

CADAN RESOURCES CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED MARCH 31, 2008

This Management Discussion and Analysis of the financial condition and results of operations has been prepared as at May 26, 2008, and should be read in conjunction with the unaudited interim consolidated financial statements of Cadan Resources Corporation (“Company” or “Cadan” or “CNF”) for the three months ended March 31, 2008 and 2007. The financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”). Except as otherwise disclosed, all dollar figures included therein, and in the following Management Discussion and Analysis (“MD&A”), are reported in Canadian dollars. Additional information relevant to the activities of the Company can be found on SEDAR at www.sedar.com.

To assist shareholders and potential investors to learn more about the Company and keep up-to-date with its exploration developments, the Company’s website provides maps and details of its main Philippine copper gold porphyry and gold projects and its gold and copper gold projects in Colombia. Readers are encouraged to visit the site at www.CadanResources.com.

1. Forward Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

2. Use of Mineral Reserve and Resource Terminology

The mineral resources described in this MD&A are estimates and have been prepared in compliance with National Instrument 43-101 of the Canadian Securities Administrators. The definitions of the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in, and required to be disclosed by, National Instrument 43-101.

3. Company Overview

The Company is a junior mineral exploration company engaged in the exploration and development of precious and base metal projects located in the Philippines and in Colombia. Its corporate objective is to advance the exploration of each project to the point where it can be developed economically, either by itself, or in a development joint venture.

In the Philippines, the Company operates through its partially-owned affiliates, Philco Mining Corporation (“Philco”), Batoto Resources Corporation (“BRC”) and TMC Tribal Mining Corporation (“TMC”) collectively (the “Philippine companies”). The Company owns 40% of each of the Philippine companies. Cadan management and resources are focused on systematic exploration of the deposits and targets owned by the Philippine companies. These include: in the Comval area, in East Mindanao, the Tagpura, Maangob, Kapanawan, and Kalamatan copper gold porphyry deposits, owned by Philco, and the Cadan prospect owned by BCR; and in the T’Boli area in South Central Mindanao, the T’Boli gold silver deposit owned by TMC.

In Colombia, the Company operates through its subsidiary, Exploradora la Esperanza S.A. and its representative, Mr. Pedro Antonio Marin Rivera, an experienced geologist with substantial knowledge of Colombian Mining Law, Rules and Regulations.

As of the date of the MD&A, the Company has not earned any production revenue, nor has found any proven reserves. Exploration and operating activities are financed primarily by the issuance of common shares.

The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange (“TSXV”) trading under the symbol “CNF”.

In 2007 the Company completed private placements involving the issuance of 36,300,000 units for net proceeds of \$5,886,125. The proceeds of the financings have been, and will continue to be used, to continue the geophysics and drilling programs on the Company’s Tagpura, Maangob, Kapanawan and Kalamatan copper gold porphyry projects, the geophysics and sampling on the Company’s Kalamatan and Cadan copper gold porphyry targets, to undertake further detailed underground exploration and development of the T’Boli gold–silver project, and for working capital.

4. Directors & Management

Mr. Brett Taylor	Director, CEO and President
Mr. Alan S Phillips	Director
Dr. Douglas L Evans	Director
Mr. John D Anderson	Director
Mr. Bill Goode	Director
Mr. Derick Sinclair, CA	CFO
Mr. Ian S Cooper, BSC, ARSM, FGS, MAIMM	Exploration Manager
Ms. Gia Van Tran	Manager, Corporate Relations

5. Direction

The Company continued its focus on its copper gold porphyry projects and its gold silver project in the Philippines, as first announced in March 2007. These projects are located in the structural corridor that hosts the “world class” Tampakan copper gold project (62.5% owned by Xstrata Plc) which has a measured resource of 568 million tonnes (“MT”) at 0.71% Cu and 0.29g/t Au and an Indicated Resource of 836MT at 0.58% Cu and 0.22g/t Au. Tampakan has an Inferred Resource of 566MT at 0.49% Cu and 0.18g/t Au. (reference: Indophil Resources NL, published resource JORC Code, September 30, 2006).

Xstrata Plc announced on May 15, 2008, a conditional Aud\$ 426 million cash takeover offer to acquire all of the issued capital of Indophil Resources NL. If successful Xstrata will own 100% of the Tampakan Project.

Indophil Resources NL has reported that the Tampakan copper gold project, in all categories stated above, has an in-situ resource of some 11,620,000 tonnes of copper and some 14,560,000 ounces of gold.

The Company has initiated a Strategic Review of its mineral assets in Colombia. This Review entails a comprehensive analysis of the Company’s mining leases and applications including field visits and independent verification of all corporate and exploration documentation. The Review is ongoing. The results will be presented to our Board of Directors to determine the most appropriate action on the Colombian Assets to achieve the optimum value for shareholders.

6. EXPLORATION AND DEVELOPMENT

COMVAL COPPER–GOLD PORPHYRY PROJECT

The three known copper gold deposits in the Tagpura, Maangob, Kapanawan, Kalamatan copper gold porphyry belt, and the new geophysical discovery at Cadan, have coincident IP and magnetic signatures. In the Philippines and elsewhere, a high IP signature invariably indicates a high sulphide content either as pyrite (iron sulphide) and/or chalcopyrite/bornite (copper iron sulphides), whilst high magnetite content usually indicates hydrothermal magnetite, which is often associated with elevated gold values, with perhaps the best example being Freeport’s Grasberg copper gold porphyry deposit in Irian Jaya, Indonesia. As there are demonstrated areas of mineralization at all the four projects, Cadan is encouraged with its on going exploration results.

