financial statements of the Corporation for the years ended December 31, 2005 and 2004 and the notes thereto. The Corporation's financial statements and financial data have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Unless otherwise denoted all amounts discussed herein are denominated in Canadian dollars.

Additional information relating to the Corporation is also available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com under the name Simberi Gold Corporation.

OVERVIEW

Simberi is a mineral exploration and development company focused on the acquisition, exploration and development of properties for the mining of precious and base metals internationally. The Corporation is currently conducting exploration work on a copper/cobalt property located in the African copper belt in the Democratic Republic of the Congo ("DRC").

MINERAL PROPERTIES

Simberi is a Canadian junior mineral resource corporation that is engaged in the acquisition and exploration of metal mining properties internationally. The Corporation's main exploration focus is in the Saba Province of the DRC where the Corporation holds, through a subsidiary, a 51% interest in the Kakanda copper/cobalt properties. In addition the Corporation has interests in three joint venture properties in Australia through a subsidiary of Novaking Pty. Ltd, a subsidiary of Simberi.

Simberi's principal mineral asset in 2004 was a 50% interest in the Simberi Mining Joint Venture ("SMJV") that holds a mining permit on Simberi Island in Papua New Guinea. The other 50% of SMJV is owned by Nord Pacific Limited ("Nord"), a wholly owned subsidiary of Allied Gold Limited ("Allied"). Simberi also had a 1% interest in the Tabar Island exploration joint venture and a right to own a further 50% interest by spending US\$2.0 million prior to December 31, 2005.

In November 2004, Simberi entered into an agreement with Allied to sell 75% of its 50% interest (37.5% while maintaining a 12.5% carried interest) in the SMJV and its interest in the Tabar Island gold exploration project for total cash consideration of \$4 million, and a 14% interest held by Nord Pacific Ltd., a wholly-owned subsidiary of Allied, in the Chester Township property owned by Young Shannon Gold Mines, Limited in Canada (the "Chester property").

In October 2005, Simberi completed its agreement with Allied pursuant to which Simberi sold a 37.5% interest in the SMJV and its interest in the Tabar Island gold exploration project to Allied in consideration for a net cash amount of \$3,838,031. In addition Simberi also received a 14.0% interest in the Chester Property.

In June 2005, the Corporation entered into a Letter of Intent ("LOI") with Mongal Gazar Resources Limited ("MGH") of Mongolia to acquire an initial 22% interest in the Olon Ovoot gold project in the South Gobi district of Mongolia. Pursuant to the terms of the LOI, MGH was to form a new company Mongolian Gold Mines Company ("MGMC") that would hold all the Olon

Ovoot assets. Simberi would be the manager of the joint venture pertaining to the LOI and MGH would be the on-site operator. The exploration programs, however, would be conducted through joint cooperation of the two parties. Simberi would invest US\$0.5 million in MGMC and pay MGH US \$1.85 million and 9.3 million common shares to earn its 22% interest. Simberi would also pay a finder's fee of 700,000 common shares to The Balloch Group of Beijing. Simberi would have an option to purchase up to a 100% interest in Olon Ovoot project from MGH with the purchase price being a discounted value based on the resources delineated at the time of the purchase. During the third quarter, Simberi announced its decision to suspend investigations on the Olon Ovoot gold project and, as a result, the project was written off.

In December 2005, the Corporation completed the acquisition of 400,000 common shares of New Congo Resources Development Company Inc. (New Congo"), representing 66.67% equity ownership (on a fully diluted basis) of the company, for \$100,000 cash from Firebird Global Master Fund Ltd. and Kershner, Grosso & Co. In addition Simberi took over the obligation to provide funding for up to US\$900,000 in exploration expenditures.

New Congo, a Canadian private corporation, was established in 2004 as a mineral exploration and development business to exploit initially certain copper and cobalt tailings dumps located in Kakanda and Kambove in the DRC (the "Kakanda Project"). PTM Minerals (Cayman) Ltd. ("PTM Minerals"), a Cayman Islands domiciled mineral exploration and development company, explored the Kakanda Project in 1997. New Congo acquired all of the outstanding shares of PTM Minerals in 2004. Pursuant to an agreement between PTM Minerals and Gecamines, the state owned copper mining company in the DRC, the parties agreed to enter into a joint venture to operate the Kakanda Project. Currently, PTM Minerals and Gecamines each have the right to participate in the joint venture on a 51% and 49% basis, respectively.

