

MANICOUAGAN MINERALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
Form 51-102 F1
FOR THE PERIOD ENDED MARCH 31, 2008
(Expressed in Canadian dollars)

This Management's Discussion and Analysis ("MD&A") is intended to supplement the financial statements and notes of Manicouagan Minerals Inc. (the "Company" or "Manicouagan") for the three months ended March 31, 2008 with comparatives for the same period a year earlier. This MD&A should be read in conjunction with the Company's financial statements and accompanying notes for the year ended December 31, 2007, which have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). This MD&A covers the most recently completed financial period and the subsequent period up to May 14, 2008. The Company's public filings can be reviewed on the SEDAR website (www.sedar.com).

This MD&A contains certain forward-looking statements. Please see the cautionary language at the end of this MD&A.

OVERALL PERFORMANCE

Manicouagan Minerals Inc. is a Canadian-based exploration company which currently holds base and precious metal projects in Saskatchewan and Quebec. The Company expects to acquire additional properties as attractive opportunities are identified. The Company does not have any projects that generate revenue at this time. The Company's ability to carry out its business plan rests entirely on its ability to secure equity and other financings.

Exploration activities

| Mineral Properties | Location | Current Interest (May 14, 2008) | Area |
|---------------------------|-----------------|--|------------------------|
| Brabant Lake | Saskatchewan | 100% - mining lease (21 claims) | 4.11 km ² |
| Mouchalagane | Quebec | 100% (468 claims) | 247.01 km ² |
| Lac Maugue | Quebec | 100% (714 claims) | 379.15 km ² |
| Seignelay | Quebec | 100% (239 claims) | 125.41 km ² |
| Forgues | Quebec | on option (25 claims) and | 4.00 km ² |
| Forgues | Quebec | 100% (86 claims) | 45.26 km ² |
| HPM | Quebec | on option (14 claims) and | 7.48 km ² |
| HPM | Quebec | 100% (93 claims) | 49.70 km ² |
| Maison d'Hiver | Quebec | 100% (110 claims) | 57.43 km ² |
| Manicouagan | Quebec | 100% (967 claims) | 514.33 km ² |

Brabant Lake Zinc Property - Saskatchewan

Manicouagan purchased a 100% interest in the property in June 2006 in return for a one-time payment of \$300,000 to Longyear Canada, ULC. The property consists of 21 claims covering an area of 4.11 km². The property is not subject to any third party royalties.

The property hosts the Brabant Lake Zinc deposit which consists of 4,858,000 tonnes grading 5.19% zinc, 0.57% copper, 0.28% lead, 22.59 g/t silver and 0.22 g/t gold, as determined by Phelps-Dodge Canada ("PDC") in 1994 and is currently classified as a NI 43-101 compliant inferred resource as defined by the CIM Standards on Mineral Resources and Reserves (September 15, 2006 report by MPH Consulting Ltd.).

The Company started diamond drilling on the property in November 2006. Drilling was suspended in February 2008 pending completion of a new resource calculation of the Lower Zone material intersected by drill holes recently completed as well as the holes previously drilled by PDC. By February 2008, forty eight (48) holes had been drilled by Manicouagan for a total of 15,221 metres.

Mineralization occurs in two main zones referred to as the Upper and Lower zones. The zones strike northeast (grid north) and dip moderately to the northwest. They are typically less than 10 metres in thickness and are sub-parallel. Drilling on the property has focused on the Lower Zone which is on average almost twice the grade of and 50% thicker than the Upper Zone. In the first quarter, and to the date of the MD&A, the Company released the following results from its drilling program on the property:

| Hole ID | Zone ID | From | To | Length (m) | Zn (%) | Cu (%) | Pb (%) | Ag (g/t) | Au (g/t) |
|----------|--------------------|--------|--------|------------|--------|--------|--------|----------|----------|
| BR-07-38 | Upper | 180.46 | 181.47 | 1.01 | 9.19 | 0.89 | 0.02 | 13.21 | 0.10 |
| | Lower | 207.15 | 209.22 | 2.07 | 5.91 | 0.49 | 1.99 | 62.52 | 0.21 |
| BR-07-39 | Hanging Wall | 304.51 | 307.03 | 2.52 | 6.39 | 0.39 | 0.07 | 16.82 | 0.02 |
| | Upper ¹ | 317.65 | 321.61 | 3.96 | 5.05 | 0.44 | 1.14 | 46.44 | 0.27 |
| | Upper ¹ | 335.09 | 340.43 | 5.34 | 10.90 | 0.67 | 0.39 | 38.36 | 0.15 |
| | Lower | 378.43 | 380.24 | 1.81 | 15.99 | 0.55 | 0.04 | 24.09 | 0.38 |
| BR-07-40 | Upper ¹ | 363.00 | 365.99 | 2.99 | 4.53 | 0.48 | 0.04 | 19.85 | 0.13 |
| | Upper ¹ | 372.53 | 373.82 | 1.29 | 7.08 | 0.37 | 0.03 | 12.78 | 0.00 |
| | Upper ¹ | 377.98 | 383.48 | 5.50 | 5.43 | 0.36 | 0.62 | 28.11 | 0.01 |
| | Lower | 390.02 | 394.34 | 4.32 | 9.91 | 1.05 | 0.13 | 40.88 | 0.01 |
| BR-08-41 | Upper | 132.55 | 135.87 | 3.32 | 11.90 | 0.82 | 0.02 | 16.40 | 0.00 |
| | Lower | 170.45 | 172.45 | 2.00 | 5.79 | 1.76 | 0.17 | 42.80 | 0.00 |
| BR-08-42 | Upper | 137.75 | 144.84 | 7.09 | 8.34 | 1.16 | 0.02 | 18.40 | 0.00 |
| | Lower | 193.87 | 196.71 | 2.84 | 11.76 | 0.10 | 1.40 | 65.24 | 0.00 |
| BR-08-43 | Upper | 234.48 | 238.28 | 4.00 | 9.01 | 1.85 | 0.03 | 34.05 | 0.24 |
| BR-08-44 | Upper ² | 250.02 | 251.92 | 1.90 | 16.57 | 0.64 | 0.00 | 17.60 | 0.00 |
| | Lower ² | 289.73 | 298.70 | 8.97 | 2.10 | 0.62 | 3.81 | 135.40 | 0.78 |
| BR-08-45 | Hanging Wall | 200.00 | 201.10 | 1.10 | 7.79 | 0.68 | 0.02 | 12.00 | 0.00 |
| | Upper | 211.76 | 216.73 | 4.97 | 5.98 | 0.69 | 0.03 | 15.50 | 0.00 |
| | Lower | 244.42 | 250.13 | 5.71 | 17.04 | 0.73 | 0.14 | 32.30 | 0.15 |
| BR-08-46 | Upper | 236.23 | 239.63 | 3.40 | 5.21 | 0.95 | 0.18 | 24.54 | 0.13 |
| | Lower | 275.38 | 289.47 | 14.09 | 4.77 | 0.85 | 1.10 | 60.60 | 0.35 |
| BR-08-47 | Upper | 218.00 | 221.35 | 3.35 | 5.66 | 0.81 | 0.03 | 26.67 | 0.24 |
| | Lower | 250.80 | 254.37 | 3.57 | 16.27 | 0.85 | 0.07 | 26.32 | 0.01 |
| BR-08-48 | Upper | 296.29 | 296.65 | 2.36 | 3.59 | 0.46 | 0.05 | 14.31 | 0.00 |
| | Lower | 335.54 | 348.36 | 12.82 | 3.97 | 0.55 | 2.44 | 88.67 | 0.45 |

* down-hole length approximately 85% true width

¹ separate units of mineralization with geological features characteristic of Upper Zone mineralization

² mineralized unit designation questionable; subject to revision

Management is of the opinion that the higher grade Lower Zone offers the most potential in terms of discovering additional resources and offers the best opportunity for adding to and thereby increasing the overall average grade of the existing resource. Management has further determined that drilling results obtained by the Company, combined with those from Phelps Dodge Canada in 1993, warrant the completion of a new resource calculation primarily focused on the Lower Zone. The NI 43-101 resource estimate is expected by the end of the second quarter of 2008.