STRUCTURAL CORRIDOR - COMVAL AND T'BOLI PROJECTS

The map below identifies the location of the Company's projects within the structural corridor, which intersects the major Philippine Fault Structure in East Mindanao, the Philippines.



Cadan is conducting an on-going induced polarization survey, contracted to geophysical consultants Elliott Geophysics International Pty Ltd, headed by Dr. Elliott M.Sc. Ph.D. M.AusIMM.

Induced polarization is a standard exploration approach that is used in exploring for porphyry copper gold ore bodies and was a major factor in the pre-drilling definition of the “world class” Tampakan Project.

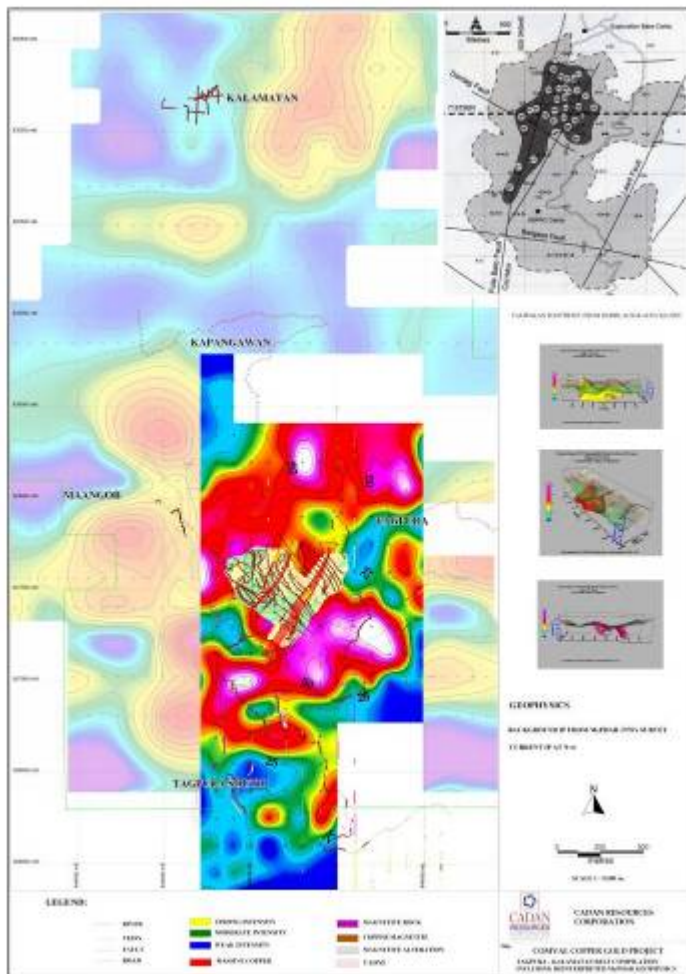
The geophysical survey has, to date, defined four large areas of strong chargeability anomalism.

These are:

◆TAGPURA ◆KALAMANTAN

◆MAANGOB ◆CADAN

The plan (below) shows a comparison of the 'footprints' of the Tagpura deposit geophysical anomaly with



the outline footprint of the “world class” Tampakan copper gold project (now 62.5% owned by Xstrata plc). Tampakan has a measured resource of 568MT at 0.71% Cu and 0.29g/t Au and an Indicated Resource of 836MT at 0.58% Cu and 0.22g/t Au. Tampakan has an Inferred Resource of 566MT at 0.49% Cu and 0.18g/t Au. (reference: Indophil Resources NL, published resource JORC Code, September 30, 2006).

Indophil Resources NL has reported that the Tampakan copper gold project, in all categories stated above, has an in-situ resource of some 11,620,000 tonnes of copper and some 14,560,000 ounces of gold.

Strong IP anomalies in the Philippines, and elsewhere, invariably indicate disseminated sulphide content, either as pyrite (iron sulphide) and/or chalcopyrite/bornite (copper iron sulphides), whilst a high magnetite content usually indicates hydrothermal magnetite, which is often associated with elevated gold values, with perhaps the best example being Freeport’s Grasberg copper gold porphyry deposit in Irian Jaya, Indonesia.

The large aerial extent (Tagpura approximately three square kilometers) and intensity of the induced polarization, with coincident surface indications of copper gold minerals, has required a major strategic re-evaluation of the prospectivity and hence the Company’s exploration approach to the project.

A substantial increase in drilling capacity is required to adequately test the targets in an appropriate timeframe. With the availability of new funds, drilling commenced on October 8, 2007, with the Company operated diamond drill, and, during December, a contractor operated reverse circulation drill commenced operations. An initial program of 3,000 meters of reverse circulation percussion (“RC”) drilling was scheduled and has been completed. After assessment of the initial RC drilling program, RC drilling recommenced at the end of April.

The reverse circulation rig is achieving faster penetration rates and more reliable samples in broken ground. The combination of diamond and cheaper RC drilling results in the more efficient use of exploration funds.

During the last quarter of 2007, the Company completed 5 diamond core drill holes for 1,169.4 meters advance and 3 RC drill holes for 340 meters advance.