The previous operator of the Kakanda Project, International Panorama Resource Corp., engaged Bateman Minerals & Industrial Limited ("Bateman") in conjunction with Steffen Robertson Kirsten (SRK) and other experts to complete a feasibility study for the Kakanda Project in 1997. The study was completed in October 1997 and concluded that the Kakanda Project was technically feasible and economically viable based on the costs and metal prices prevalent at that time.

The feasibility study described above is based on historical data and reports and as such the classification of the mineral resource estimates for the study was completed prior to National Instrument 43-101 ("NI 43-101"). Therefore, the resource estimates cannot be treated as 43-101 compliant until verified by a Qualified Person. While the historical estimates were not 43-101 compliant the management of Simberi, however, believes that Bateman and SRK are technically competent and has comfort in the reliability of this study

The Corporation has engaged MPH Consultants to prepare a NI 43-101 compliant technical report on the property and expects that the report will be completed in sometime in May 2006.

The balance of the outstanding shares of New Congo is held by Quartern Holdings Ltd. ("Quartern"). In April 2006 the Corporation entered into a definitive agreement with Quartern to acquire those shares. Pursuant to the terms of the agreement, Simberi has agreed to purchase from Quartern and Quartern has agreed to sell to Simberi the remaining 33.3% of the outstanding shares of New Congo and Quartern has agreed to continue its role in the development of the Kakanda Project in exchange for the following:

- a) payment by Simberi to Quartern of \$100,000 in cash; and
- b) the issuance by Simberi to Quartern of eight million common shares of Simberi.

In addition, Quartern has agreed to enter into a consulting agreement with Simberi and New Congo pursuant to which Quartern will be, amongst other things, providing in country office

and other local support as well as being responsible for assisting the continuing development of the Kakanda Project. Pursuant to the terms of the consulting agreement, Quartern will be entitled to receive an additional 3.9 million common shares of Simberi upon successfully increasing PTM Minerals' interest in the Kakanda Project from 51% to 75% or more. Closing of the transaction is subject to receipt of final approval from the TSX Venture Exchange.

On October 21, 2005, the Corporation completed an Agreement with Allied to sell its remaining 12.5% interest in the SMJV. In consideration for this interest, Simberi received: (i) 2 million common shares of Allied; (ii) 2 million options exercisable at AUS\$0.25 per share on or before December 31, 2006; (iii) 2 million options exercisable at AUS\$0.50 per share on or before December 31, 2008; and (iv) \$200,000 cash in Canadian currency. At April 24, 2006, the common shares of Allied were trading for AUS\$0.52 per share.

During 2005, the Corporation completed, through its wholly owned Australian subsidiary Renaissance Corporation ("Renaissance"), a joint venture agreement with Korab Resources Limited ("Korab") on the Corporation's Mt. Elephant gold prospect in Western Australia. Korab can earn a 70% interest in the Mt. Elephant properties by spending a minimum AUS\$40,000 in the next 12 months and a total AUS\$500,000 in exploration over three years.

During 2005, the Corporation completed, also through Renaissance, a joint venture agreement with Domo Pty Ltd ("Domo"), pertaining to Simberi's Zanthus property. Domo has the opportunity to earn an initial 25% interest in Zanthus, with the option to acquire the remaining 75%. To acquire a 100% interest, Domo must incur an initial AUS\$125,000 in expenditures and other financial requirements and AUS2.5 million in exploration expenditures over a 4 year period. Simberi will retain a 1% royalty on the project.

SELECTED ANNUAL FINANCIAL DATA (in thousands of Canadian Dollars, except per share data)

As the Corporation is in the mineral exploration business and has not commenced mining operations, the Corporation has not generated any operating revenues to date. There is also no expectation of revenues from the Corporation's activities in the foreseeable future. The following financial data, which has been prepared in accordance with Canadian generally accepted accounting principles, is derived from the Corporation's consolidated financial statements for each of the three most recently completed financial years.

