

SIMBERI MINING CORPORATION
(Formerly Simberi Gold Corporation)
(A Development Stage Company)

MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
YEAR ENDED DECEMBER 31, 2006

Following is a discussion and analysis of the activities, results of operations and financial condition of Simberi Mining Corporation ("Simberi" or the "Corporation") for the three and twelve months ended December 31, 2006 compared to the same periods ended December 31, 2005. The discussion should be read in conjunction with the audited consolidated financial statements of the Corporation for the years ended December 31, 2006 and 2005 and the notes thereto. The Corporation's financial statements and financial data set out below 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 Mining Corporation.

1.1 The effective date of this report is April 30, 2007.

1.2 Overall Performance

The Company

On August 8, 2006, the Corporation filed Articles of Amendment with the Ministry of Consumer and Ontario Business Services to effect the name change of the Corporation to Simberi Mining Corporation.

Simberi is a Canadian mineral resource Corporation involved in exploration and development, focused on the acquisition, exploration and development of properties for the mining of precious and base metals internationally. The Corporation has current interests in properties in Western Australia and the Democratic Republic of Congo ("DRC").

Corporate Structure and Historical Background of Mineral Properties Relative to Fiscal 2005 and 2006

On January 1, 2005 the Company held a 50% interest in the Simberi Island Gold Joint Venture ("SIGJV") and a 1% interest in the Tabar Island Joint Venture ("TIJV") with both joint ventures situated in Papua New Guinea. On April 5, 2005 the Corporation sold to Allied Gold Limited ("Allied") 75% of its 50% interest, (37.5% retaining a 12.5% free carried interest), in the SIGJV and its 1% interest in the TIJV. The Company received A\$4,000,000 cash plus a 12.5% to 14% interest in the Young Shannon Mine ("YSM") situated in Chester Township, Ontario. The interest in YSM was owned by Nord Pacific Limited which is a wholly owned subsidiary of Allied. Nord Pacific's records were incomplete and Allied was unable to transfer its rights to Simberi which, at the time of the transfer, Allied estimated they represented approximately 12.5% to 14% interest in the project. The Agreement of Purchase and Sale and the Corporation's financial statements did not ascribe any value to the Young Shannon Mine. The net gain on the sale transaction was \$1,265,145. On October 21, 2005, the Corporation sold to Allied Gold Limited ("Allied") its remaining 12.5% interest in the SIGJV. In consideration Simberi received: (i) 2 million common shares of Allied valued at AUD \$620,000 (CAD \$574,274); (ii) 2 million options exercisable at A\$0.25 on or before December 31, 2006; (iii) 2 million options exercisable at A\$0.50 on or before December 31, 2008; and (iv) \$200,000 cash in Canadian currency.

No value was assigned to the options as values could not be reasonably determined and a loss on the October 21, 2005 transaction of \$109,817 was recorded. The total combined gain from the sale of the SIGJV and TIJV joint ventures for the year end December 2005 was CAD \$1,155,328.

As of January 1, 2005 Simberi through its wholly owned Australian subsidiary of Novaking Pty Ltd, ("Novaking") had interests in three mineral properties situated in Western Australia – the Mt. Elephant, Zanthus and Tarrawarra properties.

In the second quarter of 2005 the Corporation completed, through Renaissance Corporation Pty Ltd ("Renaissance"), a wholly owned Australian subsidiary of Novaking a joint venture agreement with Korab Resources Limited ("Korab") on its Mt Elephant gold prospect in Western Australia. Korab could earn a 70% interest in the Mt Elephant properties by spending a minimum A\$40,000 over 12 months and a total A\$500,000 in exploration over three years

In the third quarter of 2005, the Corporation completed, through Renaissance, a joint venture agreement with Domo Pty Ltd ("Domo"), pertaining to its Zanthus property. Domo has the opportunity to earn an initial 25% interest in the Zanthus property, with the option to acquire the remaining 75%. To acquire a 100% interest, Domo must incur an initial A\$125,000 in expenditures and other financial requirements and A\$2.5 million in exploration expenditures over a 4 year period. Simberi will retain a 1% royalty on the project.

Effective December 21, 2005, the Corporation acquired from Firebird Global Master Fund Ltd. and Kershner, Grosso & Co. their combined interest in common shares in the New Congo Resources Development Company Inc. ("New Congo"), a Canadian corporation that has natural resource projects in the Democratic Republic of Congo ("DRC"). The Company purchased 400,000 common shares of New Congo, representing 66.67% equity ownership of the company for \$100,000 cash and an assumption of US\$900,000 in exploration/development expenditures on the Congo projects. The balance of the New Congo common shares were held by Quartern Holdings Ltd. ("Quartern").

New Congo, through its wholly owned subsidiary – PTM Minerals (Cayman) Ltd. ("PTM") in the DRC, contracted a joint venture agreement with Gecamines, the state owned copper mining company in the DRC, with respect to the Kakanda project. PTM will receive 92.5% of the revenues from the Kakanda project until its capital costs are recovered. PTM and Gecamines each have the right to participate in the joint venture on a 51% and 49% basis, respectively.

As at December 31, 2005 Simberi had three wholly owned subsidiaries; Novaking, Alive Gold and Optima with the latter two being inactive companies and Renaissance as a wholly owned subsidiary of Novaking. The Company also held a 66.67 % interest in New Congo and PTM as a wholly owned subsidiary of New Congo. Simberi through its ownership of Renaissance and holds a 100% interest in the Mt. Elephant, Zanthus and Tarrawarra properties situated in Western Australia. The Corporation through PTM, has a 51% joint venture interest in the Kakanda project in the DRC, whereby PTM will receive 92.5% of the revenues from the Kakanda project until its capital costs are recovered

Background – Period January 1, 2006 to current

In the first quarter of 2006 the Corporation sold 1 million of its 2 million shares of Allied that it had received on the sale of its 12.5% interest in the SIGJV. It recorded a gain of \$112,045 on the sale of the 1 million Allied shares.

On May 18, 2006 the Corporation acquired from Quartern the remaining 33.3% of the outstanding shares of New Congo 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 at a price per share of \$.25 for consideration of \$2,000,000.