During the quarter ending 31 March 2008, the Company completed a further 4 diamond core drill holes for 1,053.4 meters advance and 22 RC drill holes for 3,031 meters advance. Subsequent to the end of Q1 2008, the Company has completed a further 4 diamond core drill holes for 1,016.25 meters advance and started its

initial drilling program at the Kalamatan deposit where, to date, 8 RC drill holes for 811 meters advance have been completed.

The Company released the following drill hole intersections:

Drill Hole TGD 24, located within the T1 zone at Tagpura copper gold porphyry, has returned a significant mineralized intersection of:

202.6m @ 0.37% Cu and 0.15 g/t Au from 1.50 to 202.1m (EOH)

A strike length of some 150m is now defined between hole TGD 24 and previous holes TGD 14 and TGD 15 (TGD 14 148.8m @ 0.41% copper and 0.11 g/t gold or 115m @ 0.50% copper) and (TGD 15 0.14 g/t gold and 208.6m @ 0.45% copper and 0.31 g/t gold or 88m @ 0.92% copper and 0.34 g/t gold).

Surface sampling of the Tagpura open pit faces indicates that this zone extends at least another 100m further north and drilling of this is scheduled.

This skarn mineralization is located approximately 350 meters south east of the porphyry style mineralization being drilled on bench two of the open pit (TGD 16 and 17).

Going forward, with additional drill rigs operating on priority targets, definition of mineralized zones for resource calculations will be accelerated.

The Company's QA/QC program required re-assaying of initial four meter composite sampling at one meter sample intervals, and those results are now being returned from the laboratory, these results will be released as they are assessed.

Drill targeting is multi disciplinary with highest priority given to targets where geological, geochemical and geophysical parameters are coincident.

TAGPURA, KALAMATAN, MAANGOB AND KAPANAWAN

Tagpura, Kalamatan and Maangob areas were mined and explored in the 1970s and early 1980s and, during that period, had defined ore grade porphyry copper gold and associated higher grade skarn copper gold mineralization.

TAGPURA

The Tagpura Project has been geologically mapped in detail and state of the art 3D induced polarization Geophysical surveys and expanded ground magnetic surveys have been completed, or are in progress, at the Kalamatan and Maangob Projects. The geophysical surveys have successfully identified new targets with signatures that are comparable to known mineralization at the previously identified deposits.

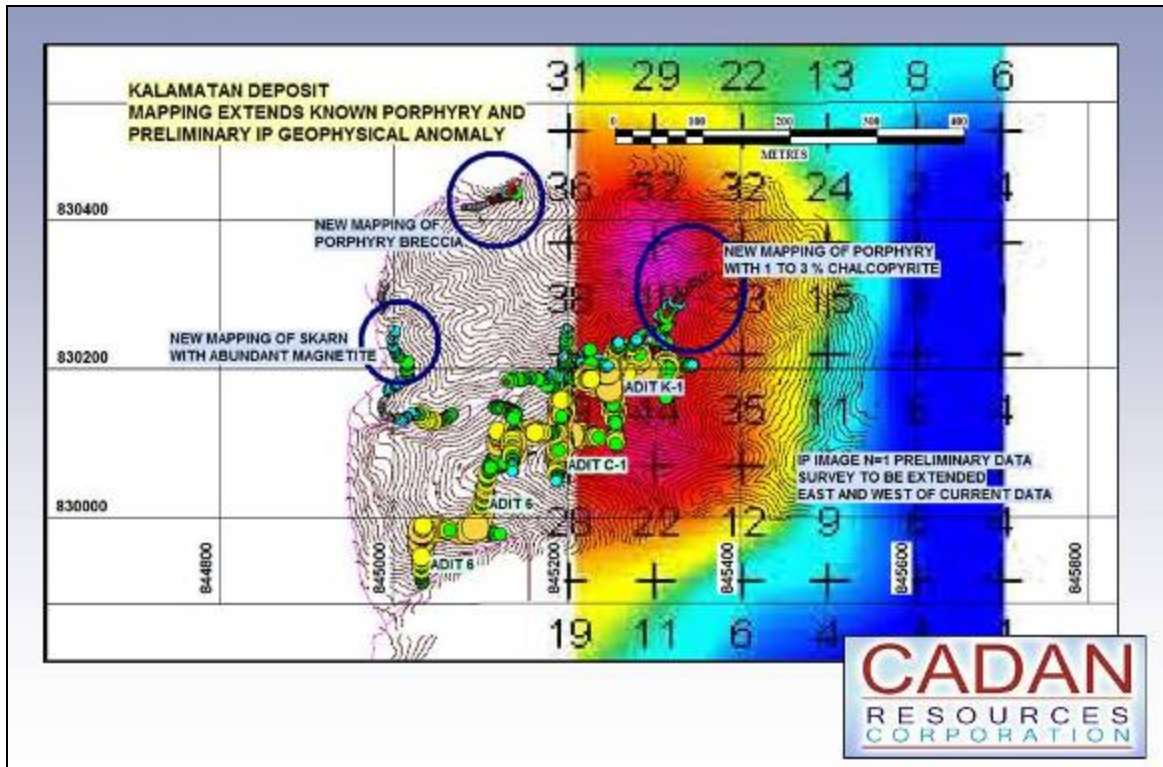
Geological mapping and systematic channel sampling, at Tagpura, of the existing open cut mine benches, underground adit exposures, and of the area of high grade copper gold skarn mineralization, (where previous results in drill hole TGD 1 showed that strong copper gold mineralization commenced at 1.4 meters and continued until 210 meters with the 208.6 meters averaging 0.5% copper and 0.16 g/t gold), indicates that mineralization at the Tagpura deposit is associated with the identified large geophysical anomaly and the Company is encouraged by positive sampling results obtained.

