

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

**MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
SECOND QUARTER ENDED JUNE 30, 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 six months ended June 30, 2006 compared to the same period ended June 30, 2005. The discussion should be read in conjunction with the audited consolidated financial statements of the Corporation for the year ended December 31, 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 August 29, 2006.

1.2 Overall Performance

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").

During the quarter the Corporation sold all of the holdings of Allied Gold received for the sale of its interest in the Simberi Gold project joint-venture. The sale resulted in a gain of \$756,762. The Corporation has no further intent in the project.

On July 28, 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.

Mineral Properties

During this Quarter Korab continued the exploration of the Mt. Elephant gold property in order to earn its interest. Korab is conducting surface geophysics, geochemistry and geology to identify potential drill targets.

Domo Pty Ltd. also continued the exploration pertaining to the Zanthus joint venture property and has engaged an independent engineer to prepare a resource evaluation of the property. The report is expected to be completed in the third quarter 2006.

There was no activity with the Tarawarra property in Western Australia the most recent quarter.

On May 18, 2006 Simberi completed the acquisition of 100% of the outstanding common shares of the New Congo Resource Development Company Inc. ("NCDC"). Please refer to www.sedar.com for further details.

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. The parties agreed to enter into a joint venture to operate the Kakanda Project. Currently, PTM Minerals and Gecamines the state owned copper mining company in the DRC 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 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.

The feasibility study and related resource estimate 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

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 copper-cobalt project (the "Kakanda Project") located in Kakanda and Kambove in the Democratic Republic of the Congo ("DRC"). MPH will be also reviewing the previous Feasibility Study completed by Bateman Minerals & Industrial Limited ("Bateman") in 1997. It is expected that this technical report on the property will be completed during the third quarter 2006.

1.3 Selected Financial Information

	Three Months Ended		Six Months Ended	
	June 30 2006	June 30 2005	June 30 2006	June 30 2005
Statement of Operations: (unaudited)				
Revenue	\$705,633	\$11,417	\$847,972	\$1,278,164
Net income (loss) for the period	383,246	(222,957)	232,184	757,509
Basic and diluted loss per share	0	0	0	0.01
Cash flows from operating activities	(586,973)	(3,589,834)	(598,626)	(571,635)
Cash flows from investing activities	402,542	(61,670)	(762,777)	3,909,502
Cash flows from financing activities	46,876	0	242,632	---
(Decrease) in cash in period	(137,555)	3,528,164	(1,118,771)	3,337,867

Financial Information Continued

	June 30 2006 (unaudited)	December 31 2005 (audited)
Total Assets	\$9,558,798	\$7,212,514
Total long term financial liabilities	0	0
Cash dividends declared for all classes of shares	0	0

Interim Financial Condition

	June 30 2006 (unaudited)	December 31 2005 (audited)
Assets		
Current Assets:		
Cash and cash equivalents	\$4,307,586	\$5,426,357
Sundry receivable	31,699	23,012
Prepaid expenses	8,552	18,264
Due from related party	437,410	448,057
Loan receivable	55,810	58,295
Investment	---	547,274
	4,841,057	6,521,259
Equipment, net of accumulated amortization	3,940	3,981
Mining interests	4,713,801	687,274
	\$9,558,798	\$ 7,212,514

Liabilities and Shareholders' Equity

	June 30 2006 (unaudited)	December 31 2005 (audited)
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 106,141	\$358,593
Due to related parties	29,880	29,880
	136,021	358,473
Non controlling interest	----	49,826
	136,021	438,299
Share Capital	\$8,576,046	\$6,274,715
Warrants	2,002,000	2,002,000
Contributed Surplus	855,443	740,396
Deficit	(2,010,712)	(2,242,896)
	\$9,422,777	\$6,774,215
	\$9,558,798	\$7,212,514

1.4 Results of Operations

Revenue

During the quarter, Simberi sold all of its holdings in Allied Gold and received for the sale of a 12.5% interest in the Simberi Gold joint-venture. The Corporation has realized a net gain of \$766,752 from the sale.