The aggregate purchase price of the remaining 33 1/3rd interest in New Congo was \$2,100,000 which created a purchase price discrepancy of \$2,050,174 which was charged to the statement of operations and deficit as impairment of goodwill.

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.

In the second quarter of 2006, the Company exercised the 2 million Allied options at A\$.25 plus the additional 2 million Allied options at A\$.50 and subsequently sold the 4,000,000 optioned Allied shares together with its remaining 1 million shares it held of Allied to realize a gain of \$654,707. The combined gain on the sale of the 2 million Allied shares and the 4 million optioned Allied shares in the two quarters of 2006 totalled \$766,751.

In the third quarter of 2006, Domo, Simberi's co-venture party on the Zanthus property, engaged an independent Australian consultant to prepare a technical JORC report, which is the equivalent to the Canadian 43-101 report. The report was finalized in the fourth quarter of 2006. As of December 31, 2006 Domo had not earned its 25% interest in project.

In the fourth quarter of 2006, the Company had not found a joint venture partner to participate in the exploration of the Tarrawarra property nor was the Company prepared to spend any additional funds on the property. As a result the total accumulated deferred exploration costs of \$35,835 were expensed in the fourth quarter of 2006.

As at December 31, 2006 Simberi had four wholly owned subsidiaries Novaking Pty Ltd. ("Novaking"), (Novaking has a wholly-owned subsidiary Renaissance Corporation Pty Ltd.), Alive International Holdings ("Alive"), Optima Pharmaceuticals Inc. ("Optima") and New Congo Resources Development Company Inc. (in addition, New Congo's wholly owned subsidiary PTM Minerals (Cayman) Ltd.) ("New Congo"). In 2005, the Company owned 66.67% of New Congo. Both Alive and Optima have been inactive since 2004.

As at December 31, 2006, Simberi had a 51% joint venture interest in the Kakanda project in the Democratic Republic of Congo, whereby it will receive 92.5% of the revenues from the Kakanda project until its capital costs are recovered. Simberi through its wholly owned Australian subsidiary of Novaking continued to hold its interests in two mineral properties situated in Western Australia – the Mt. Elephant and Zanthus properties.

Mineral Properties

A historical overview of the Company's exploration properties together with current exploration activities and planned future objectives for each property are explained in section 5.3.

1.3 Selected Financial Information

	Three Months Ended		Year Ended	
	December 31,	December 31,	December 31,	December 31,
	2006	2005	2006	2005
Statement of Operations: (unaudited)				
Revenue	\$ -	\$ -	\$ -	\$ -
Net income (loss) for the period	(2,552,334)	(436,942)	(3,233,120)	12,332
Basic and diluted loss per share	(0.00)	(0.00)	(0.02)	0.00
Cash flows from operating activities	(390,565)	(3,702,635)	(1,652,406)	(410,216)
Cash flows from investing activities	(526,768)	3,494,407	(1,549,943)	3,331,339
Cash flows from financing activities	2,576,140	2,238,168	3,092,945	2,238,168
(Decrease) in cash in period	1,658,807	2,029,940	(109,404)	5,159,291

	December 31, 2006 (audited)	December 31, 2005 (audited)
Total Assets	\$ 8,865,225	\$ 7,212,514
Total long term financial liabilities	0	0
Cash dividends declared for all classes of shares	0	0

Financial Condition

	December 31, 2006 (audited)	December 31, 2005 (audited)
Assets		
Current Assets:		
Cash and cash equivalents	\$ 5,316,953	\$ 5,426,357
Sundry receivable	14,954	23,012
Prepaid expenses	26,921	18,264
Due from related party	30,539	448,057
Loan receivable	58,270	58,295
Investment	-	547,274
	5,447,637	6,521,259
Equipment, net of accumulated amortization	7,294	3,981
Mining interests	3,410,294	687,274
	\$ 8,865,225	\$ 7,212,514

Liabilities and Shareholders' Equity

Current Liabilities:		
Accounts payable and accrued liabilities	\$ 79,045	\$ 358,593
Due to related parties	-	29,880
	79,045	388,473
Non controlling interest	-	49,826
	79,045	438,299
Shareholders' Equity		
Share Capital	10,067,042	6,274,715
Warrants	2,956,906	2,002,000
Contributed Surplus	1,238,248	740,396
Deficit	(5,476,016)	(2,242,896)
	8,876,180	6,774,215
	\$ 8,865,225	\$ 7,212,514

1.4 Results of Operations

Revenue

The exploration properties acquired by the Company are still in the early exploration and development stage. Until sufficient work has been completed to confirm the feasibility of any specific interest being placed into production, it is not anticipated that the Corporation will have any material revenue. No revenues from the properties have been reported for the three and twelve month periods ended December 31, 2006 and the comparable periods ended December 31, 2005.

Other Items

In the first quarter of 2006 the Company recorded a gain of \$112,045 on the sale of 1 million shares of Allied. (The Allied shares and options are described above in section 1.2). In the second quarter of 2006, the Company exercised 2 million Allied options at A\$.25 plus additional 2 million options at A\$.50 and subsequently sold all of the shares it held of Allied to realize a gain of \$654,707. The combined gain on the sale of the 6 million Allied shares in the two quarters of 2006 totalled \$766,751. Other income consisted of interest income of \$32,794 and \$140,670 for the three and twelve months ended December 31, 2006, respectively (2005 - \$17,641 and \$43,090).

During the fourth quarter the Company wrote off the net liabilities assumed from Optima Pharmaceuticals Inc., an inactive subsidiary, as it was determined that these liabilities will not be repaid. This resulted in a gain of \$29,880 and is recorded on the consolidated statement of operations and deficit.

On May 18, 2006 the Company acquired the remaining 33.33% outstanding common shares of New Congo by a cash payment of \$100,000 and the issuance of 8,000,000 common shares of Simberi at a deemed price of \$.25 per share for a total of \$2,000,000. The total consideration of \$2,100,000 paid for the 33.33% interest in New Congo created a \$2,050,174 purchase price discrepancy. This purchase price discrepancy represents the excess of the cost over the net of the amounts assigned to the assets acquired and the liabilities assumed. As at December 31, 2006, the Company determined that the \$2,050,174 carrying value of goodwill was not recoverable and consequently charged the carrying value as impairment of goodwill to the consolidated statement of operations and deficit.

