



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND OPERATING RESULTS

FIRST QUARTER ENDED MARCH 31, 2008

The following Management's Discussion and Analysis ("MD&A") provides an analysis of the results of operations, financial condition and cash flows of Plexmar Resources Inc. (the "Company" or "Plexmar") for the three-month periods ended March 31, 2008 and 2007. This MD&A should be read in conjunction with the unaudited consolidated financial statements and related notes for the three-month periods ended March 31, 2008 and 2007 ("Interim Financial Statements") as well as the audited consolidated financial statements and related notes for the years ended December 31, 2007 and 2006 ("Annual Financial Statements"), which are prepared with generally accounting principles in Canada ("GAAP").

The Annual financial statements and many other data regarding the business of the company are available on SEDAR at the following Internet address: www.sedar.com.

The consolidated financial statements and the accompanying notes for the three-month periods ended March 31, 2008 and 2007 are unaudited and have not been subject to a review engagement by the external auditors of the company. At present time, Plexmar believes that the cost related to a review engagement of its interim financial statements exceed the benefits inherent in such a review and, in the opinion of the management, all adjustments necessary to present fairly the results of these periods have been included. The adjustments made were of a normal recurring nature. Interim results may not be necessarily be indicative of results anticipated for the year.

All amounts included in this report are expressed in Canadian dollars unless otherwise stated.

Forward looking statements

This MD&A contains certain forward-looking statements and information relating to Plexmar Resources Inc. that are based on the beliefs of its management as well as assumptions made by and information currently available to Plexmar. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to Plexmar or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such statements reflect the current views of Plexmar with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional important factors, if any, are identified here.

Business of the Company and Summary of Activities

The Company, incorporated under the Canada Business Company's Act is in the business of acquiring and exploring mineral properties with the objective of discovering and defining economically viable ore deposits. The Company's corporate objectives are currently focused on acquiring and developing gold properties in Peru and Ecuador through its subsidiaries, with medium term objectives of defining gold resources. The Company is a reporting issuer in British Columbia, Alberta, Ontario and Quebec and trades on the TSX Venture Exchange under the symbol PLE.

Due to the nature of the Plexmar's business, most of our expenditures consist of exploration and assay costs, fees and salaries for professional personnel, land, legal and property payments, and travel to, from and within properties. The following table details properties specific spending for the three month period ended March 31, 2008.

	Undivided interest	Balance as at January 1st 2008	Costs incurred	Mining properties under option	Balance as at March 31 2008
	%	\$	\$	\$	\$
Lucma (Cascajal) (Pérou)					
Mining properties	100	70 947	-	-	70 947
Exploration costs		-	-	-	-
		<u>70 947</u>	<u>-</u>	<u>-</u>	<u>70 947</u>
Marillia I, II & III (Peru)					
Mining properties	100	-	-	-	-
Exploration costs		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Oro Del Norte I, II & III (Cascajal) (Peru)					
Mining properties	100	374 165	-	-	374 165
Exploration costs		-	-	-	-
		<u>374 165</u>	<u>-</u>	<u>-</u>	<u>374 165</u>
Gran Chimu I & II (Cascajal) (Peru)					
Mining properties	100	2 974	-	-	2 974
Exploration costs		-	-	-	-
		<u>2 974</u>	<u>-</u>	<u>-</u>	<u>2 974</u>
Angolos (Bolsa Del Diablo) (Peru)					
Mining properties	100	1 950 226	209 233	-	2 159 458
Exploration costs		2 062 810	104 907	-	2 167 717
		<u>4 013 036</u>	<u>314 140</u>	<u>-</u>	<u>4 327 175</u>
Almirante Miguel Grau (Peru)					
Mining properties	100	1 398 075	-	-	1 398 075
Exploration costs		72 521	-	-	72 521
		<u>1 470 596</u>	<u>-</u>	<u>-</u>	<u>1 470 596</u>
Ecuador (Escondida) (a)					
Mining properties	100	2 399 628	-	-	2 399 628
Exploration costs		685 765	-	-	685 765
		<u>3 085 393</u>	<u>-</u>	<u>-</u>	<u>3 085 393</u>
		<u>9 017 110</u>	<u>314 140</u>	<u>-</u>	<u>9 331 249</u>

Bolsa del Diablo

The Bolsa del Diablo project in Peru is the core asset of the Company. Management believes that this project has all the making of a new gold mining camp in northern Peru. The project covers an area of nearly 225 km² located near the border with Ecuador. The Company owns 100% of 24 concessions and has the right to acquire 100% of 2 more concessions through option agreements. All the concessions are located on land owned by two communities.