	Dec. 31, 2005	Dec. 31, 2004	Dec. 31, 2003 (two months only)
Revenues	\$43,090	\$ 1,866	900
Expenses	1,185,911	1,407,649	380,160
Net income (loss)	12,332	(1,405,783)	(379,260)
Net income (loss) per share	0.00	(0.02)	(0.01)
Cash Flow used in Operations	410,216	(1,013,394)	431,601
Cash & cash equivalents, end of year	5,426,357	267,066	532,234
Assets	7,212,514	4,217,838	5,624,235
Long-term liabilities	0	0	

Dividends	0	0	
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In preparing the financial statements in conformity with Canadian generally accepted accounting principles certain items are measured using management's best estimates based on the assumptions that reflect the most probable set of economic conditions and planned courses of action. The following discussion outlines the most significant estimates made by management.

The Mineral Properties and Deferred Exploration amount reflects actual costs incurred on exploration and development properties less accumulated write-downs. The realization of the Corporation's investments in these exploration and development projects is dependent upon various factors, including the discovery of the economically recoverable reserves of minerals, the ability to obtain necessary financing to complete development plans, and upon future profitable operations, or alternatively upon the disposal of interests on an advantageous basis, which periodically results in an adjustment to reflect the realizable value of the projects. Capitalized costs are amortized over the estimated useful life of the properties following the commencement of production.

During 2005, the Corporation recognized compensation expense related to stock-based compensation totalling \$425,654. In order to value stock options granted, the Corporation uses the Black-Scholes option pricing model which takes into account the current stock price and the option exercise price, expected dividend yield the historical volatility of the stock, the risk free rate of return for bonds, and the and the expected average life of options. Future compensation expense related to the Corporation's stock based compensation plans will be dependent on the number of options granted and the then current factors listed above.

REVERSE TAKEOVER TRANSACTION ("RTO")

In 2004, Simberi completed a RTO and amalgamation with 2034879 Ontario Limited ("203") and PNG Pacific Resources Inc. ("PPR"). Reference is made to Note 3 to the Notes to Consolidated Financial Statements December 31, 2004 and 2003 for further details. 203 was a wholly-owned subsidiary of PGM Ventures Corporation ("PGM") and held PGM's joint venture interest in the SMJV in Papua New Guinea and PPR was a wholly-owned subsidiary of Simberi incorporated solely to effect the amalgamation. The amalgamation was considered a reverse takeover. All of the outstanding 203 securities were exchanged for the corresponding securities of the Corporation on a one-to-one basis.

On March 22, 2004, the Corporation changed its name to Simberi Gold Corporation from Alive International Inc. pursuant to the closing of the RTO agreement.

Pursuant to the RTO transaction, Simberi also successfully acquired all of the shares of Novaking Pty. Limited in exchange for the issuance of 16,000,000 common shares of the Corporation. Reference is made to Note 4 of the Notes to Consolidated Financial Statements December 31, 2004 and 2003 for further details. The purchase price was allocated to Novaking assets and liabilities at their fair values on the date of acquisition (March 22, 2004) was \$22,070.

RESULTS OF OPERATIONS

ITEM	Fiscal 2005	Fiscal 2004
Revenue All sources	\$43,090	\$1,866
Expenses	(\$1,185,911)	(\$1,407,649)

Net Profit (Loss)	\$12,332	(\$1,405,783)
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The Corporation's operations in fiscal 2005 ended with a net income of \$12,332, or \$0.00 per share, compared to a net loss of \$1,405,783 or \$0.02 per share, incurred in fiscal 2004. The overall decrease in the Corporation's net loss in fiscal 2005 was largely the result of an increase of income and a reduction in the Corporation's exploration expense. During 2005 the Corporation sold assets including a 37.5% interest in the SMJV for \$4,198,399. In addition the Corporation raised a net \$2,315,663 from the sale of shares compared to \$817,761 raised in 2004. Expenses in 2005 were \$1,185,911 down from \$1,407,749 in 2004 as the company was not conducting exploration for several months during the year and management expense was reduced.