Analysis of Expenses

	Three months Ended December 31, 2006	% of 2006 Total %	Three months Ended December 31, 2005	Change %
Accounting and corporate services	\$6,400	1%	\$7,056	(9)%
Filing fees	3,444	1%	0	NM
Foreign exchange	(3,589)	-1%	2,802	(228)%
General and administration	127,033	24%	72,658	75%
Legal and audit	53,990	10%	53,701	1%
Management fees	0	0%	9,393	NM
Professional and consulting	86,978	16%	88,246	(1)%
Investor relations	9,665	2%	7,418	30%
Stock - option expense	185,437	35%	(32,186)	(676)%
Directors compensation	29,000	5%	0	NM
Amortization	760	0%	364	109%
Write down of mining claims	35,835	7%	135,139	(73)%
Due diligence costs	0	0%	0	
TOTAL	\$534,953	100%	\$344,591	55%

	Year Ended December 31, 2006	% of 2006 Total %	Year Ended December 31, 2005	Change %
Accounting and corporate services	\$31,901	2%	\$25,254	26%
Filing fees	12,303	1%	9,774	26%
Foreign exchange	(8,734)	0%	15,354	-157%
General and administration	574,657	27%	145,369	295%
Legal and audit	100,627	5%	68,406	47%
Management fees	0	0%	10,085	NM
Professional and consulting	573,334	27%	226,853	153%
Investor relations	49,841	2%	34,504	44%
Stock - option expense	569,682	27%	425,654	34%
Directors compensation	29,000	1%	89,000	-67%
Amortization	1,801	0%	519	247%
Write down of mining claims	35,835	2%	135,139	-73%
Due diligence costs	150,000	7%	0	NM
TOTAL	\$2,120,247	100%	\$1,185,911	79%

NM – not meaningful

The breakout of the general and administration expense for the three months and year ended December 31, 2006 of \$127,033 and \$574,657, respectively (2005 - \$ 72,658, \$145,369) is detailed in section 5.3 d). The significant items for the year ended December 31, 2006 are advertising/promotion \$264,444 (2005 - \$36,601), travel of \$184,416 (2005 - \$46,676), general expenses of \$50,880 (2005 - \$16,905) and rent for a full year of \$40,680 (2005 - \$7,981 part year). Included in the advertising and promotion amount of \$264,444 is \$154,887 of costs relating to payment for investor relations for the 2006 and 2007 sporting season. The balance of advertising and promotion represent promotional and entertainment expenses during the year. Included in the travel amount of \$184,416 is \$105,946 paid to an independent consultant with respect to promoting the shareholder and business interests of the Company, and \$43,470 paid to Porphyry Inc (“Porphyry”) a private company owned by Mr. Newbury a director and officer of the Company for reimbursement of travel costs related to the Company’s mineral properties.

A total of 5,900,000 stock options were granted to directors, officers and consultants in 2006 (2005 – 5,550,000) to include 1,000,000 issued to Mr. Bill Potter (a director), 200,000 granted to Mr Julian Fosbery (CFO) and 4,700,000 issued to seven independent consultants. As of December 31, 2006 there were 17,085,000 (2005 – 11,750,000) options outstanding. A total of \$185,437 was expensed with respect to that portion of the options vesting during the fourth quarter of 2006 (2005 - \$(32,186)) and for year ended December 31, 2006 the expense totaled \$569,682 (2005 - \$425,654). The stock option expense is based on a Black Scholes valuation model that recognizes the expense over the term of the vesting periods. The stock option expense does not affect the cash resources of the Company.

The directors compensation of \$29,000 was paid in the fourth quarter of 2006 to include \$14,000 paid amongst six directors based on attendance of directors meetings during the year, and \$15,000 paid to Mr. John Cerenzia on his resignation as a director in December 2006.

The write down of mining claims of \$35,835 represents the write off of the Tarrawarra property in Western Australia as the Company had not found a joint venture partner to participate in the exploration of the property or was the Company prepared to spend any future funds on the property. The 2005 write down of \$135,139 represented the write off of the Olon Ovoot gold project in the South Gobi district of Mongolia.

Included in legal and audit expense of \$100,627 for year ended 2006 (2005 - \$68,406) is audit fee expense of \$50,676 (2005 - \$51,000), and legal fees of \$49,951 (2005 - \$17,406) for general corporate services.

The professional, consulting and management expenses totalled \$573,334 for the year ended 2006 (2005 - \$226,853). This amount includes CFO contract charges of \$21,000 (2005 – nil), \$270,000 to Porphyry (see section 1.9) (2005 - \$75,000), \$15,000 (2005 – nil) to MoKar Holdings Inc (see section 1.9) Mr. Cerenzia – nil (2005 - \$5,000) and the balance of \$267,334 (2005 - \$146,853) paid to nine (2005 – six) independent consultants for shareholder reporting, compliance and regulatory functions.

The company also incurred due diligence costs of \$150,000 during the third quarter of 2006 charged by an independent consultant to conduct due diligence and evaluation of a three exploration projects. This work included review of the geological aspects as well as ownership and requirements to operate in the areas. These projects were located in Ecuador, Mexico and the Dominican Republic. The company determined that while the properties had some merit it decided not to pursue acquiring the projects.