KALAMATAN

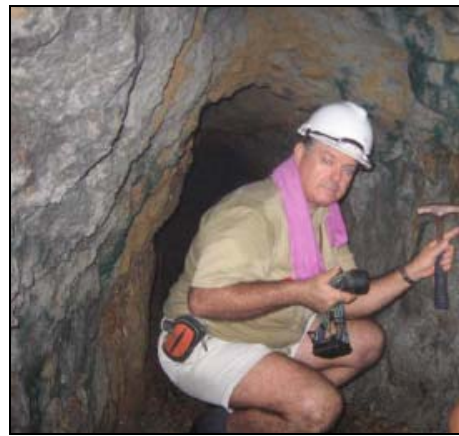
Located some 3 kilometers north of Tagpura (the location of the Kalamatan deposit is shown on the previous map) lies Kalamatan, which was first identified in the early 1970s.

A program of RC drilling commenced subsequent to the end of Q1 2008, at the Kalamatan deposit. To date, 8 RC drill holes, for 811 meters advance have been completed.

In 1974, geophysics was undertaken which highlighted an induced polarization anomaly of some 1,500m by 1,000m, with a smaller anomaly to the south east of some 300m by 700m. That previous geophysical work is shown on the regional plan (on page 4). The recent geophysical work, as shown on the map below, and the new mapping of chalcopyrite in creeks, has doubled the strike length of known mineralization at Kalamatan.



Copper oxide in K1 Adit Kalamatan deposit



Exploration Manager – Ian S. Cooper
In C3 Adit Cross Cut Kalamatan deposit

Rehabilitation by the Company, during 2007, of approximately 1,130m of adit tunneling at Kalamatan deposit, which were originally constructed in the 1970s, has allowed surveying, sampling and assaying of some of the mineralized areas showing induced polarization anomalism.

The following table summarises the latest sample results.

Comment	Meters from	Meters to	Interval (m)	Au (g/t)	Cu (%)	CuEq (%)
ADIT-6 CROSS CUT NORTH-1						
	0	62	62	0.10	0.30	0.34
ADIT-6 DRIFT EAST-1						
	62	156	94	0.13	0.35	0.40
ADIT-6 CROSS CUT NORTH-2						
	0	140	140	0.16	0.28	0.34
ADIT-6 CROSS CUT NORTH-1						
	0	14	14	0.18	0.44	0.51
ADIT-6 DRIFT EAST-2						
	0	20	20	0.10	0.15	0.19
ADIT C1 (North – South Tunnel)						
	12	116	104	0.46	0.37	0.55
ADIT C1 (West Drift)						
	0	28	28	0.50	0.22	0.41
ADIT C1 (East Drift)						
	0	44	44	0.23	0.39	0.48

These results continue to show the extent of mineralization and follow previous significant results as reported in the Company's news release of May 2007, highlights of which were:

Comment	Interval (m)	Au (g/t)	Cu (%)	CuEq (%)
ADIT K1				
	22	0.46	0.34	0.52
ADIT K1 – EAST DRIFT				
	12	0.75	0.34	0.63

The 1,130m of Kalamatan adits will be of great benefit for resource estimation and will provide easy access for bulk samples, metallurgical test work and rock characteristics.

Regional mapping is ongoing in the Kalamatan deposit area and nearby Kapanawan prospect area.

Copper equivalent calculations used metal prices of \$US 3/lb (\$US 6,600/ton) for copper and \$US 800/oz for gold. Current formulas used are $CuEq = Cu\% + (Au\text{ g/t} \times 25.72347/66)$. Investors are cautioned that copper equivalents used in this MD&A have been based on current market value of the particular commodity and no consideration has been made as to metallurgical factors which may or may not allow for profitable extraction of the metals.

MAANGOB

Work to access a portal of extensive historical adits, known to exist at Maangob, is advanced. Once completed, this area will be mapped, sampled and assayed prior to a drill program.

KAPANAWAN



Rock from Kapanawan shows massive Magnetite with Pyrite and Chalcopyrite

Exploration commenced at the Kapanawan Prospect where skarn style mineralization of massive magnetite and sulphide (pyrite and chalcopyrite) was identified and is being mapped and sampled.

The Company has previously reported significant gold assays that are coincident with the mapped mineralized zones.

IP Geophysics is in progress across this area (400 meters of strike covered to date) and a magnetic survey is planned.