EXPENSES

ITEM	2005	% of Total Expenses	2004	% Change
Office and General	145,369	12.3 %	141,222	2.9 %
Professional and Consulting Fee and Management Fee	236,938	20.0 %	370,404	(36.0) %
Legal & Audit	68,406	5.8%	37,599	81.9 %
Investor Relations	34,504	2.9 %	82,324	(58)%
Stock Option Compensation	425,654	35.9 %	310,161	37.0 %

Professional and Management fees

Professional and Consulting fees and Management fees have been combined as they represent the same costs in each year however the amounts paid to PGM were allocated to different accounts between 2004 and 2005. In total these expenses decreased by \$133,466 in fiscal 2005. This decrease was a result of not requiring the services provided by PGM to the Corporation to support exploration of the SMJV during the first part of the year. Simberi required less management services and was able to replace administrative services at a lower cost.

General and Administrative

Office and sundry expenses, which include items such as rent, insurance and communication costs, remained consistent at \$145,369 in fiscal 2005 compared to \$141,222 in fiscal 2004.

Legal and Audit

Legal and audit fees increased to \$68,406 in 2005 from \$37,599 in 2004. The increase was due to additional legal and accounting requirements as a result of the sale of assets and the private placement financing completed in December 2005.

Employee stock-based compensation

The fair value of employee stock-based compensation accrued during fiscal 2005 increased by approximately 37% to \$425,654 from \$310,161 accrued during fiscal 2004, due to additional stock option grants that were made to the board including new members and certain consultants to reflect the additional responsibility and work with the addition of the Kakanda Project in the DRC.

Investor Relations

These expenses decreased from \$82,324 in fiscal 2004 to \$34,504 in fiscal 2005 reflecting the sale of the SMJV and therefore requiring less involvement in business promotional activities.

Directors' Compensation

Generally, directors do not receive cash compensation for service as a director of the Corporation. Rather, directors are compensated through the grant of share options. In 2005, however, a cash payment of \$10,000 was made to a director of Novaking Pty. Ltd, Simberi's wholly owned Australian subsidiary. In addition, two one time payments of \$40,000 each were made to two directors upon their departure from the Corporation's board in recognition of their prior years' service.

General

The remainders of the expenses were relatively minor amounts and were similar in both 2005 and 2004. The Corporation had an expense of \$15,354 in foreign exchange and did not write off any financing costs in 2005.

SUMMARY OF QUARTERLY RESULTS

The following table sets out certain unaudited consolidated financial information of the Corporation for each of the quarters of fiscal 2005 and fiscal 2004. This financial information has been prepared in accordance with Canadian generally accepted accounting principles.

The following tables set out financial performance highlights for the last eight quarters, prepared in accordance with Canadian GAAP.

	Fourth Quarter December 31, 2005	Third Quarter September 30, 2005	Second Quarter June 30, 2005	First Quarter March 31, 2005
Revenues	\$ 17,641	\$ 12,430	\$ 13,019	0
Expenses	342,989	320,665	234,374	286,281
Net income (loss)	(436,942)	(308,235)	(222,957)	980,466
Net income (loss) per share	(0.01)	(0.00)	(0.00)	0.01
Cash flow from (used in) operations	(269,900)	(140,946)	153,099	(161,469)
Cash & cash equivalents, end of period	5,426,357	3,391,417	3,604,933	76,769

Assets	7,212,514	4,968,118	5,121,742	5,285,691
Long-term liabilities	0	0	0	0
Dividends	0	0	0	0

	Fourth Quarter December. 31, 2004	Third Quarter September 30, 2004	Second Quarter June 30, 2004	First Quarter March 31, 2004
Revenues	\$ 1,866	\$ 0	\$ 0	\$ 0
Expenses	656,702	335,989	199,416	215,542
Net income (loss)	(654,836)	(335,989)	(199,416)	(215,542)
Net income (loss) per share	(0.02)	(0.00)	(0.00)	(0.00)
Cash flow from (used in) operations	118,287	(288,796)	(495,797)	(347,088)
Cash & cash equivalents, end of period	267,066	817,465	1,677,364	3,198,007
Assets	4,217,838	4,712,960	5,045,297	6,127,362
Long-term liabilities	0	0	0	0
Dividends	0	0	0	0