1.5 Quarterly Information

	QTR 4 2006	QTR 3 2006	QTR 2 2006	QTR 1 2006	QTR 4 2005	QTR 3 2005	QTR 2 2005	QTR 1 2005
Sale of Property And Investments (Net of Costs)	\$ -	\$ -	\$654,707	\$112,045	\$(109,817)	\$ -	\$ -	\$1,265,145
Revenue	-	-	-	-	-	-	-	-
(Loss) earnings before discontinued and extraordinary items	(2,552,334)	(601,110)	71,386	(151,062)	(436,942)	(308,235)	(222,957)	980,466
Per common share basic and fully diluted	(0.02)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	0.01
Net (Loss) earnings	(2,552,334)	(601,110)	71,386	(151,062)	(436,942)	(308,235)	(222,957)	980,466
Per common share and fully diluted	(0.02)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	0.01
Assets	8,865,225	8,904,869	9,246,938	7,116,550	7,212,514	4,968,118	5,121,742	5,285,691

1.6 Liquidity

The Corporation currently has adequate cash funds for the planned exploration and development of its properties for 2007. However, the Corporation does not have any recurring revenue streams and therefore, depending on its existing capital resources and the capital required for any future acquisitions of mineral it may have to access the equity markets to obtain any additional funding. The Company currently trades on the Canadian TSX Venture exchange under the trading symbol SAU. On January 30, 2006 the Company commenced trading on the Berlin-Bremin Stock Exchange based in Berlin Germany. The Company trades on the Berlin-Bremin exchange on over the counter market under the trading symbol S9X.

The Corporation's liquidity is a function of raising flow-through and non-flow-through financing, primarily through private placements and equity raises to sophisticated investors and institutions. On November 16, 2006 the Corporation closed a private placement for a total amount of \$2,775,000 for the purpose general corporate expenses and working capital for potential acquisitions.

As at December 31, 2006, Simberi reported working capital of \$5,368,592 (\$6,132,786 as at December 31, 2005), which includes cash & cash equivalents of \$5,316,953 (\$5,426,357 as at December 31 2005). Based on assumptions about future business development, revenues and costs, Simberi based on current plans to have sufficient cash reserves to maintain and completed its planned operations for the next four operating quarters.

1.7 Capital Resources

Simberi currently does not have any long-term debt or 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.

Simberi Mining Corporation Four quarter capital exploration & operation budget

	Q1 2007 \$	Q2 2007 \$	Q2 2007 \$	Q4 2007 \$	4 Quarter Total \$
Exploration budget	550,000	300,000	300,000	300,000	1,450,000
Management, Administration and office	300,000	300,00	300,000	300,000	1,200,000
Total Capital Resource Requirements	850,000	600,000	600,000	600,000	2,500,000

* Administration & office expenses exclude amortization and stock option compensation as these are non cash items. Also a provision for foreign exchange is not included due to the unpredictability of currency fluctuations.

The first quarter exploration budget of \$550,000 includes \$250,000 paid for Gaelic Gold Corporation as described in section 1.11 and \$300,000 on the Kakanda property in the DRC. There are no specific exploration commitments for the balance of 2007 and a general allowance of \$300,000 per quarter has been budgeted. The joint venture partners are expected to continue their respective programs on the Australian properties for the balance for the year. The Corporation will assess future exploration programs on the Kakanda project based on the recommendations of MPH Consultants in its NI 43-101 report that was received in early October and is under review by management.

At the present time, there are no major capital expenditures planned, other than the exploration budget as indicated above. There is sufficient capital to continue for the planned exploration and development of its projects. The Company can continue operations in the current period with the Corporation's current capital resources.

1.8 Off-balance Sheet Arrangements

There were no off-balance sheet arrangements as at December 31, 2006.

1.9 Transactions with Related Parties

For the year ended December 31, 2006 included in professional and consulting fees were fees totaling \$285,000 (2005 - \$25,000 – Mr. Brewster \$20,000 and Mr. Cerenzia \$5,000) that were transacted with related parties as follows: \$15,000 MoKar Holdings Inc owned by Maurice Stekel, a director and Chairman of the Audit Committee, and \$270,000 in management fees and a bonus (2005 \$100,000 to include \$75,000 expensed and \$25,000 capitalized) to Porphyry Inc (“Porphyry”) a private company owned by Mr. Newbury a director and officer of the Company.

During the three months ended December 31, 2006 professional and consulting fees included fees of \$30,000 (2005 - \$30,000) that were paid to Porphyry.

For the year ended December 31, 2006 director fees totalling \$29,000 (2005 – \$9,000) were paid to Mr. Cerenzia - \$18,000 (2005 – \$3,000), Mr. Stekel - \$2,500 (2005 – \$3,000), Mr. Newbury - \$3,000 (2005 – \$nil), Mr. Farrar \$3,000 (2005 – \$nil), Mr. Novak \$2,000 (2005 – \$nil) and Mr. Potter - \$500 (2005 – \$nil) as directors’ compensation. The 2006 director compensation was paid in the fourth quarter of 2006.

Management fees totalling \$23,066 (2005 - \$32,535) were paid to a Mr. Chris Rindler, a director of Novaking Pty Ltd. and were included in management fees.

During fiscal 2006, Mr. Chris Rindler, a Director of Novaking paid \$23,718 (2005 –advanced \$46,260 and paid \$27,060) of expenses on behalf of the Company to leave a balance due from Mr. Rindler of \$30,539 as at December 31, 2006 (December 31, 2005 -\$54,257)

During 2006, the Corporation did not pay any fees to Mr. Brewster and Mr. Miller who ceased to be officers and directors of the company (2005-\$40,000 to Mr. Brewster and \$40,000 to Mr. Miller).

In the third quarter of 2006 the Company agreed to a three year licence agreement in connection with an investor relation entertainment program. Iberian Minerals Corp (“Iberian”) and Porphyry, who are two related parties, agreed to participate of the first year’s cost of the facility and their respective share of the cost is \$64,981 each which were owing to the Company as at September 30, 2006 and were paid in the fourth quarter of 2006. Iberian is related to the Company by virtue of Mr Newbury is a director of Iberian. In the third quarter of 2006 Iberian repaid the Company \$393,800 that it owed at December 31, 2005.

Balances to/from related parties are summarized as follows:

	December 31, 2006	December 31, 2005
Due from Iberian Minerals Corp	\$ -	\$ 393,800
Due from Mr. Chris Rindler, (2)	30,539	54,257
Due from related parties	\$ 30,539	\$ 448,057
Net liabilities assumed form related party (1)	\$ ---	\$ (29,880)
Net due from (to) related parties	\$ 30,539	\$ 418,177

- (1) In 1999 Alive guaranteed \$29,880 of payables and obligations of Optima (see section 1.2 regarding Alive and Optima). Optima has been inactive since 1999 and the payables and obligations were never paid or is there likelihood of the amounts ever being paid. In the third quarter of 2006 the obligation of \$29,880 was reversed into income.