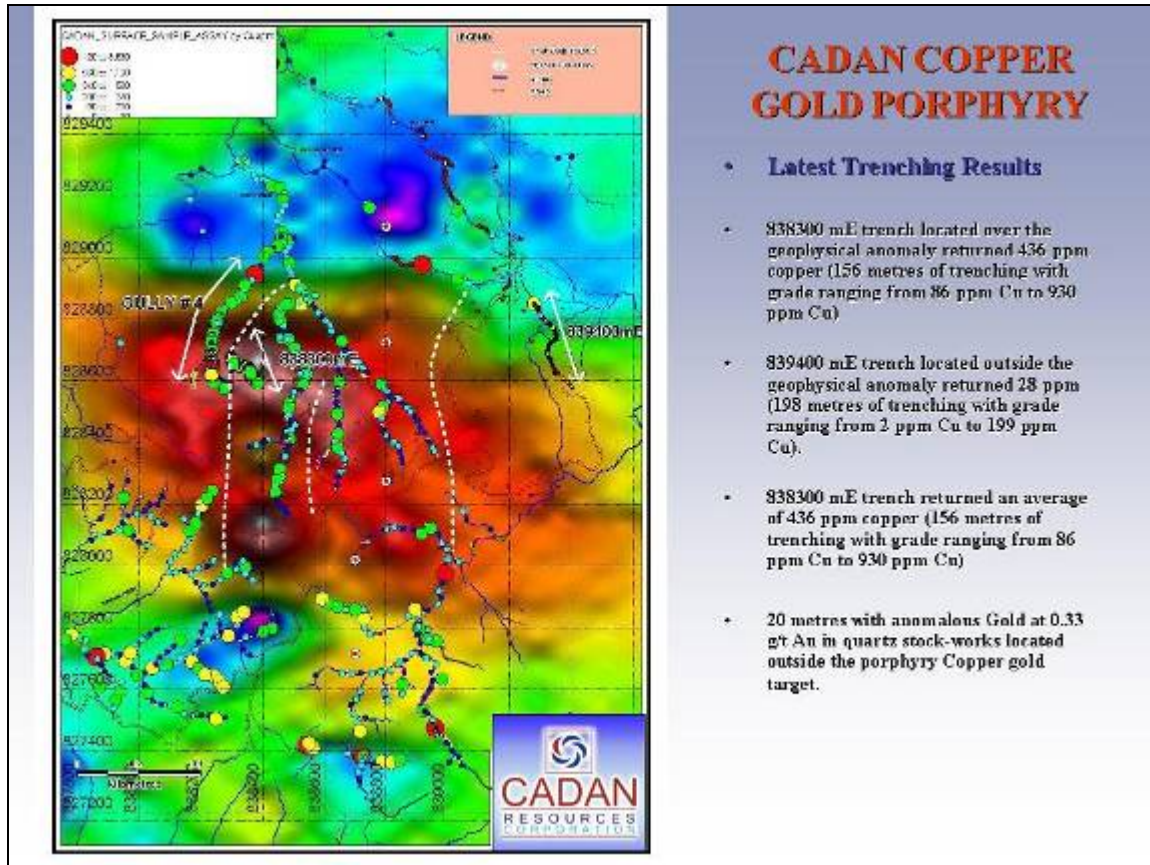
Exploration will evaluate gold and copper potential with the possibility of credits from high value metallurgical magnetite byproduct.

CADAN PROSPECT

On April 24, 2007, the Company announced confirmation of a significant new induced polarization discovery, known as the “*Cadan Copper Gold Porphyry Target*”. This is the result of the large induced polarization/resistivity geophysical program, undertaken over the Cadan prospect, which completed 157 line km.

Company trenching has identified a gossanous sulphide fabric with anomalous copper and gold assays and brecciation.

The anomaly is now known to extend for at least 1,200 meters in an east west direction, and 1,000 meters in a north-south direction, and is open to the west, southwest, south and perhaps southeast. The survey also indicates that it extends to at least 500 meters in depth, which is the considered limit of penetration by the survey, and is therefore likely to extend deeper. The following map shows the extent of the prospect.



Trenching results returned copper values 15 times the local background copper values and confirmed the large anomalous copper area, first identified by the geophysical anomaly of the Cadan copper gold porphyry.

A 20 meter zone with anomalous Gold at 0.33g/t Au in quartz stock-works is located outside the porphyry copper gold target.

Dr. Elliott, M.Sc., Ph.D., M.AusIMM., consultant geophysicist of Elliott Geophysics International Pty Ltd, comments that the Cadan prospect:

- “Conceptual (*or order of magnitude*) size, using the 30msec cut off on the chargeability anomaly and an assumed specific gravity of 3.0t/m³ for mineralized rock, conservatively estimated at some 450MT of the chargeable body.

- If a 25msec cut off is taken, the chargeable body would give twice the estimated tonnage, approximately 900MT.”

The forgoing exploration information of “conceptual or order of magnitude” tonnage is based on limited exploration information to date, and as such, does not meet the criteria of a mineral resource as defined in the CIM Definition Standards, December 11, 2005. Until drilling and other detailed exploration is conducted over the target, the order of magnitude conceptual estimate is highly speculative and should only be considered as indicative of mineralization potential and that it is uncertain if further exploration will result in the target being delineated as a mineral resource.

SAMPLE PREPARATION AND ANALYSIS

All sample preparation, during 2006, was undertaken at the Intertek Laboratory in Surigao, Northern Mindanao, which is an ISO 9002 certified laboratory. From January 2007, all sample preparation was undertaken by McPhar Geoservices (Phil) Inc at its General Santos facility in Southern Mindanao. McPhar is an ISO 9001 certified laboratory.