The ground geophysical program was halted in early 2007 in the community that covers the northern part of the concessions because a written permission was deemed required before a diamond drilling program could be initiated. Since that time, the Company has partly halted the exploration program and has affected part of its available manpower to work with the social team. The Company is seeking to obtain permits from those two communities.

The Company has received a formal invitation to present at a community meeting to be held on June 8, 2008. The company will be asked to present its exploration program and specifically address the benefits to be received by the community. Registered community members will decide at the meeting if the company is allowed to pursue its exploration activities. The company has proposed a partnership whereby the community would directly own a royalty in the eventuality of commercial production.

This will be the first time in Peru that a community signs a partnership with a company for an early stage exploration project. We are committed on creating value for the community and for our shareholders while improving the lives of the people in the community, in a safe and environmentally responsible manner.

By maintaining high standards for protecting human health and the environment, and working in co-operation with the company's host communities, it endeavours to create sustainable, long-term economic and social opportunities. Among the company's goals is to be recognized by communities and governments as the exploration company of choice in northern Peru.

Outcome of the meeting and details of the benefits offered to the community will be released to shareholders as soon as available.

The local gold production from artisan miners has decreased since the beginning of 2007 and they are now seeking help and assistance from the Company. The Company has told the communities that it will continue helping the artisan miners by providing technical help, safety materials and by teaching them the proper way to handle and to dispose of toxic materials, as long as they award the Company permission to pursue its exploration program. In return, the Company will invest a percentage of its exploration budget in local initiatives that will benefit the whole population.

The decrease in the stock price in 2007 is mainly the result of the slowdown in the exploration program at Bolsa del Diablo. However, the management is confident that a permit will be obtained soon so that the IP program can be completed and the first drilling program can be carried out in the northern community. Basic geological work involving mapping and sampling is still being carried out on the project.

For the past two and a half years, the Company established good working relationships with the local communities and the local miners present on its concessions. The Company's mine technicians are helping the local miners locate the veins extensions and teach them how to mine in a safe and environmentally friendly way.

Most of field work consisted of social work, reconnaissance, prospecting work, geological mapping and sampling on the Bolsa del Diablo project and in the neighboring community adjacent to the Angolos concessions.

During the past two years, geologists have uncovered an area measuring approximately 6 km² on which a number of artisan miners are pulling gold on a daily basis from trenches or pits. In one pit, Company's geologists got the highest grade sample to date on the property; 635 g/t Au and 24.8 g/t Ag from a vertical channel taken from a vein.

The airborne survey detected a large magnetic and potassic anomaly measuring 2.5km x 2.8km coincident with a mapped intrusive body. Preliminary results from the IP program indicate that high resistivity is consistent with silicification associated with the veins. At 100 meters of depth, the resistivity decreases and the chargeability increases. This may represent an increase in sulphide mineral content that would be consistent with a gold bearing alteration system which is the target the Company is exploring for.

The alteration zone is characterized by low to intense silica and clay hydrothermal alteration. All the volcanic rocks in the area of interest show pervasive argillic alteration and have developed very intense stockwork structures. Gold mineralization occurs partly as fracture fillings in the stockwork and also as dissemination throughout the rock. Limonitization is pervasive throughout the rock. This intense stockwork was observed in numerous places on the property. There are over 100 pits, some going as deep as 40 metres, and numerous trenches located throughout the property.

Ecuador

Potential changes to mining laws in Ecuador

On April 18, 2008, the Ecuadorian government through its Constitutional Assembly approved a Mining Mandate (the "Mandate") which has created uncertainty over the status of tenure to mining concessions in Ecuador. The Company is evaluating the impact of the Mandate as amendments are still possible.

Some of the major features of the new mining mandate that may have an impact on the company are as follows:

- The new mining mandate limits mining companies to holding a maximum of three concessions. The Company will seek to protect all investments made to date at its 24 concessions.
- The new mining mandate invokes an immediate 180-day suspension of activities on virtually all mining concessions in Ecuador while a new mining law is drafted and adopted. The company is awaiting formal notification from the Ministry of Mines and Petroleum of the effects of the mining mandate on the company's operations, as defined in the final provisions of the mandate.

Potential impact on the value of the mining properties in Ecuador

As at March 31, 2008 the book value of mining properties held in Ecuador is \$3,085,393. The Company's management believes it has complied with the necessary requirements to ensure that it has maintained title in good standing for all of its mining properties. If this new Mandate is applied as it is now, the Company could experience difficulties upholding title to its mining properties and this would represent an impairment event for its mining properties held in Ecuador and the resulting impairment would be material to the Company and it could be up to the full amount of \$3,085,393.