- (2) Mr. Chris Rindler is a director of Novaking (a subsidiary of Simberi). The amount represents an impress account paid to Mr. Rindler of which he pays expenses and mining cost with. The activity of advances and repayments is described above.

The balances due from the related parties are unsecured, non interest bearing, and have no specific terms of repayment. The Company pays funds to related parties in the course of carrying out the Company's business, in exchange for services rendered to the Company. If the Company were not paying these related parties for these services the Company would still have to pay individuals or entities in order to obtain these services and carry out the business of the Company. Transactions with related parties are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to between the Company and the related parties.

On February 27, 2007 The Company advanced \$75,000 to Billiken Management Services Inc. ("Billiken") for services associated to the New Congo and Nevada properties. Billiken is a mining consulting company and Mr. Neil Novak is a director of both Billiken and Simberi.

Mine Development

No mine development work program was carried out during the most recent quarter.

1.10 Fourth Quarter

During the fourth quarter the cash and cash equivalents of the Company increased to \$5,316,953 as Company closed a private placement for gross proceeds of \$2,775,000 during the quarter. This gives the company sufficient cash to continue with its planned exploration and development and meet its operating expenditures.

In the fourth quarter the company incurred a loss of \$(2,552,334). Major items contributing to the fourth quarter loss were the impairment of goodwill in the amount of \$2,050,174 (as described in section 1.4), the \$35,835 write off of the Tarrawarra property in western Australia (as described in section 1.4), and the stock based compensation expense of \$185,437 related to the issue of stock options to officers and directors of the Company.

1.11 Subsequent Transactions

- a) On February 27, 2007 The Company advanced \$75,000 to Billiken Management Services Inc. ("Billiken") for services associated to the New Congo and Nevada properties. Billiken is a mining consulting company and Mr. Neil Novak is a director of both Billiken and Simberi.
- b) On February 27, 2007, the Company paid \$250,000 for 1,000,000 common shares of Gaelic Gold Corporation. Gaelic Gold Corporation is a private company that is conducting exploration activities on four properties situated in Nevada, U.S.A. Additional information can be found at www.gaelicgoldcorp.com.
- c) On May 2, 2007 the Company announced that it had entered into a Letter of Intent (the "LOI") with Amari Holdings ("Amari") relating to the development of the Kakanda project in the DRC. The principal terms outlined in the LOI are as follows:
 - i. Amari will invest \$10 million (US) in PTM over a 24 month period, as and when required by PTM, from the date of execution of a joint venture agreement with Gecamines. In exchange for the cash investment, Amari will receive a 51% interest in the outstanding common shares of PTM. The common shares of PTM will be released to Amari on an earn in basis as funds are advanced to PTM.

- ii. An additional number of common shares in PTM will be issued to Amari upon the completion by PTM of a bankable feasibility study for the Kakanda project so that upon issuance of said additional shares, Amari will own an additional 14% of PTM (for a total of 65%).

Amari is an arms length African based and Central African focused mining investment company.

- d) On May 7, 2007 the Company announced that it had entered into a LOI and a conditional agreement to acquire interests in certain resource properties located in Australia. The LOI is with Caldera Resources Pty. Ltd. ("Caldera") and Ellendale Resources NL ("Ellendale") pursuant to which the Company will have the right to earn a 60% interest in the Mt. Sarah project located in Southern Australia. The acquisition of 60% of the Mt. Sarah project is subject to the following:
 - iii. The issuance of an aggregate of 1,500,000 common shares of the Company to Caldera and Ellendale; and
 - iv. The Company spending or causing to be expended \$CDN 1.25 million on exploration over a three year term and commencing a ground gravity survey on the Mt. Sarah project.
- e) On May 7, 2007 it was announced that the Company and Novaking entered into a conditional agreement to acquire all of the outstanding shares of SA Drilling Pty. Ltd. ("SA Drilling"). SA Drilling holds a 100% interest in its Lambina Project located in Southern Australia. The agreement provides that Novaking will acquire the outstanding shares of SA Drilling for the following consideration:
 - v. Payment of CDN \$50,000 and the issuance of to the vendor of the SA Drilling shares of 750,000 common shares of the Company; and
 - vi. Payment of a further CDN \$50,000 and the issuance to the vendor of an additional 1,000,000 common shares of the Company on the first anniversary of the date of the closing or upon the completion of a joint venture by Novaking with a third party in respect of the Lambina Project, whichever is earlier.

In addition the agreement also provides that the vendor of the SA Drilling shares will retain a 2% net profit royalty in the production from the Lambina Project after payment back to the Company of all exploration and development costs or, in the event of a joint venture with a third party, the royalty will become immediately payable upon commencement of production.

1.12 Critical Accounting Estimates

Critical accounting estimates used in the preparation of the financial statements include the Company's estimate of recoverable value on its mineral properties as well as the value of stock based compensation. Both of these estimates involve considerable judgement and are, or could be, affected by significant factors that are out of the Company's control.

The factors affecting stock based compensation include estimates of when stock options might be exercised and the stock price volatility. The timing for exercise of options is out of the Company's control and will depend, among other things, upon a variety of factors including the market value of Company shares and financial objectives of the holders of the options. The Company has used historical data of publicly traded companies of the same industry and size to determine volatility in accordance with Black Scholes modelling, however future volatility is inherently uncertain and the model had its limitations. While these estimates have an impact on the stock based compensation and hence results of operations, there is no impact on the Company's financial condition.

The company's recorded value of its mineral property is based on historical costs that expect to be recovered in the future. The Company's recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company is in an industry that is exposed to a number of risks and uncertainties, including exploration risk, development risk, commodity price risk, as well as environmental risk.

1.13 Changes in Accounting Policy

The Company has not changed its accounting policies during the year ended December 31, 2006.

1.14 Financial Instruments

The Company has not entered into any specialized financial agreements to minimize its investment, currency or commodity risk. The Company's financial instruments consist of cash, sundry receivable, loan receivable, trade payables and due from related parties. Unless otherwise noted it is managements opinion that the Company is not exposed to significant risk arising from the financial instruments. The fair value of these financial instruments approximates their fair value because of the short-term maturities of these items.

