

Manicouagan Minerals Inc.
Management's Discussion and Analysis

(Expressed in Canadian dollars)

For the Period Ended September 30, 2005

This Management's Discussion and Analysis ("MD&A") is intended to supplement the Company's consolidated financial statements and notes thereto for the period ended September 30, 2005 and compares the financial results of the third quarter of 2005 with those of the comparative quarter in 2004. This MD&A is dated as of November 18, 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

During the quarter ended September 30, 2005, preliminary analysis of the initial airborne surveys led to ground follow-up electromagnetic surveys over thirteen anomalies located over the claim area.

Diamond drilling was initiated late in July on a deep anomaly located in the central area of the island and nine holes totalling 5,071 metres were completed during the third quarter. Six of these holes (2,270 metres) have been drilled on anomalies on the outer part of the Island and three (2,801 metres) in the central (camp) area. Of the latter, two holes (MAN-05-01 and MAN-05-03) had visible copper mineralization with MAN-05-03 assaying 1.1% copper over 0.14m within the melt sheet. Hole MAN-05-03 in the camp area cut the melt sheet throughout its 702 metres length and will be deepened since it constitutes a prime exploration target for fractionated sulphide mineralization. A strong magnetotelluric anomaly is currently being drilled along the edge of the central uplift 3 km. north of the camp.

Drilling will continue until late November and restart in February of 2006 to test the outstanding priority anomalies.

For the nine months ended September 30, 2005, an aggregate of \$3,478,252 has been expended on the claim area. Geophysical surveys comprised \$1,426,367 of these costs with diamond drilling expenditures totalling \$596,427 to date. Other major costs include \$424,151 for camp construction and maintenance with \$471,879 being expended on mobilization and demobilization of personnel and equipment. Other costs were comprised of fuel (\$190,842) and consultants fees (\$175,288). Costs continue to be in line with budgeted amounts.

Selected Financial Results

	Third Quarter 2005	Second Quarter 2005	First Quarter 2005	Fourth Quarter 2004
Loss	\$85,737	\$181,253	\$547,743	\$380,862
Loss per share	-	-	\$0.01	\$0.01
	Third Quarter 2004	Second Quarter 2004	First Quarter 2004	Fourth Quarter 2003
Loss (profit)	\$(57,008)	\$63,568	\$4,559	\$(6,007)
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, its results will be more comparable to the consolidated results of the 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.

	Third Quarter 2005	Second Quarter 2005	First Quarter 2005	Fourth Quarter 2004
Working Capital	\$5,680,532	\$6,582,326	\$8,079,662	\$4,602,441
Total Assets	\$9,763,387	\$9,846,587	\$9,854,005	\$6,113,073
Exploration Costs	\$1,736,104	\$1,364,894	\$382,879	\$76,442
Proceeds from stock and warrants issues	-	-	\$4,525,000	\$5,526,800

	Third Quarter 2004	Second Quarter 2004	First Quarter 2004	Fourth Quarter 2003
Working Capital	\$126,663	\$417,499	\$513,917	\$583,846
Total Assets	\$1,714,848	\$1,448,888	\$1,488,272	\$1,501,546
Exploration Costs	\$160,593	\$42,557	\$67,073	\$78,957
Proceeds from stock and warrants issues	-	-	-	\$200,000

For the quarter ended September 30, 2005, the Company incurred a net loss of \$85,737 compared to a net profit of \$57,008 for the corresponding period in 2004. Year-to-date loss for 2005 totalled \$814,733 versus \$11,119 for the nine-month period ended September 30, 2004. The loss for the comparative period in 2004 reflected the relative inactivity of the company which was private at the time. Of the year-to-date loss incurred in 2005, the bulk of the costs are related to stock based compensation costs for options which were granted and which vested during the period, as well as professional fees, management fees and the write off of properties abandoned.

Liquidity and Capital Resources

The Company continues to be debt free. Working capital stands at \$5,680,532 compared to \$4,602,441 on December 31, 2004. Of this amount, \$1,544,107 has been reserved for flow-through exploration obligations compared to \$2,807,000 on December 31, 2004. At September 30, 2005, the Company had accounts receivable totalling \$1,402,424 which are comprised principally 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 \$4,525,000 in the first quarter of 2005.

The Company believes that the current working capital of \$5,680,532 is adequate to meet the Company's planned expenditures for the balance of 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 September 30, 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 and the nine-month period ended September 30, 2005, the Company concluded transactions with companies controlled by directors and/or officers totalling \$63,860 and \$166,022 respectively (September 30, 2004: \$4,181 and \$20,145). These transactions, which occurred in the normal course of business and which were measured at the exchange amount, relate to exploration related costs, management fees, travelling, telecommunications and office expenses for the period. At September 30, 2005, an amount of \$20,261 (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 to 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 yet been determined by the Company's financial management.

Outstanding Share Data

As of November 18, 2005, the following were outstanding:

- Common Shares 74,752,000
- Stock Options 5,025,000
- 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 by 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 results to differ materially from those presented in this document. Accordingly, the Company undertakes no obligation to update forward looking statements if circumstances or management estimates or opinions should change. Readers are cautioned not to place undue reliance on forward looking information.