Potential impact on the Amount receivable from Escondoro Resources Ltd.

As at March 31, 2008 the amount receivable from Escondoro Resources Ltd ("Escondoro") upon the Option and Joint Venture agreement is \$973,432. If this new Mandate is applied as it is now, the Company could experience difficulties recovering this amount as Escondoro could be unable to complete its initial public offering. This would represent an impairment event and the resulting impairment would be material to the Company and it could be up to the full amount of \$973,432.

The company continues to seek clarity from the government regarding the mining mandate's specific application to the company's operations and will issue updates as information becomes available.

Escondida project

In November 2006, the Company signed a final agreement with the owner, Minera DMG S.A. ("DMG") of the Escondida project in Ecuador to acquire 100% of the mining rights to these properties.

The Escondida project represents one of the largest land positions in the Cordillera del Condor near Aurelian Resources' Fruta del Norte gold discovery. The project covers 84,110 hectares (841.1 km²) and borders Aurelian's large land package on the western flank and north of Corriente Resources Mirador deposits. Fruta del Norte is believed to be the one of the most significant gold discoveries made by a junior miner in over a decade.

On September 14, 2007, the Company and its subsidiary ('Plexmar Ecuador') entered into an Option and Joint Venture Agreement ("Option Agreement") with Escondoro Resources Ltd. ("Escondoro"), a company managed by the president of the Corporation, and its wholly-owned subsidiary SadcoEcuador S.A. ("Sadco"). Escondoro has filed a final prospectus and would like to complete its initial public offering in 2008. Sadco was granted the sole and exclusive option (the "Option") to acquire up to an undivided 60% interest in properties held by Plexmar Ecuador (the Escondida properties), which is subject to the performance of the following terms and conditions:

1. the payment by Escondoro to Plexmar of an aggregate amount equal to the expenditures previously incurred by Plexmar on the Escondida properties amounting to \$1,384,822 of which \$510,453 was paid on December 31, 2007;
2. the issuance by Escondoro on the listing date of 3,000,000 common shares to Plexmar;
3. the undertaking by Escondoro to bear and pay all payments due by Plexmar or its subsidiary to DMG in regard of the acquisition of the mining rights of the Escondida properties as follows:

	US\$
February 7, 2008	200,000
May 7, 2008	200,000
November 7, 2008	250,000

4. Sadco will incur work expenditures aggregating US\$3,000,000 with respect to the exploration and development of the properties in accordance with the following schedule:
 - (i) US\$750,000 on or before one year after the first date that the common shares of Escondoro will be listed on the TSX Venture Exchange Inc. (the "listing date");

- (ii) US\$1,000,000 on or before two years after the listing date;
 - (iii) US\$1,250,000 on or before three years after the listing date.
5. as long as Plexmar or Plexmar Ecuador is a shareholder of Escondoro, undertaking by Escondoro to propose to its shareholders two Directors designated by Plexmar.

Upon Sadco having acquired a 60% interest in the properties, a joint venture will automatically be formed with Plexmar Ecuador holding a 40% interest. Terms of the joint venture will include:

- Sadco will act as operator of the joint venture and will have the right (but not the obligation) to remain operator for so long as its participating interest is 50% or more; and
- a management committee will be formed for the direction and control of the affairs of the joint venture, with the operator having a preponderant vote on any matter to be determined by this committee.

A 2.5% Net Smelter Royalty (NSR) was awarded to the owner with a right of first refusal assigned jointly to Plexmar and the Escondoro.

With the actual situation in Ecuador and as described in the section *Potential changes to mining laws in Ecuador*, Escondoro could be unable to complete its initial public offering.

Going concern

For the three-month period ended March 31, 2008, the company recorded a loss of \$295,939. In addition to ongoing working capital requirements, the company must secure sufficient funding to meet its existing commitments for exploration and development programs and general and administration costs.

Management is periodically seeking additional forms of financing through the issuance of new equity instruments, the exercise of existing warrants for the purchase of common shares and the exercise of stock options to continue its activities as a going concern, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Without new funding being available, the company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

Although management has taken steps to verify title to mining properties in which the company 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 and non-compliant with regulatory requirements.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern. The application of generally accepted accounting principles on a going concern basis may be inappropriate, since there is a doubt as to the validity of the going concern assumption.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of revenues and expenses and the classification of balance sheet items were the going concern assumption inappropriate, and these adjustments could be material. Management did not take these adjustments into account as it believes in the validity of the going concern assumption.

Critical Accounting Policies and Estimates

There have been no significant changes in Plexmar's accounting policies and estimates since December 31, 2007. Please refer to the corresponding section in the company's annual MD&A for a complete description of our critical accounting policies and estimates.