5.3 Additional Disclosure of Venture Issuers without Significant Revenue

a) Capitalized Exploration Expenditures

	Three Months Ended		Year Ended	
	Dec 31 2006	Dec 31 2005	Dec 31 2006	Dec 31 2005
Novaking Property Activity:				
Acquisition costs	\$ ---	\$ ---	\$ ---	\$ ---
Other exploration expenditures	5,622	7,984	21,549	34,532
Write down of Tarrawarra property	(35,835)	0	(35,835)	---
	<u>\$ (30,213)</u>	<u>\$ 7,984</u>	<u>\$ (14,286)</u>	<u>\$ 34,532</u>

	Three Months Ended		Year Ended	
	Dec 31 2006	Dec 31 2005	Dec 31 2006	Dec 31 2005
New Congo Property Activity:				
Regulatory fees	\$ (389,150)	\$ 64,125	\$ 32,364	\$ 64,125
Acquisition costs	---	149,652	---	134,079
Travel	14,223	37,309	186,473	37,309
General exploration	---	169,055	---	169,055
Joint Venture facilitation costs	1,017,047	---	1,017,047	---
Consulting	198,527	134,079	926,990	134,079
General and administrative	(628,366)	26,341	167,773	26,341
Legal fees	114,317	---	179,004	---
Report Costs	192,443	---	227,655	---
	<u>\$ 519,041</u>	<u>\$ 580,561</u>	<u>\$ 2,737,306</u>	<u>\$ 580,561</u>
Total expended during the year/period	\$ 488,828	\$ 588,545	\$ 2,723,020	\$ 615,093

Mt. Elephant Prospect

On April 5, 2005 the Corporation completed, through Renaissance Corporation Pty Ltd ("Renaissance"), its wholly owned Australian subsidiary of Novaking a joint venture agreement with Korab Resources Limited ("Korab") on its Mt Elephant gold prospect in Western Australia. Korab could earn a 70% interest in the Mt Elephant properties by spending a minimum A\$40,000 over 12 months and a total A\$500,000 in exploration over three years.

Previous exploration has been completed on the Exploration License area held by Simberi has been successful in identifying gold and copper mineralization. The information is outlined in an Independent Geologist's Report dated May 16, 2003, and prepared in accordance with NI43-101 (the "Maynard Report"). The Maynard Report describes the Mt Elephant Prospect in detail. A copy of the Maynard Report is available on SEDAR (www.SEDAR.com).

During 2006, Korab the in order to earn its interest in the joint venture conducted exploration of the Mt. Elephant gold property consisting of surface geophysics, geochemistry and geology to identify potential drill targets. Korab prepared an annual report, dated January 2007, for the joint venture's year end of November 19, 2006. Korab's total expenditure for the year ended November 19, 2006 was A\$30,107 and it indicated that potential drill sites had not been identified but the existence of a number of areas worthy of field verification and possible follow ups. Korab has not earned its 70% interest in the project and is continuing to work on the project.

Tarrawarra Prospect

In the fourth quarter of 2006, the Company had not found a joint venture partner to participate in the exploration of the Tarrawarra property or was the Company prepared to spend any future funds on the property. As a result the total accumulated deferred exploration costs of \$35,835 were expensed in the fourth quarter of 2006.

Zanthus Prospect

The Zanthus project is located in the Dundas Mineral Field in the south-eastern part of Western Australia and covers part of the western margin of the Eucla Basin. The Basin is comprised of flat lying marine and continental sediments of Cretaceous and Tertiary age. Sediments in the project area range from 20 to 80 metres in thickness and overly metamorphosed igneous and sedimentary rocks of the Fraser Range metamorphic complex. Within these sediments are lignite layers up to 20 metres thick that cover an area in excess 50 square kilometres through the project area.

Previous exploration has been completed on the one Exploration License area held by Simberi has been successful in identifying a deposit of lignite. The information is outlined in an Independent Geologist's Report dated May 16, 2003, and prepared in accordance with NI43-101 (the "Maynard Report"). The Maynard Report describes the Zanthus project as a potential exploration target and, under the Joint Ore Reserve Estimation Committee Code, has 400 million tones. However, this is not NI43-101 compliant. Further evaluation on the Zanthus project is required to become NI 43-101 compliant. A copy of the Maynard Report is available on SEDAR (www.SEDAR.com).

In the third quarter of 2005, the Corporation completed a joint venture agreement with Domo Pty Ltd ("Domo"), pertaining to its Zanthus property. Domo has the opportunity to earn an initial 25% interest in the Zanthus property, with the option to acquire the remaining 75%. To acquire a 100% interest, Domo must incur an initial A\$125,000 in expenditures and other financial requirements and A\$2.5 million in exploration expenditures over a 4 year period. Simberi will retain a 1% royalty on the project.

In the third quarter of 2006, Domo received a technical JORC report (which is the equivalent to the Canadian 43-101 report) dated October 12, 2006. The report was an audit of the lignite resources in the Zanthus Lignite project, and based on the resource data the shallow Lignite deposit should be suitable for extraction by open cut methods as it lies at depths generally between 25m. and 30 m. Domo is currently assessing the alternatives to determine its future plan. For the year ended December 31, 2006 Domo has spent A\$119,217 on the project and it has had not earned its 25% interest in project.

New Congo - Kakanda Project

The Kakanda Property is located in Katanga Province, Democratic Republic of the New Congo ("DRC") some 70 kilometres northwest of the major regional centre of Likasi, with which it is linked by a fair quality dirt road through Kambove. Likasi is in turn 120 kms by paved road from the Provincial capital, Lubumbashi. Lubumbashi has scheduled air services to Johannesburg, Nairobi, Kinshasa and other African cities. The Katanga Province has a sub-tropical climate typified by a dry season of six months (April to September) and a rainy season of six months (October to March). This zone also includes a number of other major copper/cobalt developments such as Tenke Fungurume (Tenke Mining Corp.) and the Kolwezi Tailings Project (Adastra Minerals).