FOURTH QUARTER REVIEW

During the fourth quarter the Corporation continued its exploration of the Kakanda copper/cobalt project in the DRC. In addition it completed a private placement of shares and warrant for a gross amount of \$2,600,000 (see below). This is the primary event that resulted in the significant increase in assets to \$7.2 million as compared to \$4.2 million in 2004. Expenses also declined significantly as the Corporation reconstituted its management team resulting in a significant decrease from the outsourced management model in the previous year.

In November 2005, the Corporation announced its intention to complete a private placement for gross proceeds of up to \$2.5 million. The Corporation announced that it would issue up to 25 million units at a price of \$0.10 per unit, each unit consisting of one common share and one common share purchase warrant. Each warrant will entitle the holder thereof to acquire one additional common share at an exercise price of \$0.20 for a period of two years following the closing date.

In December 2005, the Simberi completed the private placement by issuing 26,000,000 units at a price of \$0.10 per unit. The proceeds from this financing are currently being utilized to

advance the Corporation's projects in the DRC.

The Corporation also continued its discussions with Quartern to acquire the balance of New Congo.

LIQUIDITY AND CAPITAL RESOURCES

Simberi reported working capital of \$6,132,786 (\$520,019 as at December 31, 2004), and cash & cash equivalents of \$5,426,357 (\$267,066 at fiscal year end 2004). Based on assumptions about future business development, revenues and costs, Simberi expects to have sufficient cash reserves to operate according to its proposed budget throughout 2006.

Simberi currently does not have any credit facilities with financial institutions. At this time, the Corporation is not anticipating an operating profit from mining activities, therefore it will rely on its ability to obtain equity or debt financing for growth.

Since Simberi has no long-term debt, and no significant capital expenditures are planned, management believes that it can continue operations in the short term with the Corporation's current capital resources. Thereafter, the Corporation will need additional capital.

The Corporation's current cash position is considered sufficient for planned exploration expenditures on the Corporation's properties and for general and administrative expenses until the end of 2006.

OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements nor are there any contingent liabilities or other obligations other than as disclosed in the audited financial statements and herein.

CONTRACTUAL OBLIGATIONS

Currently, the Corporation has no significant long term contractual obligations and no long term debt.

2006 OUTLOOK

The Corporation has a proposed exploration and general and administrative budget for 2006 of approximately \$1.52 million in the aggregate, allocated as follows:

Project	Proposed Spending
Kakanda project	\$1,250,000
Tarawarra project	\$15,000
Zanthus project	\$15,000
Mt Elephant project	\$15,000
Administration and office support	<u>225,000</u>
Total	\$1,520,000

The actual expenditures incurred during 2006 at each project will be dependent on the exploration results achieved during 2006.

CRITICAL ACCOUNTING ESTIMATES

Critical accounting estimates used in the preparation of the Corporation's financial statements include estimates used in the calculation of the fair value of stock-based compensation. The Corporation used the Black-Scholes option pricing model to determine the fair value of stock options granted during the year. This model requires the Corporation to make reasonable assumptions in order to derive parameters such as expected volatility of the Corporation's shares, the expected life of the option and interest rates, all of which are based on historical information. Future behaviors of these parameters are beyond the Corporation's control, and thus, may be significantly different from the Corporation's estimates.