Total expenditures for the period ended March 31, 2008 were \$401,076.

Mouchalagane Nickel/Copper/PGE Property - Quebec

In 2006, initial field work encountered significant nickel, copper and PGE mineralization in outcrop at the Bob and Bob East showings. In 2007, a total of 34 short diamond drill holes (2,904 metres) tested 12 near surface electromagnetic targets and encountered significant nickel-copper-PGE mineralization as well as rhodium, ruthenium and rhenium.

An airborne electromagnetic and magnetic survey commenced on February 21, 2008 and was completed on April 10, 2008. A total of 5,886 line kilometers of survey was flown at a nominal terrain clearance of 30 metres on north-south lines, 100 metres apart. The survey investigated the claims forming the Mouchalagane property as well as those of the HPM and Forgues. The results will assist in delineating prospective drill targets for the upcoming 2008 summer drilling campaign.

The Company has engaged Forage Pelletier to provide diamond drilling services for a minimum 5000 metres core drilling program with Abitibi Helicopters providing rotary wing support. Diamond drilling equipment was mobilized to the property in anticipation of starting drilling activities as soon as weather conditions permit.

Total expenditures for the period ended March 31, 2008 were \$522,433.

Seignelay Property – Quebec

The Company map designated 239 claims in 2007 as part of a regional program of land acquisition in the Mouchalagane project area. The claims cover an area of 125.41 km² and are located approximately 40 km to the northeast of the Mouchalagane property. The Seignelay property was the subject of detailed helicopter borne electromagnetic surveys which were completed in conjunction with airborne surveys that were flown at Mouchalagane.

Total expenditures for the period ended March 31, 2008 were \$198,931.

HPM and Forgues Properties - Quebec

In 2007, the properties were optioned by the Company from Pure Nickel Inc. Manicouagan believes that the HPM and Forgues properties have significant potential for magmatic nickel-copper-PGE deposits and complement the Company's significant land holdings at Mouchalagane. Initial exploration work on the HPM and Forgues properties will focus on compiling all existing public and proprietary data available for the properties as well as detailed helicopter borne electromagnetic surveys, which have been completed in conjunction with airborne surveys that have been flown at Mouchalagane.

Total expenditures for the period ended March 31, 2008 were \$157,835

Maison d'Hiver Property - Quebec

The Company map designated 110 claims at the end of 2007 and the registration of these claims was completed on January 24, 2008. The claims covering an area of 57.43 km² are located approximately 90 km northeast of the Mouchalagane property.

Total expenditures for the period ended March 31, 2008 were \$23,161.

Lac Maugue Copper-Silver Property - Quebec

The Company holds 714 claims in the Dunphy-Romanet Lakes area of the Central Labrador Trough region of Quebec.

An airborne radiometric survey completed in the latter part of 2007 identified a number of radiometric targets that warrant follow-up on the ground. However, the Company is currently seeking a joint venture partner to advance this project.

Total expenditures for the period ended March 31, 2008 were \$6,470.

Manicouagan Property - Quebec

Currently, the project consists of 967 claims. The claims are 100% owned by the Company and are situated in the interior and the periphery of the Manicouagan Impact Structure. After Sudbury, the MIS is the second largest impact structure in North America and the fourth largest in the world. The Company believes that the project continues to have merit as a conceptual high risk – high reward exploration venture and is seeking a joint venture partner to participate in continued exploration of the MIS for magmatic nickel-copper mineralization.

General Exploration

The Company undertook assessment file research of known base metal showings in the Province of Saskatchewan in order to identify potential properties for acquisition. Six showings of interest were identified and staked in 2007. The Company plans to investigate these showings in the field to determine which properties warrant further work.

