

**PLEXMAR RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the six month period ended September 30, 2006

Scope of management's financial analysis

This report represents a complimentary addition to the financial statements by providing contextual and prospective information that is not found in the latter. This analysis was prepared in accordance with Canadian generally accepted accounting principles (GAAP).

Corporate profile and mission

Plexmar Resources Inc. («the Company») is a mining exploration company with properties in Northern Peru and in Southern Ecuador. On the Bolsa del Diablo project, the company owns 100% of the mining rights in over 220km² of prospective land and has the right to acquire 100% of the mining rights in two projects in return for cash payments according to the agreements. In Ecuador, the company has signed a letter of intent to acquire the Escondida project, a package of 835 km² near Aurelian's Fruta del Norte discovery. The Company also owns the Marilia and Cascajal projects, both located in Northern Peru in the la Libertad department.

The Company has no revenues.

The current exploration program is funded by private placements of \$1,25M and \$1,97M closed in January 2006 and October 2006.

Forward-Looking information

During the third quarter of 2006, exploration activities were concentrated on the Bolsa del Diablo project. An airborne geophysical survey was done over the whole property, while sampling and mapping was on-going on different part of the project. Ground geophysics, (Induced Polarization) is still being carried and should be completed by the end of the year. Drilling is expected to start in the first quarter of next year. On Bolsa del Diablo, Exploration expenses accounted to \$411,844 for the period of three month ended September 30, 2006.

On June 21,2006, The Company, signed a letter of intent to acquire 835 km² of exploration concessions in the south eastern part of Ecuador in the vicinity of Aurelian Resources (ARU-TSX) high grade gold discovery. The Company has successfully evaluated the property and will sign a formal contract with the Owner in the fourth quarter of 2006.

No work was performed on the properties Lucma, Oro Del Norte I, II & III et Grand Chimu I & II

With \$4,917,967 in cash for exploration, total current assets of \$ 5,183,093 and current liabilities of \$2,521,624 the company is in good financial situation.

Selected financial information

The table below presents selected financial data for the company's three most recently completed fiscal years ended December 31:

	2005 \$	2004 \$	2003 \$
Loss for period*	1,010,150	2,605,455	1,840,931
Loss per share (Basic and Diluted)	0.02	0.06	0.07
Total Assets	2,056,202	1,906,551	664,388
Total Liabilities	581,886	310,925	97,392

- * The loss for 2005 included of the cost of mining properties abandoned in the amount of \$ 32,980
- * The loss for 2004 included of the cost of mining properties abandoned in the amount of \$ 957,620
- * The loss for 2003 included of the cost of mining properties abandoned in the amount of \$ 852,290

Results of Operations

The operating expenses for the quarter ended September 30, 2006 include the charges from the foreign subsidiary. This amount breaks down as follows: \$25,670 for professional fees, \$1,746 for traveling fees, \$18,052 for office expenses and financing fees, \$1,545 for depreciation of property, plant and equipment and \$1,789 for banking charges.

The company spent in exploration costs a total of \$411,844 during the period on the Bolsa del Diablo property (Peru). Total spent in exploration costs for the period of nine months ended September 30, 2006 stands at \$689,615.

Summary of Quarterly Results

Quarter ended	Total Revenues \$	Net loss \$	Loss per share \$
June 30, 2004	6 652	374 168	0,01
September 30, 2004	4 764	166 970	0,00
December 31, 2004	3 764	1 760 755	0,04
March 31, 2005	2 121	139 251	0,01
June 30, 2005	197	261 196	0,01
September 30, 2005	-	249 560	0,01
December 31, 2005	2 091	360 143	0,01
March 31, 2006	70 885	440 381	0,01
June 30, 2006	-	283 987	0,01
September 30, 2006	164 620	531 506	0,004

Liquidity and Capital Resources

The Company's working capital as at September 30th, 2006 was \$2,661,469 compared to working capital deficiency at beginning of period was (477 746 \$). The cash balance as of September 30th, 2006 was \$4,917,967 compared to \$23 123 as of December 31, 2005

Financing sources

The availability of funds is function of the capital markets.