Analysis of Expenses

ITEM	Three Months Ended June 30, 2006	% of Total Expenses	Three Months Ended June 30, 2005	% Change
Amortization	263	N/A	---	---
General & Administrative	175,990	30	14,884	6
Accounting and Corporate services	12,751	2	8,277	4
Filing Fees	2,199	N/A	2,645	1
Foreign Exchange	(272,829)	N/A	(244)	N/A
Professional, Consulting Fee and Management Fee	296,777	50	3,877	2
Legal & Audit	17,773	3	20,719	9
Investor Relations	10,473	2	17,676	8
Stock Option Compensation	78,990	13	77,540	32
Director Compensation	---	---	89,000	38
Total	322,387	100	234,374	100

ITEM	Six Months Ended June 30, 2006	% of Total Expenses	Six Months Ended June 30, 2006	% Change
Amortization	491	N/A	---	---
General & Administrative	224,602	25	28,803	5.5
Accounting and Corporate services	19,066	2	13,843	2.5
Filing Fees	8,509	1	5,583	1
Foreign Exchange	(272,034)	N/A	(244)	N/A
Professional and Consulting Fee and Management Fee	378,256	43	92,107	18
Legal & Audit	38,551	4.5	32,628	6
Investor Relations	31,469	3.5	26,314	5
Stock Option Compensation	186,878	21	232,621	45
Director Compensation	---	---	89,000	17
Total	615,788	100	520,655	100

There was an increase in the general and administrative costs in 2006 due to the set up and operation of an office in Kinsaha in the Democratic Republic of New Congo for the operations of the Corporation. The increase in Foreign Exchange is due to the translation from Australian to Canadian dollars for the sale of shares in western Australia and also the translation from American (USD) to Canadian dollars for work done in the Congo.

The increase in Professional, Consulting and Management fees is a result of activity by the Corporation to its advance in its DRC copper/cobalt project. These costs include local legal and other fees relating to negotiations with Gecamines (the State Mining Company) To increase Simberi's project ownership from 51% to 75%.

1.5 Quarterly Information

	QTR 2 2006	QTR 1 2006	QTR 4 2005	QTR 3 2005	QTR 2 2005	QTR 1 2005	QTR 4 2004	QTR 3 2004
Sale of Property And Investments (Net of Costs)	\$654,707	\$112,045	\$0	\$0	\$1602	\$1,266,747	\$0	\$0
Revenue	50,926	30,294	17,641	12,430	13,019	68,201	1,866	0
(Loss) earnings before discontinued and extraordinary items	383,246	(151,062)	(436,942)	(308,235)	(222,957)	980,466	(654,836)	(335,989)
Per common share basic and fully diluted	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	0.01	(0.01)	(0.01)
Net (Loss) earnings	383,246	(151,062)	(436,942)	(308,235)	(222,957)	980,466	(654,836)	(335,989)
Per common share and fully diluted	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	0.01	(0.01)	(0.01)
Assets	9,558,798	7,116,550	7,212,514	4,968,118	5,121,742	5,285,691	4,217,838	4,712,960

1.6 Liquidity

The Corporation currently has adequate cash funds for the planned exploration and development of its properties. However, the Corporation does not have any revenue and therefore, it will have to access the equity markets to obtain any additional funding that may be required to continue exploration beyond the budgeted period.

The Company'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.

As at June 30, 2006, Simberi reported working capital of \$4,705,036 (\$5,115,022 as at March 31, 2006 and \$6,132,666 as at December 31, 2005), and cash & cash equivalents of \$4,307,586, (\$4,445,141 as at March 31, 2006 and \$5,426,357 as at December 31 2005). Based on assumptions about future business development, revenues and costs, Simberi expects to have sufficient cash reserves to maintain and completed its planned operations throughout 2006.

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.

At the present time, there are no major capital expenditures planned. There is sufficient capital to continue for the planned exploration and development of its projects. Management now believes that it can continue operations in the short term with the Corporation's current capital resources.

1.8 Off-balance Sheet Arrangements

There were no off-balance sheet arrangements transacted during the second quarter of 2006.

1.9 Transactions with Related Parties

Management fees totalling \$228,000 (in 2005 \$25,000), were paid to Directors and Officers of the Corporation and were included in professional and consulting fees. Julian Fosbery (CFO), was paid \$3000 for accounting services. MO-KAR Holdings Inc. a private company controlled by Mr. Moe Stekel, a Director, was paid \$15,000. Porphyry Incorporated, a private company controlled by Mr. Mike Newbury, Director and CEO of the Company received \$210,000 for professional services and management of Simberi.

The Company has a receivable of \$393,800 from Iberian Minerals Inc. that will be paid in the third quarter 2006. A Director of the Company's Australian subsidiary Mr. Christopher Rindler, owes the Company \$43,610 (Dec 31, 2005 - \$54,257). Mr. Rindler is continuing to reduce this liability. NCDC has a loan receivable of \$55,810 from PTM Minerals as part of the acquisition of the DRC properties. It is expected that this will be settled in the third quarter 2006.

The Company also has a liability of \$29,880 which relates to the 2004 acquisition of Novaking Pty Ltd. The amount represents the difference between the purchase price and the assumed value of the Company.