All significant results from field work completed by the Company are available on the Company's website at www.manicouaganminerals.com.

Exploration programs at the Company's projects are being carried out under the supervision of Mr. Rod Thomas. Mr. Thomas, a professional geologist, has reviewed and verified the technical content of this section and qualifies under the definition of "Qualified Person" set out in National Instrument 43-101.

RESULTS OF OPERATIONS

For the three months ended March 31, 2008, the Company incurred a loss of \$300,154 compared to \$278,854 in 2007. The difference of \$10,315 can be mainly explained by the following: (1) an increase of \$20,989 in non-cash stock-based compensation (\$31,102 versus \$10,113 in 2007) related to the grant of fully vested options to a director during the quarter and amortization of value assigned to options granted in prior years; (2) an increase of \$17,525 in general exploration cost related to general prospecting in Saskatchewan and Quebec and claims renewal costs; offset by (3) a decrease in professional fees of \$20,741 related to a reduction in legal fees for the quarter; (4) a decrease of \$11,567 in investor relations and promotion (\$37,169 versus \$48,736 in 2007) as costs to attend conferences were reduced; and (5) an increase of \$8,443 in interest income related to a higher average cash balance during the first quarter of 2008 in comparison with 2007.

The Company incurred expenditures \$1,339,806 in relation to exploration activities during the quarter. An amount of \$401,076 was invested on the Brabant Lake property in Saskatchewan and the balance of \$938,730 (before tax credits) was invested on the properties located in Quebec. The estimated tax credits (Quebec Government) of \$412,966 for the quarter are included as a reduction in the carrying value of the Company's mineral properties and deferred exploration costs of \$6,390,828 as at March 31, 2008.

The Company's current projects are all located in Canada and access to each of the properties is dependent on climate and weather conditions. Typically, all projects in Quebec (Lac Mauge, Mouchalagane, HPM and Forgues) can be accessed from January to September as weather limits the activities during other times of the year. The Brabant Lake property in Saskatchewan is accessible most of the year except during freeze-up (3 weeks) in the fall and spring thaw (4-5 weeks).

SUMMARY OF QUARTERLY RESULTS

| | First Quarter 2008 | Fourth Quarter 2007 | Third Quarter 2007 | Second Quarter 2007 |
|-------------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
| Interest income | \$25,436 | \$34,624 | \$54,662 | \$61,403 |
| Loss | \$300,154 | \$4,324,251 | \$395,254 | \$408,981 |
| Loss per share ⁽¹⁾ | \$0.00 | \$0.03 | \$0.00 | \$0.00 |

| | First Quarter 2007 | Fourth Quarter 2006 | Third Quarter 2006 | Second Quarter 2006 |
|-------------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
| Interest income | \$16,993 | \$17,589 | \$19,376 | \$26,736 |
| Loss | \$278,854 | \$298,221 | \$236,418 | \$321,175 |
| Loss per share ⁽¹⁾ | \$0.00 | \$0.01 | \$0.00 | \$0.00 |

⁽¹⁾ Loss per share remains the same on a fully diluted basis

Due to the nature of the business, the cash balance and short-term investments generating the interest income are subject to fluctuations from quarter to quarter. The timing of equity financings and ensuing exploration and operating expenses are the main factors affecting the level of funds invested from time to time.

For the quarter ended March 31, 2008, the Company incurred a loss of \$300,154 compared to a loss of \$278,854 for the comparative period in 2007. The loss was similar to that incurred in 2007.

For the quarter ended December 31, 2007, the Company incurred a loss of \$4,324,251 compared to a loss of \$298,221 for the comparative period in 2006. Expenses for the last quarter of 2007 include the write-off of the Manicouagan property for an amount of \$5,850,723 (2006 - \$9,338) and recovery of future income taxes for an amount of \$1,815,942. If these two items had been excluded, the loss would have been similar to that incurred in 2006.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2008, the Company had no debt and had cash and cash equivalents of \$2,129,498 and a working capital of \$3,237,837 (\$2,851,400 and \$4,429,172 respectively as at December 31, 2007). This includes \$1,256,261 (\$1,725,180 as at December 31, 2007) in cash reserved for qualifying flow-through obligations to be incurred by December 31, 2008 (see Equity Financing below). The Company's excess cash and cash equivalents are currently invested into flexible Guaranteed Investment Certificates with a major Canadian chartered bank.