New Accounting Standards

Effective January 1, 2008, the Company adopted the following recently introduced Canadian Institute of Chartered Accountants (“CICA”) Handbook Sections:

Section 1535, “Capital Disclosures”, establishes standards for disclosing information about an entity’s capital and how it is managed. These standards require an entity to disclose the following:

- its objectives, policies and processes for managing capital;
- summary quantitative data about what the Company views as capital;
- whether during the period, it complied with any externally imposed capital requirements to which it is subject;
- when the entity has not complied with such requirements, the consequences of such non-compliance.

Section 3862, “Financial Instruments – Disclosures”, modifies the disclosures requirements for financial instruments that were included in Section 3861 “Financial Instruments – Disclosure and Presentation”. The new standard requires entities to provide disclosures in their financial statements that enable users to evaluate:

- the significance of financial instruments for the entity’s financial position and performance;
- the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks.

Section 3863, “Financial Instruments – Presentation”, carries forward unchanged the presentation requirements of the old Section 3861 “Financial Instruments – Disclosure and Presentation”.

The impact of these changes is outlined in notes 8 and 11 to the interim financial statements.

Consolidated Statements of earnings

<i>Unaudited</i>	Quarters ended			
	March 31 2008	December 31 2007	September 30 2007	June 30 2007
Revenues	\$167	\$622	\$934	\$532
Net loss	\$295,939	\$1,035,619	\$701,985	\$701,530
Basic and diluted loss per share	-	\$0.01	\$0.01	\$0.01
	March 31 2007	December 31 2006	September 30 2006	June 30 2006
Revenues	\$ 1,306	\$ 1,339	\$ 103	\$ -
Net loss	\$502,882	\$809,987	\$531,506	\$283,987
Basic and diluted loss per share	\$0.01	\$0.01	\$0.01	\$0.01

Comparison of the three-month periods ended March 31, 2008 and 2007

Professional and maintenance fees decreased by \$214,000 to \$ 28,000 for the three-month period ended March 31, 2008 compared to the three-month period ended March 31, 2007. This decrease is due mainly to the fact that in 2007 the company paid \$89,000 of professional fees related to tax consultations for Peru and by a decrease of other professional fees for \$128,000 resulting mainly from an administrative reorganisation of the company completed in June 2007. Prior to that reorganisation the company was sharing offices and paying professional fees for all its accounting and administrative functions. Since the end of June 2007 the company operates on a *stand alone* basis with a new administrative team and moved into a new office.

Management fees increased by \$36,000 for the three-month period ended March 31, 2008 compared to the three-month period ended March 31, 2007. This increase is explained by the administrative reorganisation described earlier as all the fees for the CFO and the administrative staff are now presented in management fees.

Stock-based compensation costs increased by \$209,000 for the three-month period ended March 31, 2008 compared to the three-month period ended March 31, 2007. This increase is explained by the amortization on a straight-line basis over their vesting period of the fair value of options granted in the third quarter of 2007.

General and administrative expenses decreased by \$41,000 for the three-month period ended March 31, 2007 compared to the corresponding period. This decrease is explained mainly by less tradeshow attendance and promotion for \$61,000.

Travelling expenses decreased by \$61,000 for the three-month period ended March 31, 2008 compared to the three-month period ended March 31, 2007. This decrease is explained by less travelling to Peru and Ecuador related to the company's projects in these countries.

The exchange gain is \$160,000 for the three-month ended March 31, 2008 compared to a gain of \$14,000 for the three-month period ended March 31, 2007. This variation is explained by the decrease of the value of the Canadian dollar compared to the Nuevo Sol in Peru in the first quarter.

Consolidated loss for the for the three-month period ended March 31, 2008 was \$296,000 or \$0.01 per basic and diluted shared compared to a loss of \$503,000 or \$0.01 for the three-month period ended March 31, 2007.

Our quarterly losses increased in last quarters mainly as a result of higher stock compensation costs following the grant of options in 2007 and by the fact that the company is more active in exploration since mid-2006.

Financial position

<i>Unaudited</i>	As at March 31, 2008	As at December 31, 2007
Cash	\$30,060	\$167,576
Working capital	\$94,751	\$369,108
Mining properties	\$9,331,249	\$9,017,110
Total assets	\$11,369,036	\$11,118,182
Share capital	\$26,987,974	\$26,903,758
Shareholder's equity	\$10,548,899	\$10,501,952

Total consolidated assets were \$11.4 million as of March 31, an increase of \$0.3 million since December 31, 2007 mainly explained mainly by an increase in mining properties for \$0.3 million.