Drilling samples are pulverized and 200 gram sub samples are sent to Genalysis Laboratories in Perth, Western Australia (to February 2008), for analysis using the FA 50/SAAS method (fire assay with atomic absorption finish) for gold, and conventional wet chemical methods for copper. From February 2008, the pulverized 200 gram sub samples are sent to McPhar Geoservices (Phil) Inc Manila laboratory. McPhar is an ISO 9001 certified laboratory. Analysis using the PM3 method (Fire Assay, Gravimetric [0.05 ppm] finish) for gold, and conventional wet chemical method (GA-1) for copper, is carried out.

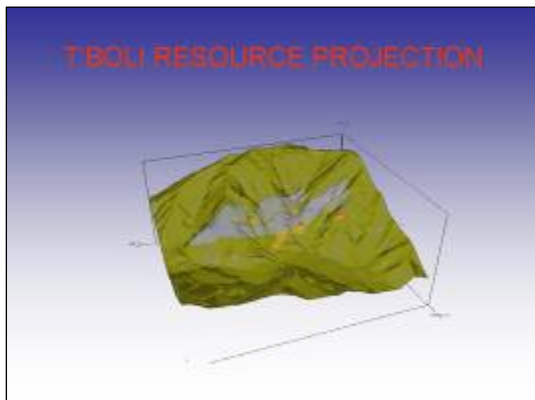
Channel samples are pulverized and 200 gram sub samples are sent:

- a) During 2006, to Intertek Laboratory in Jakarta, which is an ISO 9002 certified laboratory, for analysis using the FA 50 method (fire assay) for gold, and conventional wet chemical methods for copper and;
- b) From January 2007, to McPhar Geoservices (Phil) Inc Manila laboratory. McPhar is an ISO 9001 certified laboratory. Analysis using the PM3 method (Fire Assay, Gravimetric [0.05 ppm] finish) for gold, and conventional wet chemical method (GA-1) for copper, is carried out.

The Laboratories mentioned above provide independent analytical services to the Company on normal commercial terms.

T'BOLI GOLD SILVER PROJECT

T'Boli gold silver project has a National Instrument 43-101 compliant inferred resource of 2.4MT, grading 5.5g/t gold and 21g/t silver, for some 420,000 ounces of gold and some 1,600,000 ounces of silver. The following diagram shows the wireframe outline of that resource projected onto the digital terrain model (“DTM”) of the project area.



It is a typical epithermal quartz-carbonate hot spring system in which high grade gold and silver mineralization occurs within diatreme related breccias, often with grades in excess of 100g/t gold and 500g/t silver.

In October 2007, TMC Tribal Mining Corporation advised Cadan Resources Corporation that it had appointed Mining Engineer Edgar D Martinez as Director and President.

Mr. Martinez is a Mining Engineer, a Member of the Mindanao Association of Mining Engineers, and has more than 30 years' experience in mining operations and Government regulatory requirements. He is the President of the Mindanao Association of Mineral Industries Inc.

He is a Mining Industry Advisor to the Office of the Presidential Assistant on the Peace Process and the Mindanao Economic Development Council; Large Scale Mining Representative, Provincial Mining Regulatory Board (PMRB) COMVAL Province; Chairman, Mining Cluster, Economic Development Council RXI; Representative Mining Sector MinBC (“Mindanao Business Council”) Technical Working Group and a Director of the Philippine Mining Development Foundation, Inc.

Mr. Martinez will lead TMC Tribal Mining Corporation as the Company implements its strategy to undertake further detailed underground exploration and development of its T’Boli gold–silver project -- MPSA No 090-97-(X1) granted in November 20, 1997, and comprising 84.98has in which lies the JORC/CIM inferred mineral resource stated above. In addition, the Company has APSA no 051-XI for an area of approximately 2,700has which surrounds the granted MPSA 090-97.

COLOMBIA

Mr. Pedro Marin, in association with a local accountant and an attorney experienced in mining law, is continuing to finalize a review of corporate requirements and non-field exploration programs for its projects, including “Mina Rica gold silver project”, (where earlier drilling by the Company, in the late 1990’s, was successful in outlining an area containing potentially economic gold grades), “Gavia”, and “El Tambo”.

7. OUTLOOK

The exploration program of the COMVAL project is designed to expand the size of the potential bulk tonnage and open pittable resources. Of the styles of mineralization, the porphyry breccia and the skarn zones have the potential for bulk tonnage deposits. The total extent of these targets is currently unknown, beyond the potential to host over 1 billion tonnes of mineralization. A substantial increase in drilling capacity is required to adequately test the targets in an appropriate time frame.

With the availability of new funds, drilling re-commenced with the existing onsite rig on October 8, 2007. A contract RC rig was sourced and started drilling in November. The RC rig achieves faster penetration rates and more reliable samples in broken ground. The combination of diamond and cheaper RC drilling results in more efficient use of exploration funds.

Future drill targeting will be multi disciplinary with the highest priority given to targets where geological, geochemical and geophysical parameters are coincident.

To expedite identification of new targets a helicopter borne magnetic radiometric survey is scheduled to commence over the entire 9,000has of the project area. The fact that the Cadan target shows as a prominent bulls eye magnetic signature gives a high degree of confidence that any unknown targets present will be detected. Magnetite skarns in other areas of the Philippines have shown a uranium affiliation and radiometrics will detect any uranium presence. In addition, valuable structural information will be provided by the helicopter survey.