The Kakanda and Kambove Copper-Cobalt deposits are hosted by sedimentary rocks of the Neo-Proterozoic Katanga System, situated within the Lufilian Arc. The Lufilian Arc and Zambesi Belt form part of a system of supracrustal Pan African belts of Neo-Proterozoic age in Africa and South America that are host to several important base metal provinces including the Central African Copperbelt which includes the Congolese (Katanga) and Zambian Copperbelts. The Lufilian Arc which contains both the Katanga and Zambian Copperbelts is one of the great metallogenic provinces of the world and contains some of the world's richest deposits of copper and cobalt.

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 historical resource estimate for the study was completed by SRK. SRK estimated the defined tailings resource at 18.4 million tonnes containing 1.22% copper and 0.15% cobalt. The study also delineated a mineable open pit resource of 11.3 million tonnes containing 3.14% copper and 0.19% cobalt. Both of these resources were incorporated in Bateman's operating plan.

Simberi has engaged MPH Consulting Limited ("MPH"), to complete a current technical report in compliance with National Instrument 43-101 ("NI 43-101") on its Kakanda copper-cobalt project. MPH tabled its report in the fourth quarter of 2006 (the report can be viewed in detail on SEDAR (www.SEDAR.com)) conclude that the Kakanda project represented a good opportunity to develop a mining operation in a world class copper-cobalt producing region. MPH confirmed that the resources on the property are: Measured and Indicated 18.4 million tonnes with a grade of 1.22% Cu and 0.15% Co and 11.3 million tonnes of inferred resources with a grade of 3.14% Cu and 0.19% Co. MPH set out a US\$4.0 million budget to complete the detailed work on the tailings and bedrock deposits. Simberi is currently planning its strategy and plans connected to the Kakanda project

Nevada

Subsequent to the year end, on February 27, 2007 the Company paid \$250,000 for 1,000,000 shares for a minority equity position in Gaelic Gold Corporation which has exploration activities on four properties situated in Nevada, U.S.A. Additional information can be found at www.gaelicgoldcorp.com.

d) General and Administrative Expenses

	Three Months December 31, 2006	Three Months December 31, 2005
General	\$28,854	\$6,942
Bank charges & interest	(29)	690
Advertising and promotion	50,979	20,972
Travel	32,971	33,906
Rent	9,613	4,981
Administration services	681	605
Insurance	2,926	459
Postage & courier	1,078	66
Telephone	740	800
Fees	(4,316)	0
Transfer agent fees	3,535	3,237
	<u>\$127,032</u>	<u>\$72,658</u>

	Year Ended December 31, 2006	Year Ended December 31, 2005
General	\$50,880	\$16,905
Bank charges & interest	4,046	1,330
Advertising and promotion	264,444	36,601
Travel	184,416	46,676
Rent	40,680	7,981
Administration services	3,252	21,082
Insurance	11,382	459
Postage & courier	4,544	1,228
Telephone	2,481	3,121
Fees	0	0
Transfer agent fees	8,532	9,986
	<u>\$574,657</u>	<u>\$145,369</u>

5.4 Disclosure of Outstanding Share Data

As at December 31, 2006 the outstanding common shares, options and share purchase warrants are as follows:

Common Shares Issued and Outstanding

Authorized An unlimited number of common shares Issued	Number of Shares	Amount
Balance, December 31, 2004	94,381,831	\$ 5,961,052
Private placement	26,000,000	2,600,000
Warrant valuation	-	(2,002,000)
Share issue costs	-	(284,337)
Balance, December 31, 2005	120,381,831	6,274,715
Option exercise – cash	1,530,000	229,500
Option exercise – valuation	-	71,831
Issuance of shares	8,000,000	2,000,000
Private placement	27,750,000	2,775,000
Warrants valuation	-	(954,906)
Share issue costs	-	(329,098)
Balance, December 31, 2006	157,661,831	\$ 10,067,042

*Share capital - refer to the December 31, 2006, note 8 financial statements, for further details.

As at December 31, 2006, the Company had the following stock options outstanding:

Black-Scholes Value (\$)	Number of Options Outstanding	Exercise Price (\$)	Expiry Date	Weighted Average Number of Options Remaining Exercisable	Contractual Life
\$ 4,424	1,475,000	\$ 0.15	June 30, 2008	1,475,000	1.50 years
373,258	4,210,000	\$ 0.15	May 13, 2009	4,210,000	2.37
259,858	5,250,000	\$ 0.10	August 24, 2010	4,375,000	3.65
18,125	250,000	\$ 0.10	November 23, 2010	166,667	3.90
156,000	1,000,000	\$ 0.24	January 30, 2011	500,000	4.08
179,003	2,000,000	\$ 0.185	March 30, 2011	1,000,000	4.25
5,153	50,000	\$ 0.24	April 11, 2011	16,667	4.28
21,635	200,000	\$ 0.22	June 1, 2011	100,000	4.42
7,709	250,000	\$ 0.115	July 14, 2011	41,667	4.54
1,277	50,000	\$ 0.12	August 17, 2011	8,332	4.63
1,790	200,000	\$ 0.12	October 10, 2011	-	4.78
31,726	2,150,000	\$ 0.12	October 10, 2011	-	4.78
178,290	N/A	N/A	Cancelled stock options	-	-
\$ 1,238,248	17,085,000			11,893,333	3.43

*Stock options - refer to the December 31, 2006; note 8 financial statements, for further details

As at December 31, 2006, the Company had the following warrants outstanding:

Black-Scholes Value	Exercise Price	Expiry Date	Number of Warrants Outstanding at December 31, 2006
\$ 2,002,000	\$ 0.20	December 23, 2007	26,000,000
954,906	\$ 0.20	November 16, 2008	13,875,000
\$ 2,956,906			39,875,000

*Warrants - refer to the December 31, 2006, note 8 financial statements, for further details

RISKS AND UNCERTAINTIES

The business of Simberi is subject to a number of risks and uncertainties commensurate with its status as a junior exploration company. In addition to considering the information disclosed in the financial statements and in the other publicly filed documentation regarding the Company available at www.sedar.com, the reader should carefully consider the following information. Any of these risk elements could have material adverse effects on the business of the Company.