As at March 31, 2008, the Company had accounts receivable totaling \$2,013,248 (\$1,880,739 as at December 31, 2007) which consisted mostly of Quebec Refundable Tax Credit for Resources of \$1,385,064 (\$1,039,480 as at December 31, 2007). The Company expects to receive \$1,039,480 in the second or third quarter of 2008. An amount of \$504,853 (\$437,471 as at December 31, 2007) for Credits on Duties Refundable for Losses (Quebec) is also part of the total receivable. This amount is expected to be recovered in 2008 and 2009. The balance includes GST, QST and interest receivable on investments.

Equity Financing

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. Industry and market conditions have allowed the Company to raise \$6,721,650 in 2007, \$1,532,792 in 2006 and \$6,025,000 in 2005.

The Company's ability to successfully acquire mineral projects or recover amounts expended on mineral properties is conditional on its ability to secure financing when required. The Company proposes to meet additional financing requirements through equity financing. The Company may seek other alternatives for financing in 2008 depending on market conditions and exploration results; however, there can be no assurance that any such financing attempts will be successful.

During the period ended March 31, 2008, the Company has not raised additional funds through the equity market.

Options & Warrants

No options or warrants were exercised during the period.

Commitments

As at March 31, 2008, the Company was a party to two lease commitments for office space which expire on September 30, 2009 and on January 31, 2011. The aggregate commitment under these leases is \$165,571, payable as follows: 2008 - \$61,552 (nine months), 2009 - \$70,652, 2010 - \$30,800 and 2011 - \$2,567 (one month). Apart from the above lease arrangements, the Company is not a party to any other lease or short or long-term contractual obligations which could adversely affect its working capital.

As at March 31, 2008, the Company had an obligation to incur approximately \$558,000 in qualifying exploration expenditures by December 31, 2008.

The Company has no long-term contractual obligations. The Company can terminate all option or joint venture agreements requiring minimum exploration expenses at any time without further financial obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

During the quarter ended March 31, 2008, the Company concluded transactions with an officer and businesses controlled by directors and/or officers totaling \$100,563 (2007: \$116,300). These transactions relate to services rendered to the Company and were included in the following accounts: management fees \$78,688 (2007: \$90,700) and exploration costs for \$21,875 (2007: \$25,600). As at March 31, 2008, an amount of \$35,413 (2007: nil) was due to related parties.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties and the Company. The amounts due to related parties are unsecured, non-interest bearing and repayable on demand.

PROPOSED TRANSACTIONS

The Company continues to evaluate quality exploration projects and financing opportunities. There are no transactions currently pending.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the balance sheet date, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include the estimation of mineral resources, the determination of potential impairments of mineral property interest, the valuation of future income tax assets and liabilities, the rates of amortization of property and equipment and the fair value of stock-based compensation and other stock-based payments. Actual amounts could differ from the estimates used and, accordingly, affect the results of operations.

Mineral Properties and Deferred Exploration Costs

The Company has not yet determined whether the projects contain economically recoverable reserves. The recoverability of the \$6,390,828 net carrying value of the projects as at March 31, 2008 is dependent upon the ultimate confirmation of economically recoverable reserves, the Company's ability to obtain necessary permits, financing to complete the development and future profitable production therefrom or alternatively upon the Company's ability to dispose of its interests in the mineral properties on an advantageous basis.

Changes in future conditions could require material write-downs of the projects.

Credit on duties refundable for loss and refundable tax credit for resources

The Company is entitled to a credit on duties refundable for loss on mineral exploration expenses incurred in the Province of Quebec at the rate of 12%. This tax credit has been applied against the exploration costs incurred and is included in accounts receivable (\$504,853 as at March 31, 2008).

