Manicouagan Minerals Inc.
Management's Discussion and Analysis
(Expressed in Canadian dollars)

For the Period Ended March 31, 2005

This Management Discussion and Analysis ("MD&A") is intended to supplement the Company's consolidated financial statements and notes thereto for the period ended March 31, 2005 and compares the financial results of the first quarter of 2005 with those of the comparative quarter in 2004. This MD&A is dated as of May 25, 2005 and financial data contained herein is unaudited and has been prepared by management in accordance with Canadian Generally Accepted Accounting Principles. The Company's public filings, including its most recent consolidated financial statements can be reviewed on the SEDAR website (www.sedar.com). Except as discussed below, all other factors referred to and discussed as at December 31, 2004 remain substantially unchanged.

All figures and discussions presented in this Management's Discussion and Analysis reflect the consolidated figures and plans of the Company and its subsidiary, Manicouagan Resources Inc ("MRI"), except where otherwise noted.

Project Activity

In early February 2005, work commenced on the project accessing our 2003 camp near the center of the Manicouagan impact site. Following repairs and modifications to the 16 man camp, grids were established for follow-up magnetotelluric (MT) surveys by Phoenix Geophysics. Although the MT surveys were still in progress on March 31st they were successful in outlining with more precision anomalies located by the 2003 reconnaissance in the vicinity (3 km) of the camp. These anomalies will be the object of the deep drilling program scheduled to start in July 2005.

An aggregate of $382,879 was spent in the first quarter of 2005 on exploration activity on the Company's projects. Of this amount, $131,500 was spent on geophysical surveys, $125,592 expended on camp construction with the balance on mobilization and demobilization of personnel and equipment, line cutting, consultant fees, communications and fuel.

The Company has decided to drop the Baie du Nord option. Accordingly, costs totaling $195,279 associated with this project have been written off during the first quarter of the year. A further amount of $1,848 relating to other miscellaneous claims abandoned was also written off during the period.

Corporate Activity

On January 14, 2005, the Company granted 2,025,000 stock options under the stock option plan. Of this amount, 1,975,000 options were granted to directors and officers while 50,000 were granted to an employee. These stock options are exercisable at a price of $0.30 until January 14, 2010. The closing price of the Company's shares was $0.24 per share on January 13, 2005.

On January 31, 2005, the agents of the recently completed public offering, which closed on December 23, 2004, exercised their over-allotment option and purchased an additional 1,500,000 units of the Company, comprised of 1,500,000 common shares and 750,000 warrants of the Company at an offering price of $0.20 per unit for gross proceeds to the Company of $300,000.

Each whole warrant entitles its holder to purchase one common share of the Company at an exercise price of $0.25 at any time prior to December 23, 2006.

In February 2005, 125,000 stock options were exercised for proceeds to the company of $25,000.

On March 11, 2005, the Company concluded a private placement for gross proceeds of $4,200,000. In connection with this financing, the Company issued 12,500,000 units at a price of $0.20 per unit and 6,800,000 flow-through common shares at a price of $0.25. Each unit consisted of one common share of the Company and one-half of one warrant of the Company, each warrant entitling its holder to purchase one common share of the Company at an exercise price of $0.25 at any time until December 23, 2006. The agents involved in this financing were paid compensation in consideration for their services as follows: (i) a cash fee equal to 6% of the gross proceeds from the private placement and (ii) an option to acquire additional common shares equal to 5% of the number of units and flow-through common shares sold in the private placement. All securities issued with respect to this private placement are subject to a hold period expiring on July 12, 2005.

Selected Financial Results

	First Quarter 2005	**Fourth Quarter 2004**	**Third Quarter 2004**	**Second Quarter 2004**
Loss	$547,743	$380,862	$(57,008)	$63,568
Loss per share	$0.01	$0.01	-	-
	First Quarter 2004	**Fourth Quarter 2003**	**Third Quarter 2003**	**Second Quarter 2003**
Loss	$4,559	$(6,007)	$5,261	$710
Loss per share	-	-	-	-

Financial Review of Operations

On November 19, 2004, the Company acquired all of the issued and outstanding shares of MRI. It should be noted that, for historical presentation purposes, the consolidated financial results shown for the quarter ended December 31, 2004 represent the results of MRI for the full three month period as well as the financial results of the Company from November 20, 2004, through December 31, 2004. As MRI conducts the operations of the business of the Company, their results will be more comparable to the consolidated Company on a going forward basis. As a result, all other quarterly figures presented below are the results of MRI alone for the periods indicated.