8. Qualifications

The Qualified Person for the technical disclosure in this Management Discussion and Analysis is Mr. Ian S. Cooper, Exploration Manager, who is the qualified person as required by National Policy 43-101. The qualified person has verified the data disclosed herein, including sampling, analytical and test data underlying the information and opinions contained herein.

Ian S Cooper has over twenty five years professional experience as a geologist in mineral exploration and development. He has worked on gold, base metal and diamond projects throughout Australia in addition to his overseas experience in Sierra Leone, West Africa, the Philippines, and Asia. Other overseas experience includes study visits to the USA, South Africa, New Zealand, Europe, the UK and Ireland. He graduated from the Royal School of Mines, London University, U.K. with B.Sc. (Hons) and A.R.S.M. (Associate Royal School of Mines) degrees from that institution. Previously he was the Senior Geologist for Sons of Gwalia NL in Eastern Australia and also a geologist with the BP Minerals / Seltrust Mining Group. Mr Cooper is a Director and Senior Geologist of Cooper Geological Services Pty Ltd, which provides specialist geological, evaluation and management services to Cadan Resources Corporation. He is a corporate member of the Australasian Institute of Mining and Metallurgy a Professional Association as defined in National Instrument 43-101.

9. Financial Data

The following selected financial information is derived from the audited annual consolidated financial statements of the Company prepared in accordance with Canadian GAAP.

All amounts in Cdn\$,000, except per share data	Three months ended		Years ended December 31,		
	March 31		2006	2005	
	2008	2007	2006	2005	
	\$	\$	\$	\$	
Operations:					
Revenues	-	-	-	-	
Income (loss)	(176)	(1,828)	(874)	(2,638)	
Income (Loss) per share	(0.001)	(0.02)	(0.01)	(0.04)	
Dividends per share	-	-	-	-	
Balance Sheet:					
Working capital	2,087	3,197	1,328	2,774	
Total assets	14,666	14,740	10,721	10,000	
Total Long-term liabilities	-	-	-	-	

The following selected financial information is derived from the unaudited consolidated interim financial statements of the Company prepared in accordance with Canadian GAAP

quarters ended	2008		2007				2006	
	Mar.31	Dec 31	Sept 30	Jun 30	Mar.31	Dec 31	Sep 30	Jun 30
	\$	\$	\$	\$	\$	\$	\$	\$
Operations:								
Revenues	-	-	-	-	-	-	-	-
Net income (loss)	(176)	(1,038)	(510)	(172)	(108)	(33)	(519)	(192)
Income (loss) per share	(0.001)	(0.012)	(0.006)	(0.002)	(0.001)	(0.00)	(0.01)	(0.00)
Dividends per share	-	-	-	-	-	-	-	-
Balance Sheet:								
Working capital	2,087	3,197	2,077	550	736	1,328	893	1,577
Total assets	14,666	14,740	12,788	10,825	10,597	10,721	9,641	9,728
Total long-term liabilities	-	-	-	-	-	-	-	-

a. Results of Operations

During the three months ended March 31, 2008, the Company recorded a loss of \$175,897 compared with a loss of \$108,355 for 2007, an increase of \$67,542.

This variance was the result of:

- Legal and professional fees when combined with salaries and benefits were approximately \$86,000 higher than 2007. Legal and professional fees when combined with salaries and benefits were \$149,985 (2007 \$63,852). Following the departure of the former CEO and CFO, in the first quarter of 2007, the Company decided to replace all salaried positions with contract consultants whose costs are reported as professional fees. The increase in 2008 is primarily due to a one time charge of \$35,000 for consulting services in 2008 and approximately \$21,000 in higher costs in 2008 for the CEO and CFO. The transition in 2007 resulted in a gap between the time when the old CEO and CFO left the Company and the time the Company contracted the new CEO and CFO. In 2008, the Company incurred legal fees to update filings and provide other information as required by Canadian publically traded companies and other general corporate matters.
- Rent was approximately \$9,000 higher in 2008 as the Company did not pay rent in Q1 2007 when we terminated the old rental agreement.
- Regulatory and shareholder costs were \$9,000 higher in 2008 as the Company contracted the preparation of certain charters, policies and procedures as it reviewed and enhanced its corporate governance practices.

Offset by:

- Office and miscellaneous expenses were approximately \$14,000 lower in 2008. Office and miscellaneous expenses were \$7,565 (2007 \$21,129). The majority of the reduction related to related to investigations into the Colombian properties in 2007 as the Company started its Strategic Review of its mineral assets in Colombia.
- Weakening of the Philippine peso against the Canadian dollar as compared with 2007, produced foreign exchange gains in 2008 of \$7,819 compared with foreign exchange losses in 2007 of \$694.

b. Financial Condition and Capital Resources

At March 31, 2007, the Company had working capital of \$2,086,663 (December 31, 2007 \$3,197,058). During the first quarter of 2008, the Company invested \$936,947 (2007 \$483,238) on the exploration of its Philippine properties described below, invested \$4,007 (2007 \$Nil) to purchase capital assets, and used a further \$59,407 (2007 \$84,604) for operating activities.

Through its subsidiaries and the Philippine affiliates, the Company has interests in certain permits and licenses to explore and develop mineral properties located in the Philippines and incurred exploration and development costs that have been capitalized as described below.