Also, the Company is entitled to the refundable tax credit for resources on qualified expenditures incurred after March 29, 2001, a credit also offered by the Quebec provincial government. The refundable tax credit may reach 35% or 38.75% of qualified expenditures incurred. This tax credit has been applied against the costs incurred and is also included in accounts receivable (\$1,385,064 as at March 31, 2008).

Income taxes

The Company provides for income taxes using the liability method of tax allocation. Under this method, future income tax assets and liabilities are determined based on deductible or taxable temporary differences between financial statement values and tax values of assets and liabilities using enacted or substantively enacted income tax rates expected to be in effect for the year in which the differences are expected to reverse.

As at March 31, 2008, the Company had long-term future income tax liabilities of \$1,635,775 (\$434,406 as at December 31, 2007).

As at December 31, 2007, the Company had non capital losses carried forward of \$4,330,987. Full valuation has been recorded as regards to these non capital losses.

CHANGES IN ACCOUNTING POLICIES

Capital disclosures and financial instruments - disclosures and presentation

In January 2008, the Company adopted three new accounting standards: Capital Disclosures (Handbook Section 1535), Financial Instruments – Disclosures (Handbook Section 3862), and Financial Instruments – Presentation (Handbook Section 3863).

Capital disclosures

Handbook Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Company has included disclosures recommended by the new Handbook section in note 3 to these interim financial statements.

Financial Instruments

Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Company has included disclosures recommended by the new Handbook section in note 4 to these interim financial statements.

General Standards of Financial Statement Presentation

Handbook Section 1400 includes requirements to assess and disclose an entity's ability to continue as a going concern (going concern assumption). This new standard will not have any significant impact on the interim financial statements of the Company.

Future accounting changes

International Financial Reporting Standards (“IFRS”)

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. On February 13, 2008, the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. A calendar year-end public company will be required to have prepared, in time for its first 2011 quarter filing, comparative financial statements in accordance with IFRS for the three months ended March 31, 2010.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

Goodwill and Intangible Assets

The CICA has issued a new standard which may affect the financial disclosures and results of operations of the Company for interim and annual periods beginning January 1, 2009. Section 3064, Goodwill and intangible assets, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

FINANCIAL INSTRUMENTS

Fair value

The fair value of interest receivable and accounts payable and accrued liabilities approximates their carrying value due to the short-term maturity. The Company has designated its cash and cash equivalents as held-for-trading, which is measured at fair value.

Interest rate risk

The Company has cash and cash equivalents. The Company's current policy is to invest excess cash in guaranteed investment certificates refundable before maturity and/or in interest bearing accounts of Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its financial institutions. As of March 31, 2008, the Company had an interest bearing account with a Canadian chartered bank.

As at March 31, 2008 and December 31, 2007, the Company's exposure to interest rate risk is summarized as follows:

| | |
|--|------------------------|
| Cash and cash equivalents | Variable interest rate |
| Interest receivable | Non-interest bearing |
| Accounts payable and accrued liabilities | Non-interest bearing |

ADDITIONAL INFORMATION

Outstanding Shareholders' Equity Data

As of May 14, 2008, the following were outstanding:

| | |
|-------------------|-------------|
| • Common Shares | 127,400,227 |
| • Stock Options | 8,855,000 |
| • Warrants | 6,611,334 |
| • Broker Warrants | 2,513,758 |

On January 15, 2008, the Company approved the issuance of 100,000 stock options under the Company's Stock Option Plan. These options were granted to a director of the Company at an exercise price of \$0.145 per share for a period of five years. These options vested immediately.

Disclosure Controls and Procedures

The Company's certifying officers, the President & CEO and the CFO, have designed and supervised control procedures over financial reporting and disclosure, which they believe provide reasonable assurance that material information is properly reported or disclosed in a timely manner. The officers believe that the Company's control procedures provide reasonable assurance that the accounts of the Company and the Company's financial statements for the three-month period ended March 31, 2008 were prepared in accordance with Canadian generally accepted accounting principles. The officers are of the opinion that there were no changes in the first quarter of 2008 that have materially affected or are likely to materially affect the Company's internal control over financial reporting.