Permitting Requirements

The Company is required to obtain certain permits for the construction and operation of the Kakanda project. There is, however, no guarantee as to when or that permits, licenses or consents required by the Company for its business will be granted or renewed as applicable.

Commodity Price Volatility

The price of various commodities which the Company intends to exploit and subsequently market can fluctuate drastically, and is beyond the Company's control. The Company is specifically concerned with the price of Copper and Cobalt. While the Company would benefit from an increase in the value of these metals, the Company could be adversely affected by a decrease in the value of these metals. Were the prices of these metals to descend below the prices used for the determination of the positive study authored by MPH the economic viability of the project could be affected. The details of the pricing can be found in the MPH study which is available within the Company's filings at www.sedar.com.

Title to Mineral Properties

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed or impugned. Although the Company has investigated its title to the mineral properties for which it holds concessions or mineral leases or licenses, there can be no assurance that the Company has valid title to such mineral properties or that its title thereto will not be challenged or impugned. For example, mineral properties sometimes contain claims or transfer histories that examiners cannot verify; and transfers under foreign law often are complex. The Company does not carry title insurance with respect to its mineral properties. A successful claim that the Company does not have title to a mineral property could cause the Company to lose its rights to mine that property, perhaps without compensation for its prior expenditures relating to the property.

Mineral Exploration and Exploitation

Mineral exploration and exploitation involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of some properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining, or to upgrade existing infrastructure. There can be no assurance

that the funds required to exploit any mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The economics of exploiting mineral reserves and resources discovered by the Company are affected by many factors, many outside the control of the Company, including the cost of operations, variations in the grade of ore mined and metals recovered, price fluctuations in the metal markets, costs of processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There can be no assurance that the Company's mineral exploration and exploitation activities will be successful.

Country Risk

Political and Economic Instability

The Company's mineral exploration and exploitation activities may be adversely affected by political instability and legal and economic uncertainty in the countries where the Company has operations. The risks associated with the Company's foreign operations may include political unrest, labour disputes, invalidation of governmental orders and permits, corruption, war, civil disturbances and terrorist actions, arbitrary changes in laws, regulations and policies, taxation, price controls, exchange controls, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on mineral exports and increased financing costs. These risks may limit or disrupt the Company's projects or operations, restrict the movement of funds or result in the deprivation of contractual rights. The Company presently holds assets in the DRC, which it considers to be a medium risk with reference to the above stipulated potential risks, and while it does not foresee country risk as being problematic, the country risk is out of the control of the Company. The Democratic Republic of Congo does not adhere to Canadian financial standards; however, they are in the process of modernizing its mining code and registry standards.

Uninsurable Risks

Mineral exploration and exploitation activities involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could negatively affect the Company's profitability and financial position and the value of the common shares of the Company. The Company does not maintain insurance against environmental risks.

Environmental Regulation and Liability

The Company's activities are subject to laws and regulations controlling not only mineral exploration and exploitation activities themselves but also the possible effects of such activities upon the environment. Environmental legislation may change and make the mining and processing of ore uneconomic or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mineral exploitation activities, such as seepage from tailings disposal areas that could result in environmental pollution. A breach of environmental legislation may result in the imposition of fines and penalties or the suspension or closure of operations. In addition, certain types of operations require the submission of environmental impact statements and approval thereof by government authorities.

Environmental legislation is evolving in a manner which may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors, officers and employees. Permits from a variety of regulatory authorities are required for many aspects of mineral exploitation activities, including closure and reclamation. Future environmental legislation could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of closure and reclamation plans, the Company must comply with standards and laws and regulations which may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.

Regulations and Permits

The Company's activities are subject to wide variety of laws and regulations governing health and worker safety, employment standards, waste disposal, protection of the environment, protection of historic and archaeological sites, mine development and protection of endangered and protected species and other matters. The Company is required to have a wide variety of permits from governmental and regulatory authorities to carry out its activities. These permits relate to virtually every aspect of the Company's exploration and exploitation activities. Changes in these laws and regulations or changes in their enforcement or interpretation could result in changes in legal requirements or in the terms of the Company's permits that could have a significant adverse impact on the Company's existing or future operations or projects. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary permits on acceptable terms, in a timely manner or at all.

The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities.

Currency Fluctuations

Currency fluctuations may affect costs at the Company's operations.

Dependence on Key Employees

The Company's business and operations are dependent on retaining the services of a small number of key employees. The success of the Company is, and will continue to be, to a significant extent, dependent on the expertise and experience of these employees. The loss of one or more of these employees could have a materially adverse effect on the Company. The Company does not maintain insurance on any of its key employees.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

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 President and Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure.

As at the end of the period covered by this management's discussion and analysis, management of the Corporation, with the participation of the President and 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 President and Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of the period covered by this management's discussion and analysis, 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) 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 President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Simberi's business is exploring for mineral resources that involves a variety of operational, financial and regulatory risks that are typical in the natural resource industry. The Corporation attempts to mitigate these

risks and minimize their effect on its financial performance, but there is no guarantee that the Corporation will be profitable in the future, and Simberi common shares should be considered speculative.

There can be no assurance that any funding required by the Corporation will become available to it, and if so, that it will be offered on reasonable terms, or that the Corporation will be able to secure such funding through third party financing or cost sharing arrangements. Furthermore, there is no assurance that the Corporation will be able to secure new mineral properties or projects, or that they can be secured on competitive terms.

Internal Control Risks

The Chief Executive Officer and Chief Financial Officer (“CFO”) are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company’s consolidated financial statements for external purposes in accordance with Canadian GAAP. The design of the Company’s internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed, as-well as the fact that the DRC does not adhere to Canadian financial standards. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. The officers will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional staff in order to provide greater segregation of duties. Since the increased costs of such hiring could threaten the Company’s financial viability, management has chosen to disclose the potential risk in its filings and proceed with increased staffing only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by the CFO of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

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.simbeimining.com.

Forward-Looking Statements

This Management’s Discussion and Analysis of Financial Conditions and Results of Operations 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 the 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 re 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 Mining Corporation. All of the forward-looking statements made herein are qualified by the foregoing cautionary statements. The Company expressly disclaims any obligation to update or revise any such forward-looking statements.