OUTSTANDING SHARE DATA

As at April 28, 2006 the outstanding common shares, options and share purchase warrants are as follows:

Common shares outstanding	121,876,831
Share purchase warrants	
Expiring December 30, 2007, exercisable at \$0.20 per share	<u>26,000,000</u>
	26,000,000
Options	
Expiring June 30, 2008, exercisable at \$0.15 per share	2,345,000
Expiring May 13, 2009, exercisable at \$0.15 per share	5,735,000
Expiring August 24, 2010, exercisable at \$0.10 per share	5,250,000
Expiring November 23, 2010, exercisable at \$0.10 per share	300,000
Expiring January 30, 2011 exercisable at \$0.24 per share	1,000,000
Expiring April 11, 2011, exercisable at \$0.24 per share	<u>2,900,000</u>
	17,530,000
Fully diluted shares outstanding	<u>165,406,831</u>

RELATED PARTY TRANSACTIONS

During the third quarter, Michael Newbury (currently the CEO and a director of the Corporation), who at the time was a director of the Corporation (the "Purchaser"), completed an agreement (the "Share Purchase Agreement") to acquire from PGM Ventures Inc. ("PGM"), through a private transaction, 10,000,000 common shares (the "Purchased Shares") representing at the time 10.6% of the issued and outstanding common shares of Simberi. The Purchaser agreed to acquire the common shares at a price of \$0.04 per Purchased Share for an aggregate purchase price of \$400,000. The Purchaser acquired the Purchased Shares on behalf of the Purchaser and five other persons.

In the fourth quarter, pursuant to the terms of the Share Purchase Agreement, the Purchaser, through his holding company Porphyry Inc. ("Porphyry"), and eight other persons acquired from PGM an additional 12,000,000 common shares (the "Second Purchased Shares") of the Corporation, at a price of \$0.045 per share or an aggregate purchase price of \$540,000.

Pursuant to the terms of the Share Purchase Agreement, Porphyry has agreed to also purchase from PGM an additional 18,000,000 common shares (the "Additional Shares") of the Corporation at any time on or before June 30, 2006 at a price of \$0.049 per share. Until the purchase of the Additional Shares is completed, PGM has agreed, at all meetings of shareholders, to cast all votes in respect of the Additional Shares in accordance with the written direction of Porphyry.

ISSUANCE OF SHARES AND OPTIONS

In December 2005 the Corporation completed a private placement financing through the issuance of 26 million units at \$0.10 each. The units consisted of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share at an exercise price of \$0.20 and any time in the next 24 months.

In 2005, Simberi granted an aggregate of 5,550,000 incentive stock options to certain directors and senior officers of Simberi. Of the total, 5,250,000 options were allocated to non-executive directors for serving as directors of the Corporation from June 2005 until the next meeting of shareholders. Each option entitles the holder to acquire one common share at a price varying from \$0.10 to \$0.15 per share. The options are exercisable for a period of five years and are subject to certain vesting provisions.

RISKS AND UNCERTAINTIES

The Corporation is subject to a number of risks and uncertainties that could significantly impact its operations and future prospects. The following discussion pertains to certain principal risks and uncertainties but is not, by its nature, all inclusive.

Certain of Simberi's properties are located in the east of the DRC. The assets and operations of the Corporation are therefore subject to various political, economic and other uncertainties, including, among other things, the risks of war and civil unrest, expropriation, nationalization, renegotiation or nullification of existing licenses, permits, approvals and contracts, taxation policies, foreign exchange and repatriation restrictions, changing political conditions, international monetary fluctuations, currency controls and foreign governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in the DRC may adversely affect Simberi's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights, could result in loss, reduction or expropriation of entitlements. In addition, in the event of a dispute arising from operations in the DRC, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Corporation also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Corporation to accurately predict such developments or changes in laws or policy or to what extent any such developments or changes may have a material adverse effect on the Corporation's operations. The DRC is a developing nation emerging from a period of civil war and conflict. Physical and, institutional infrastructure throughout the DRC is in a debilitated condition. The DRC is in transition from a largely state controlled economy to one based on free market principles, and from a nondemocratic political system with a centralized ethnic power base, to one based on more democratic principles (presidential and parliamentary elections are

scheduled to be held by the end of June 2006).

There can be no assurance that these changes will be effected or that the achievement of these objectives will not have material adverse consequences for Simberi and its operations. The east of the DRC continues to experience instability in parts of the region due to certain militia and criminal elements. While the government and United Nations forces are working to support the extension of central government authority throughout the region, there can be no assurance that such efforts will be successful.

HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry in the DRC. HIV/AIDS is a major healthcare challenge faced by the Corporation's operations in the country. There can be no assurance that the Corporation will not lose members of its workforce or workforce manhours or incur increased medical costs, which may have a material adverse effect on the Corporation's operations.

The DRC has historically experienced relatively high rates of inflation.

The only sources of future funds for further exploration programs, or if such exploration programs are successful, for the development of economic ore bodies and the placing of them into commercial production, which are presently available to the Corporation are the sale of equity capital, or the offering by the Corporation of an interest in its properties to be earned by another party carrying out further exploration or development. There is no assurance that such sources of financing will be available on acceptable terms, if at all. In the event that commercial quantities of minerals are found on the Corporation's properties, the Corporation does not have the financial resources at this time to bring a mine into production.

All of the Corporation's properties are in the exploration stage only and none of the properties contain a known body of commercial ore. The Corporation currently operates at a loss and does not generate any revenue from operations. The exploration and development of mineral deposits involve significant financial risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. Major expenditures may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the Corporation's exploration programs will result in a profitable commercial mining operation.

There is a degree of uncertainty to the calculation of mineral resources. Until mineral resources are actually mined and processed, the quantity and grade of mineral resources must be considered as estimates only. In addition, the quantity and grade of mineral resources may vary depending on, among other things, metal prices. Any material change in quantity or grade of mineral resources may affect the economic viability of the deposit. In addition, there can be no assurance that metal recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

The Corporation's exploration and, if such exploration is successful, development of its properties is subject to all of the hazards and risks normally incident to mineral exploration and development, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage.

Copper prices are currently at historic highs. Copper prices have increased from US\$0.63/lb Cu to about US\$0.75/lb Cu in mid-2004 to above US\$3.00/lb in early 2006. Copper markets are cyclical, typically with periods of high copper prices that last for 4 to 7 years, followed by similar periods of low copper prices. The upswing in the current copper cycle commenced in late-2003. There is typically an inverse relationship between copper prices and copper stockpiles or inventories for sale in the metal warehouses such as the LME and Comex. These inventories are currently at record lows with about 100Kt in stockpile, compared to a peak of 1.5Mt in 2002,

as consumption of copper has been rapidly increasing.

Consumption of copper is related to world growth. Global growth continues to be robust, largely driven by spectacular growth in China and reasonably buoyant growth in the US, notwithstanding relatively flat growth in Europe. The underlying Chinese consumption trend remains strongly positive and domestic metal availability is still very tight, driven by the key factors of industrialization, urbanization and consumerism. Such demand growth is still at an early stage in other major developing economies like India.

There are a limited number of major new copper projects coming on stream in the next few years. In the mature dominant copper producing regions such as the south western US and Chile, output growth is reducing into the future. The supply of new production has been severely constrained by the lack of exploration expenditure during the 1990s. It needs to be recognized that the lead time from discovery to development for a major project is typically at least 7 years in a positive metals cycle. Exploration spending has increased quite sharply over the last year; however it will take a substantial time for this to impact on new mine developments.

Some copper market analysts believe that we are experiencing a “super cycle” that represents a structural shift in the copper market. Most agree that there are at least several years of strong copper prices ahead, with long-term copper price projections typically ranging from US\$1.75/lb to 2.35/lb Cu.

The future direction of the price of copper will depend on numerous factors beyond the Corporation's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption 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 copper, and therefore on the economic viability of the Corporation's property, cannot accurately be predicted. As the Corporation is only at the exploration stage, it is not yet possible for the Corporation to adopt specific strategies for controlling the impact of fluctuations in the price of copper.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Corporation's Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure. As at December 31, 2005, management of the Corporation, with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Corporation's disclosure controls and procedures as required by Canadian securities laws. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of December 31, 2005, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the Corporation's annual filings and interim filings (as such terms are defined under Multilateral Instrument 52-109— Certification of Disclosure in Issuers' Annual and Interim Filings of the Canadian Securities Administrators) and other reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified by those laws and that material information is accumulated and communicated to management of the Corporation, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

During the second quarter 2004, Simberi resumed trading on Tier 2 of the TSX Venture Exchange. This has provided access to junior resource equity markets and the financial resources to pursue the Corporation's business objectives.

