

**AMANTA RESOURCES LTD.**

**Form 51-102F1**

**Management Discussion and Analysis**

**For the Quarter Ending**

**May 31, 2005**

The following management discussion and analysis (dated June 29, 2005) of the financial position of Amanta Resources Ltd. ("Amanta" or the "Company") and results of operations of the Company should be read in conjunction with the unaudited and audited financial statements including the notes thereto for the year ended February 28, 2005.

### **Overall Performance**

The Company recently completed and announced results of the first phase of a systematic soil sampling program; the second phase is currently underway. Results received to date indicate an anomalous gold trend extending for over 6000 metres along a north-south strike within the Company's 25 km Special Prospecting License areas. Phase two involves a detailed, closely spaced (50 x 20-metre) mapping and sampling program over the southern part of the anomalous trend covering 3000 x 1000 metres. This program is nearing completion and will be followed by a limited drill program, expected to commence in early July.

In addition, on March 1, 2005 the Company exercised its option to acquire 100 per cent of the exploration and development rights to the Doi Ngom multi-commodity mineral property in Phrae Province, in Northern Thailand. The cost to exercise this option was US\$100,000.

The project area comprises approximately 1.3 square kilometres and is held under three Mining Licenses registered to Phrae Sila Co. Ltd. The area occupies the southern portion of a breccia pipe, with total dimensions of approximately 2.5 kilometres by 0.5 kilometres, and is known to host a variety of minerals including tungsten, stibnite and fluorite. Phrae Sila Co. Ltd. has operated small-scale mining operations since the 1970s, originally for stibnite (antimony ore), later for fluorite and subsequently for high-grade ferberite (a tungsten ore of the wolframite series). Active mining ceased some years ago. The property has been mined solely for localized lenses or pods of high-grade material, which were extracted and hand sorted into a high unit value product. Disseminated mineralization is believed to occur throughout the breccia pipe.

The Company will have approximately four years to complete its evaluation of the property, concluding with feasibility studies, if warranted. Should feasibility studies demonstrate the economic and technical viability of a mining operation at the property, and the Company wishes to undertake such an operation on the property, the Company must pay an additional sum of US\$250,000, grant Phrae Sila Co. Ltd. a 5% carried interest in the mining operation and pay Phrae Sila Co. Ltd. a 1% Net Smelter Royalty (1% NSR) on any mineral production from the property.

The Company recently completed its initial exploration and evaluation program at the Doi Ngom property. The program included systematic mapping and sampling, the results of which are expected in the near future. Depending upon the results of the mapping and sampling program the Company is planning a program of shallow drill holes (up to 50 metres deep). The estimated cost of the entire sampling and drilling program is \$400,000.

## Results of Operations

During the period ended May 31, 2005, \$2000 was raised from the exercise of 10,000 warrants.

During the period the Company incurred a significant non-cash expense of \$209,000, resulting from the application of the Black-Scholes valuation model to calculate the fair value of stock options at the date of grant.

## Summary of Quarterly Results

Description	Three Months Ended (\$)								
	May 31, 2005	Feb 28 2005	Nov 30 2004	Aug 31 2004	May 31, 2004	Feb 29 2004	Nov 30 2003	Aug 31 2003	May 31 2003
<i>Net Revenues</i>	0	0	0	0	0	0	0	0	0
<i>Income (loss) before other items</i>									
<i>Total</i>	(319,342)	(332,491)	(47,177)	(65,179)	(44,808)	(65,084)	(27,310)	(52,267)	(11,726)
<i>Per share</i>	(0.03)	(0.04)	(0.00)	(0.00)	(0.02)	(0.03)	(0.01)	(0.02)	(0.01)
<i>Net income or loss for period</i>									
<i>Total</i>	(319,342)	(332,711)	(47,851)	(65,494)	(43,366)	(65,084)	(27,310)	(52,267)	(11,726)
<i>Per share</i>	(0.03)	(0.04)	(0.00)	(0.00)	(0.02)	(0.03)	(0.01)	(0.02)	(0.01)

## Liquidity

The consolidated financial statements are prepared on a 'going concern' basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at May 31, 2005, the Company has working capital of \$1,543,168 and has accumulated losses totalling \$6,750,258 since inception..The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity financing and the attainment of profitable operations.

The Company also had the following share purchase warrants and incentive stock options at the period ending May 31, 2005 available for exercise:

### Warrants

Number of Shares	Exercise Price	Expiry Date
9,815,000	\$ 0.20	June 25, 2006
746,679	\$ 0.30	February 29, 2007
4,666,749	\$ 0.45	February 29, 2007
<b>15,228,428</b>		

## Options

Number of Shares	Exercise Price	Expiry Date
1,300,000	\$ 0.21	August 16, 2009
950,000	\$ 0.30	April 6, 2010
2,250,000		

The Company has no long-term liabilities.

## Capital Resources

The Company's primary capital assets are cash and mineral property assets. The Company capitalizes all costs related to the mineral properties until the properties are abandoned and written-off.

To maintain its interest in the Arun Licences, which make up a portion of the Langu property, the Company must make annual payments of Baht 500,000 (approximately \$15,000) up to a total of Baht 2,500,000.

## Related Party Transactions

- a) The Company incurred the following amounts charged by directors of the Company, officers of the Company, companies controlled by directors of the Company and a former director of the Company:

	Three months ended	
	May 31, <u>2005</u>	May 31, <u>2004</u>
Accounting fees	\$ -	\$ 963
Consulting fees	25,500	7,500
Directors fees	60,000	-
Mineral property deferred exploration costs:		
Field administration	4,658	-
Geological fees	85,970	-
Travel	48,862	-
Wages	<u>19,489</u>	<u>-</u>
	<u>\$ 244,479</u>	<u>\$ 8,463</u>

The charges were measured by the exchange amount which is the amount agreed upon by the transacting parties.

- b) The exploration advance of \$8,589(2004: \$Nil) was paid to a company with a common director.

Accounts payable at May 31, 2005 includes \$Nil (May 31, 2004: \$35,327) due to a Company controlled by a director of the Company and directors and officers of the Company in respect to unpaid fees. There was also \$Nil (May 31, 2004: \$234,967) owing to a company with a common director in respect to mineral property costs.

- c) The Company entered into management contracts dated March 1, 2005, with one director of the Company and two companies controlled by directors of the Company for a three year period ending February 28, 2007 for management services at an aggregate cost of \$39,750 per month.

### **Proposed Transactions**

There are no transactions proposed that will materially affect the performance of the Company.

### **Risks and Uncertainties**

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant source of operating cash flow and no revenues from operations. None of the Company's mineral properties currently have reserves. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish ore reserves.

The property interests owned by the Company, or in which it has an option to earn an interest are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Company's mineral properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing

environmental problems related to any of its current or former properties that may result in material liability to the Company.

**On Behalf of the Board,  
AMANTA RESOURCES LTD.**

“Gerald D Wright”

Gerald D. Wright,  
President