The Company currently has sufficient working capital to fulfill its planned drilling expenditures and field work on the Philippine properties and meet normal administration costs of running the Company.

c. Exploration and Development Costs Capitalized in 2008 and 2007 are as follows:

	Panag, Suriganon and Tagpura	Batoto	T'Boli	2008 Total	2007 Total
Assaying	27,503	-	-	27,503	116,620
Community development	7,746	21,910	5,435	35,091	15,800
Consultants	46,153	19,077	38,910	104,140	130,745
Depreciation and amortization	20,563	1,893	1,782	24,238	40,229
Drilling costs	365,758	-	-	365,758	58,770
Exploration and mineral processing	62,366	44,575	1,180	108,121	36,631
Field supplies and miscellaneous	26,340	147,210	23,317	196,867	67,620
Taxes, licenses and fees	-	2,068	-	2,068	-
Geological	17,342	-	-	17,342	24,510
Transportation and travel	34,406	38,287	7,363	80,056	33,966
Deferred exploration costs					
Total for period	608,177	275,020	77,987	961,184	524,749

d. Related Party Transaction

Included in accounts payable and accrued liabilities as at March 31, 2008, is \$73,065 (December 31, 2007 \$69,744) payable to a director and officer of the Company in respect to an advance made to the Company. The loan is interest free and is due on demand.

10. Significant Accounting Policies

a. Stock-based Compensation

The Company accounts for stock-based compensation using the fair value based method with respect to all stock-based payments to directors, employees and non-employees. Under the fair value method, stock-based compensation expense is recognized at the time of award with an offsetting increase in contributed surplus.

b. Consolidation of Variable Interest Entities

The Company follows the Canadian Institute of Chartered Accountants (“CICA”) Accounting Guideline 15 (“AcG-15”) “*Consolidation of Variable Interest Entities*”. A variable interest entity is an entity that does not have sufficient equity investment at risk to permit it to finance its activities without additional subordinated financial support, or whose equity investors lack the characteristics of a controlling financial interest. The primary beneficiary of a variable interest entity is the enterprise that is obligated to absorb the majority of the expected losses, if any, the expected residual returns, or both.

Accounting Guideline 15 applies to interim periods beginning on or after November 1, 2004. The Company has adopted this guidance as of January 1, 2005, and as such, the Company’s December 31, 2005, and subsequent periods consolidated financial statements, include the financial position and operations of the Philippine corporations in which the Company holds a 40% equity interest, as the Company has determined that it holds variable interests in these corporations and is the primary beneficiary.

The effect on the Company's financial statements is material as the investments in and advances to affiliates, as well as any interest income on the advances, were eliminated upon consolidation. As of January 1, 2005, the assets and liabilities of the Philippine corporations are reflected in the Company's consolidated financial statements.

11. Risks and Uncertainties

The Company is in compliance with all material regulations applicable to its exploration activities. Existing and possible future environmental legislation, regulations, and actions, could cause additional expense, capital expenditures, restrictions, and delays in the activities of the Company, the extent of which can not be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

The Company's mineral properties are located in the Philippines and Colombia, and consequently, are subject to certain risks, including currency fluctuations and possible political and economic instability which may result in the impairment or loss of mining title or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and governmental regulations to the mining industry.

12. Shareholder information

a. Common Shares

The Company has authorized an Unlimited common shares without par value and at March 31, 2008, there were 117,710,589 (December 31, 2007, 117,710,589) common shares outstanding.

b. Stock Options

The Company has a stock option plan whereby the Board of Directors is authorized to grant options to a rolling ceiling of 10% of the issued and outstanding common shares of the Company. Options to purchase common shares have been granted to directors, employees and consultants at exercise prices determined by reference to the market value on the date of the grant. The terms of the option and the option price are fixed by the directors at the time of grant subject to price restrictions imposed by the TSX Venture Exchange.

At March 31, 2008, there were 11,665,000 (December 31, 2007, 11,665,000) incentive stock options to purchase common shares at prices between \$0.11 and \$0.20 and that expire between September 5, 2008 and April 12, 2013, issued and outstanding to various officers, employees and consultants. Stock options awarded have a maximum term of five years and vest on the date of award.

On April 14, 2008:

- 500,000 incentive stock options issued to a consultant in 2007 to acquire common shares with an average price of \$0.15 were cancelled.
- 500,000 incentive stock options to acquire common shares at a price of \$0.15 and expire on April 15, 2013, were issued to a consultant.

As of the date of this report there are a total of 11,665,000 stock options outstanding with exercise prices between \$.11 per share and \$0.20 per share.

c. Warrants

At March 31, 2008, and as of the date of this report, there were 39,218,333 (December 31, 2007, 39,218,333) warrants to purchase common shares outstanding with exercise prices of \$.15 per share and \$0.65 per share.

13. Internal Controls Over Financial Reporting

The Company's certifying officers have designed a system of disclosure controls and procedures which provides reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation. Such

controls and procedures are also designed to ensure that information required to be disclosed by the Company is accumulated and communicated to the certifying officers, as appropriate to allow timely decisions regarding required disclosure.

The certifying officers of the Company have also designed a system of internal control over financial reporting which provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with the Generally Accepted Accounting Principles. During the year ended December 31, 2007, there were no substantive changes in the nature of the Company's policies or procedures that have materially affected, or are reasonably likely to materially affect, the Company's system of internal control over financial reporting.