	First Quarter 2005	**Fourth Quarter 2004**	**Third Quarter 2004**	**Second Quarter 2004**
Working Capital	$8,079,662	$4,602,441	$126,663	$417,499
Total Assets	$9,854,005	$6,113,073	$1,714,848	$1,448,888
Exploration Costs	$382,879	$76,442	$160,593	$42,557
Proceeds from stock issues	$4,525,000	$5,526,800	-	-

	First Quarter 2004	Fourth Quarter 2003	Third Quarter 2003	Second Quarter 2003
Working Capital	$513,917	$583,846	$447,014	$766,932
Total Assets	$1,488,272	$1,501,546	$1,389.982	$1,450,682
Exploration Costs	$67,073	$78,957	$464,871	$418,278
Proceeds from stock issues	-	$200,000	-	-

For the quarter ended March 31, 2005, the Company incurred a net loss of $547,743 compared to a net loss of $4,559 for the corresponding period in 2004. The loss for the comparative period in 2004 reflected the relative inactivity of the company which was private at the time. Of the loss incurred in the 2005 year, the bulk of the costs related to stock based compensation costs for options which were granted and which vested during the quarter, professional fees, travelling expenses and the write off of properties abandoned during the quarter (see “Project Activity”).

Liquidity and Capital Resources

The Company, currently debt free, has a working capital position of $8,079,662 compared to $4,602,441 on December 31, 2004. Of this amount, $4,302,582 has been reserved for flow-through exploration obligations compared to $2,807,000 in 2004. At March 31, 2005, the Company had accounts receivable totaling $184,166 which are comprised of commodity taxes receivable as well as tax credits refundable on allowable exploration costs.

The Company’s exploration projects are at an early stage and it has not yet been determined whether any of its properties contain economically recoverable ore. As a result, the Company has no current sources of revenue and relies on the issuance of shares to generate the funds required to further its projects. Improving industry conditions have allowed the Company to raise $5,526,800 in 2004 and $4,200,000 in the first quarter of 2005.

The Company believes that the current working capital of $8,079,662, is adequate to meet the Company’s planned expenditures for 2005 and fulfill its flow-through commitments. The Company may seek other alternatives for financing late in 2005, depending on market conditions and exploration results; however, there can be no assurance that such financing attempts will be successful. At March 31, 2005, the Company was not party to any lease or other short or long term contractual obligations which could adversely affect its working capital.

Related Party Transactions

During the quarter ended March 31, 2005, the Company concluded transactions with shareholders and companies controlled by shareholders totaling $42,539 (March 31, 2004: $5,060). These transactions, which occurred in the normal course of business and which were measured at the exchange amount, relate to exploration related costs, professional fees, travelling, telecommunications and office expenses for the period. At March 31, 2005, the amount of $31,880 (December 31, 2004: $27,772) was owing to related parties. There are no contractual or other commitments resulting from these transactions.

New Accounting Policies

In January 2005, the CICA issued four new accounting standards in relation with financial instruments: Section 3855 “Financial Instruments – Recognition and Measurement”, Section 3865 “Hedges”, Section 1530 “Comprehensive Income” and Section 3251 “Equity”.

Section 3855 expands on Section 3860 “Financial Instruments – Disclosure and Presentation”, by prescribing when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented.

Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transactions as hedges for accounting purposes. It replaces and expands on Accounting Guideline AcG-13 /Hedging Relationships”, and the hedging guidance in Section 1650 “Foreign Currency Translation” by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

Section 1530 “Comprehensive Income” introduces a new requirement to temporarily present certain gains and losses outside net income. Consequently, Section 3250 “Surplus” has been revised as Section 3251 “Equity”.

Sections 3855, 3865 and 1530 apply to fiscal years beginning on or after October 1, 2006. The impact of these standards has not been determined by the Company’s financial management.

Outstanding Share Data

As of May 25, 2005, the following were outstanding:

- Common Shares 74,752,000
- Stock Options 4,800,000
- Warrants 17,177,719

Forward Looking Statements

This document contains forward looking statements based on the Company’s current expectations. Forward looking information can often be identified for forward looking words such as “anticipate”, “believe”, “expect”, “goal”, “plan”, “intend”, “estimate” or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

These forward looking statements are subject to risks, uncertainties and other factors that could cause actual result to differ materially from those presented in this document. Accordingly, the Company undertakes no obligation to update forward looking statements if circumstances or managements estimates or opinions should change. Readers are cautioned not to place undue reliance on forward looking information.