The only source of financing of the company is the issuance of equity shares. As of September 30, 2006, the company has 2,449,833 outstanding warrants and 5,354,501 outstanding stock options. The average exercise price of outstanding warrants is \$0.10 and the average exercise price of outstanding stock options is \$0.32.

Off-balance sheet arrangement

The company has no off-balance sheet arrangements.

Related Party Transactions

The Company carried out the following transactions with companies controlled by directors:

	2006	2005
	\$	\$
Management fees	118 333	39 600
Professional fees	95 650	50 577
Office rent	13 200	7 000

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.

Detailed Analysis of Deferred Exploration Costs and Expenses

	September 30, 2006	December 31, 2005
	\$	\$
Balance – Beginning of year	1 590 198	613 328
Acquisition and Exploration Costs		
Costs of Claims	1 808 180	463 787
Drilling	-	24 936
Geophysics	7 836	85 266
Sampling and analyses	14 600	9 436
Geologists salaries and others	595 270	237 331
Relations with community	-	82 829
Equipment rental	-	-
Fuel and maintenance of vehicles	1 892	14 157
Maintenance of facilities	13 560	73 172
Accommodation	-	18 936
Exploration materials and maps	2 245	-
Mining properties abandoned	-	(32 980)
Depreciation	266	
Balance – End of year	4 034 047	1 590 198

Financial instruments

Fair value

The fair value of cash, explorations funds, amounts receivable, amounts payable and accrued liabilities and balances of purchase price payable approximates their carrying value due to their short-term maturity or to current market rates.

The estimated fair value of the convertible debenture, amounting to 140 300, as at December 31 2005, has been established by discounting the future disbursements at an interest rate which the company would currently be able for a loan with similar terms and maturity date.

Interest rate risk

The company's exposure to interest rate risk is summarized as follows:

- Cash	Variable interest rate
- Amount receivable	Non-interest bearing
- Accounts payable and accrued liabilities	Non-interest bearing
- Convertible debenture	As described in note 6 of the financial consolidated statements

Outstanding Share Data

Outstanding common shares as at June 30, 2006: **119 954 372**

Outstanding warrants as at June 30, 2006: **2 449 833**

Number of warrants	Exercise price	Expiration Date dd/mm/yy
1 799 833	\$0,12	09/08/2007
500 000	\$0,10	05/12/2007
150 000	\$0,10	20/09/2007

Outstanding stock options as at June 30, 2006: **5 354 501**

Stock options granted	Exercise price	Expiration date dd/mm/yy
200,000	\$0.35	31/01/2007
200,000	\$0.28	23/01/2007
250,000	\$0.51	13/07/2007
150,000	\$0.12	17/04/2008
1,300,000	\$0.51	13/07/2008
350,000	\$0.15	30/10/2008
187,500	\$0.25	21/07/2009
16,667	\$0.15	02/02/2010
2,250,334	\$0.11	13/01/2011
450,000	\$0.51	13/07/2011

Risk and Uncertainties

Financial risks

The company is considered to be an exploration company. It must therefore regularly obtain financing in order to pursue its activities. Despite previous success in acquiring such financing, there is no guarantee of success in the future.

Property title risk

Although the company has taken steps to verify property titles relating to its mining properties in which it holds an interest, in accordance with industry standards for the current stage of exploration on these properties, these procedures do not guarantee the

company's' title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Environmental risk

The company is susceptible to various environmental incidents that can occur during exploration work. The company maintains an environmental management system including operational plans and practices

Additional information and continuous disclosure«

This Management's Discussion and Analysis was prepared on November 27th, 2006. The company regularly divulges additional information through press releases, financial statements, and its annual information form on the SEDAR website (www.sedar.com)

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(s) Nadya Couture

Nadya Couture, controller