SUBSEQUENT EVENTS stock options quartern

Subsequent to the year end the Corporation has continued its progress with the Kakanda Property in the DRC. MPH Consultants has been engaged to prepare a NI 43-101 compliant report on the property. Engineers have visited the site and taken samples that are now being assayed. The report is expected some time in May.

Subsequent to year end, the Corporation also sold the shares and warrants it held in Allied to provide additional funds for the Corporation's ongoing exploration programs. One million shares were sold for gross proceeds of AUS\$420,000 and the balance of the Corporation's holdings consisting of one million common shares, two million warrants exercisable at AUS\$0.25 and two million warrants at AUS\$0.50 were all sold for aggregate gross proceeds of AUS\$2.6 million.

In April 2006 the Corporation entered into a definitive agreement with Quartern to acquire those shares. Pursuant to the terms of the agreement, Simberi has agreed to purchase from Quartern and Quartern has agreed to sell to Simberi the remaining 33.3% of the outstanding shares of New Congo and Quartern has agreed to continue its role in the development of the Kakanda Project in exchange for the following:

- a) payment by Simberi to Quartern of \$100,000 in cash; and
- b) the issuance by Simberi to Quartern of eight million common shares of Simberi.

In addition, Quartern has agreed to enter into a consulting agreement with Simberi and New Congo pursuant to which Quartern will be, amongst other things, providing in country office and other local support as well as being responsible for assisting the continuing development of the Kakanda Project. Pursuant to the terms of the consulting agreement, Quartern will be entitled to receive an additional 3.9 million common shares of Simberi upon successfully increasing PTM Minerals' interest in the Kakanda Project from 51% to 75% or more. Closing of the transaction is subject to receipt of final approval from the TSX Venture Exchange.

Subsequent to the 2005 year end the Corporation issued 3,900,000 million options at \$0.24 per share to consultants to the Corporation for services provided or to be provided under written agreements.

PROPOSED TRANSACTIONS

Other than the transactions described under Subsequent Events above, there are no imminent decision by the board of directors of the Corporation with respect to any other transaction(s).

CHANGES IN ACCOUNTING POLICIES

There were no changes to accounting policies in 2005.

STOCK BASED COMPENSATION

The Corporation adopted the new recommendations of the CICA handbook Section 3870 with respect to stock based compensation awards to employees, consultants, directors and officers of the Corporation. This Section establishes standards requiring that compensation for all awards be measured and recorded in the consolidated financial statements at fair value for fiscal years beginning on or after January 1, 2004.

FINANCIAL AND OTHER INSTRUMENTS

The Corporation has not made use of any hedging or other financial instruments, and is not exposed to significant interest rate nor credit risks arising from its financial instruments.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on the Internet at the SEDAR website located at www.sedar.com and at www.simberigold.com.

FORWARD LOOKING STATEMENTS

This Management's Discussion and Analysis contains certain forward-looking statements. All statements other than statements of historical fact that address activities, events or developments that the Corporation believes, expects or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements are often, but not always, identified by use of words such as "seek", "anticipate", "contemplate", "target", "believe", "plan", "estimate", "expect", and "intend" and statements that an event or result "may", "will", "can", "should", "could", or "might" occur or be achieved and other similar expressions. These statements are based upon certain assumptions and analyses made by management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. However, whether actual results and developments will conform with management's expectations is subject to a number of risks and uncertainties, including the considerations discussed herein and in other documents filed from time to time by the Corporation with Canadian security regulatory authorities, general economic, market or business conditions, the opportunities (or lack thereof) that may be presented to and pursued by management, competitive actions by other companies, changes in laws or regulations and other factors, many of which are beyond the Corporation's control. These factors may cause the actual results of the Corporation to differ materially from those discussed in the forward-looking statements and there can be no assurance that the actual results or developments anticipated by management will be realized or, even if substantially realized, that they will have the expected results on Simberi Gold Corporation. All of the forward-looking statements made herein are qualified by the foregoing cautionary statements. The Corporation expressly disclaims any obligation to update or revise any such forward-looking statements.

April 28, 2006