Mine Development

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

1.11 Proposed Transactions

There is no imminent decision by the board of directors of the Corporation with respect to any transaction(s) other than as follows

On Monday July 24, 2006, Simberi Gold Corporation held its Annual and Special Meeting of the Shareholders. The proposed slate of directors was elected to the Board and consisted of Michael Newbury, Neil Novak, John Cerenzia, Maurice Stekel, William Potter and Geoffrey Farrar. The Officers of the Corporation were Michael Newbury, Geoffrey Farrar, Julian Fosbery and Andrew Newbury. McCarney Greenwood LLP, Chartered Accountants were appointed auditor of the Corporation.

At this Annual and Special Meeting of the Shareholders the Board of Directors and Shareholders empowered to change the name of the Corporation from "Simberi Gold Corporation" to Simberi Mining Corporation".

The articles of Amendment of the Corporation were filed and were approved by the TSX Venture Exchange on August 8, 2006 for the name change to Simberi Mining Corporation. Simberi commenced trading under its new name August 9, 2006 with its common shares continuing to trade with the stock symbol SAU.

5.3 Additional Disclosure of Venture Issuers without Significant Revenue

a) Capitalized Exploration Expenditures

	Three Months Ended		Six Months Ended	
	June 30 2006	June 30 2005	June 30 2006	June 30 2005
Novaking Property Activity:				
Acquisition costs	\$ ---	\$ ---	\$ ---	\$ ---
Other exploration expenditures	3,883	4,641	6,365	33,469
	3,883	4,641	6,365	33,469

	Three Months Ended		Six Months Ended	
	June 30 2006	June 30 2005	June 30 2006	June 30 2005
New Congo Property Activity:				
Purchase Price Discrepancy	\$2,050,174	\$ ---	\$ 2,050,174	\$ ---
Regulatory fees	166,599	---	302,830	---
Acquisition costs	\$ ---	\$ ---	\$ ---	\$ ---
Travel	(41,266)	---	79,603	---
General exploration	920	---	---	---
Consulting	360,638	---	768,342	---
General and administrative	231,279	---	706,044	---
Legal fees	15,037	---	39,225	---
Report Costs	73,944	---	73,944	---
	\$2,857,325	---	\$4,020,162	---
	\$2,861,208	\$4,641	\$4,026,527	\$33,469

d) General and Administrative Expenses

	Six Months Ended June 30, 2005	Six Months Ended June 30, 2006
Business Development	1,594	34,776
Transfer Agent, Filing Fees & Shareholder Communication	---	8,349
Office Supplies	1,134	2,863
Rent	---	20,754
Travel	12,770	128,569
Insurance	---	5,699
Office & General	8,795	15,601
Administrative	18,387	2,154
Bank Charges & Interest	479	2,978
Recovery of expenses	(19,410)	---
Telephone	1,658	1,228
Other	3,395	1631
Total	28,803	224,602

5.4 Disclosure of Outstanding Share Data

The following is for disclosure of information relating to the outstanding securities of the Corporation as at June 30, 2006.

- a) Share capital - refer to the June 30, 2006, note 5 financial statements
- b) Stock options - refer to the June 30, 2006, note 5 financial statements

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	225,000
<hr/> Total	<hr/> \$1,520,000

The joint venture partners are expected to continue their respective programs on the 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 when it is received.

Risk Factors

The Corporation's business is subject to a variety of risks and uncertainties. The exploration and development of mineral properties entail significant financial risk. Significant expenditures are required to assess a property and its mineralization.

The Corporation's management continues to review possible acquisitions of further mining interests as part of a new business operation. The ability of the Corporation to meet its ongoing liabilities is dependent upon creditors extending repayment terms on these liabilities and the development of a new business activity which will provide a positive cash flow.

The recoverability of costs incurred to date on the mining interests is dependent upon the existence of economically recoverable reserves, the ability of the Corporation to obtain necessary financing to complete exploration and the development of the properties to provide future profitable production or proceeds on the disposition of the properties.

Once the Corporation acquires mining interests additional financing will be required to develop such properties, by way of equity and or debt financing. Such additional financing may not be available to the Corporation on commercially reasonable terms, if at all. The Corporation also faces the risk that it may not be able to identify and or acquire one or more viable mining properties. The detailed risk factors are set out in the December 31, 2005 MD&A which is available on SEDAR at www.sedar.com.

Metal Price Volatility

Any proposed earnings will be directly related to metal prices. Such prices have fluctuated over time and are affected by numerous factors beyond the control of the Corporation.

Mining Risk

Simberi's mining exploration operations are subject to conditions beyond its control, which can affect the cost of the work for varying lengths of time.

Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality of management, the Company's level of geological and technical expertise, the quality of land available for exploration and other factors. Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish mineral reserves through drilling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of resources or reserves.

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.

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 Gold 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.