Share capital increased by \$0.1 million since the beginning of 2008 as results of the issuance of a private placement of \$35,000 and exercise of stock options for \$49,000.

Management is periodically seeking additional forms of financing through the issuance of new equity instruments, the exercise of existing warrants for the purchase of common shares and the exercise of stock options to continue its activities as a going concern, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Without new funding being available, the company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

With its current working capital position and the private placement completed in April (see note 13 – subsequent events), the company has adequate resources to meet anticipated expenditures until the end of the second quarter of 2008.

Cash flows

<i>Unaudited</i>	For the three-month period ended	
	March 31	
	2008	2007
Operating activities	(\$79,000)	(\$757,000)
Financing activities	\$61,000	\$249,000
Investing activities	(\$120,000)	(\$809,000)
Net change in cash	(\$138,000)	(\$1,317,000)

Operating activities

Cash used in operating activities decreased by \$678,000 from for the three-month period ended March 31, 2007. This decrease is explained by a decrease of the loss, net of items not affecting cash for \$425,000 and the change in non-cash working capital items of \$253,000.

Financing activities

Cash flow from financing activities decreased by \$188,000 to \$61,000 for the three month ended March 31, 2009. Less warrants and options were exercised in three-month period ended March 31, 2008 compared to the three-month period ended March 31, 2007.

Investing activities

Cash flow used in investing activities decreased by \$690,000 from \$810,000 for the three-month period ended March 31, 2007. This decrease is mainly attributable to less investment in mining properties (acquisition and explorations costs) for \$697,000 as the company is waiting for the social permit for its Bolsa del Diablo project and by the fact that the company option its project in Ecuador to Escondoro Resources Ltd.

Contractual obligations

There has been no significant change in contractual obligations facing Plexmar, as described in the Company's 2007 consolidated financial statements.

Related Party Transactions

In connection with the approval of related party transactions, the Company's policy requires that the terms of all such transactions be comparable to terms available in arm's length transactions.

The company entered into the following transactions mainly with companies controlled by directors and an officer:

	Three-month period Ended March 31	
	2008	2007
	\$	\$
Management fees	57 192	32 138
Professional fees	-	90 619
Rent-Offices	-	4 950

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Off Balance Sheet Arrangements

The Company has not entered into any specialized financial agreements to minimize its investment, currency or commodity risks. There are no off-balance sheet arrangements.

Outstanding Share Data

As at May 29, 2008, the Company has 141,394,134 common shares outstanding, 10,341,167 stock options outstanding and 8,225,430 warrants outstanding.

Risk and Uncertainties

Except for historical information contained in this management's discussion and analysis, disclosure statements contained herein are forward-looking, which statements are subject to risks and uncertainties, which could cause actual results to differ materially from those in

such forward-looking statements. The Company is a mineral exploration and development company and is exposed to a number of risks and uncertainties that are common to other companies in the same business; some of these risks have been discussed elsewhere in this report.

The Company's financial success is subject to general market conditions which affect mining and exploration companies. The value of the Company's mineral resources and future operating profit and loss is affected by fluctuations in gold prices, over which the Company has no control, although it may choose to hedge some of its future production. The cost of exploration and future capital and operating costs are affected by foreign exchange rates for the U.S. dollar and Peruvian sol. The Company can mitigate the effects of these rate fluctuations, to some extent, through forward purchases. The Company's ability to hedge future foreign exchange rates is affected by its creditworthiness. Because of its limited operating record and history of losses, it may not be able to hedge future risk to the extent it feels is warranted. The Company also competes with other mining companies which are larger and have more economic resources to acquire prospective exploration properties or producing mines.

The Company also faces certain risks and uncertainties specific to its circumstances. The Company's ability to obtain financing to explore for mineral deposits and to continue and complete the development of those properties it has classified as assets is not assured; nor is there assurance that the expenditure of funds will result in the discover of an economic mineral deposit. The Company has not completed a feasibility study on any of its deposits to determine if they host a mineral resource that can be economically developed and profitably mined. While the Company has used its best efforts to ensure title to all its properties and secured access to surface rights, these titles or rights may be disputed.

A complete description of the company's risk factors can be found in the MD&A for the year ended December 31, 2007.

Outlook

In the remaining of 2008, the company expects the following:

- Grant of a social permit in the first half of 2008 to resume exploration work on its Bolsa del Diablo project;
- Major exploration program including drilling on Bolsa del Diablo.

Management will monitor closely the evolution of the situation in Ecuador and will keep shareholders informed as important development arise.

May 29, 2008

(Signed) Guy Bédard
Guy Bédard
CEO and President

(Signed) Pierre Labbé
Pierre Labbé CA
Vice-president and chief financial officer