Internal Control Over Financial Reporting

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Financial Officer, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles ("GAAP"). The Company's controls include policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual financial statements or interim financial statements.

There has been no change in the Company's internal control over financial reporting during the Company's three-month period ended March 31, 2008 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Furthermore, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Uncertainties and Risk Factors

There are many risk factors facing companies involved in the mineral exploration industry. Risk management is an ongoing exercise upon which the Company spends a substantial amount of time. While it is not possible to eliminate all of the risks inherent to the industry, the Company strives to manage these risks, to the greatest extent possible. The following risks are those which are most applicable to the Company.

- *Industry and Mineral Exploration Risk*

Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that the Company's exploration efforts will be successful. At present, the Company's projects do not contain any proven or probable reserves. Success in establishing reserves is a result of a number of factors, including the

quality of management, as well as the level of geological and technical expertise and the quality of the project itself. Substantial expenditures are required to establish reserves or resources through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Because of these uncertainties, no assurance can be given that planned exploration programs will result in the establishment of mineral resources or reserves.

The Company may be subject to risks which could not reasonably be predicted in advance. Events such as labour disputes, environmental issues, natural disasters or estimation errors are prime examples of industry related risks. The Company attempts to balance this risks through insurance programs where required and ongoing risk assessments conducted by its technical team.

- *Commodity Prices*

The Company is in the business of metals exploration and as such, its prospects are largely dependent on movements in the price of various metals. Prices fluctuate on a daily basis and are affected by a number of factors well beyond the Company's control. The mineral exploration industry in general is a competitive market and there is no assurance that, even if commercial quantities of proven and probable reserves are discovered, a profitable market may exist. Due to the current grassroots nature of its operations, the Company does not enter into price hedging programs.

- *Environmental*

Exploration projects or operations are subject to the environmental laws and applicable regulations of the jurisdiction in which the Company operates. Environmental standards continue to evolve and the trend is to a longer, more complex and rigid process. The Company reviews environmental matters on an ongoing basis. If and when appropriate, the Company will make provisions in its financial statements for any potential environmental liability.

- *Financial Capability and Additional Financing*

The Company has sufficient financial resources to undertake its presently planned exploration and development programs. However, the Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its current projects. There can be no assurance that the Company will be able to obtain sufficient financing in the future to carry out exploration and development work. The Company's ability to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company. Failure to obtain sufficient financing may result in delaying or the indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest.

There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. Additional funds will be required for future exploration and development of the Company's properties.

If the Company raises additional funds through the sale of equity securities, shareholders may have their investment further diluted.

- *Resource Estimates*

The Company's planned mineral exploration and development activities will be subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Many of the mineral rights and interests of the Company are subject to government approvals, licences and permits. The granting and enforcement of the terms of such approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licences and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained; the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those experiencing loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or development costs or reduction in levels of production at producing properties, if any, or require abandonment or delays in development of new mining properties.

- *Permits and Licences*

The operations of the Company may require licences and permits from various governmental authorities. Obtaining the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions. There can be no assurance that the Company will be able to obtain all necessary licences and permits that may be required to carry out exploration, development and mining operations at its projects.

- *Dependence on Key Employees*

The Company's future growth and its ability to develop depend, to a significant extent, on its ability to attract and retain highly qualified personnel. The Company is highly dependent on the principal members of its senior management group and the loss of their services might impede the Company's business strategy and growth.

- *Conflicts of Interest*

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other reporting companies or may have significant shareholdings in other reporting companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have

a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms.

- *Competition*

The mineral industry is intensely competitive in all its phases. Manicouagan competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees.

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's estimates or opinions should change, unless required by law. Readers are cautioned not to place undue reliance on forward-looking information.