

Antares Minerals Inc.

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Management's Discussion and Analysis – Second Quarter 2006

This section provides an analysis of the financial and operating results of the Company for the quarter ended July 31, 2005 and should be read in conjunction with our interim financial statements and notes thereto for the quarter ended July 31, 2005 (the "Interim Statements") as well as our audited financial statements and the notes thereto for the years ended January 31, 2005 and 2004 (the "Annual Statements").

This MD&A has been prepared in conformity with National Instrument 51-102 F1 and has been approved by the Board of Directors.

Description of Business

Antares Minerals Inc. ("Antares" or the "Company") is a recently reorganized mineral exploration company with a highly experienced management team. The Company is focused on precious and base metal exploration properties in Latin America that can be quickly and cost-effectively advanced to the drilling and discovery stage.

The Company has entered into an option agreement with Minera Phelps Dodge del Peru S.A.C. to acquire a 100% interest in the Haqira SX-EW copper project in Peru and is currently exploring three copper-gold-silver prospects in Argentina pursuant to option/joint-venture agreements with Mansfield Minerals Inc. Details are provided below.

The Common Shares of the Company are listed for trading on the TSX Venture Exchange under the symbol "ANM".

Results of Operations

Revenues and Expenses

Revenues earned by the Company have been insignificant to date as the Company is still in the exploration stage and does not have any producing properties. Revenues were derived solely from interest income earned on cash balances and for the quarter ended July 31, 2005 amounted to \$1,533 as compared to \$287 in the corresponding period of the prior year. Expenses were lower in the current quarter at \$154,754 as compared to \$216,539 in the corresponding period of the prior year. Included in this amount was \$46,422 for stock-based compensation (\$59,638 in the prior period), which is a non-cash charge. The net result is that the Company recorded a loss of \$153,221 for the current quarter (\$.010 per share) as compared to a loss of \$216,252 in the corresponding period of 2004 (\$.015 per share).

Quarterly Disclosure – Eight Most Recently Completed Quarters

The following table sets forth unaudited financial information prepared by management of the Company.

| | <u>July 31/05</u> | Three Months Ended | | |
|-------------------|-------------------|---------------------------|-------------------|-------------------|
| | | <u>April 30/05</u> | <u>Jan. 31/05</u> | <u>Oct. 31/04</u> |
| Revenues | \$1,533 | \$6,102 | \$17,035 | \$14,694 |
| Net income (loss) | (153,221) | (286,210) | (370,077) | (202,825) |
| per share - basic | (0.010) | (0.020) | (0.014) | (0.014) |

| | <u>July 31/04</u> | Three Months Ended | | |
|-------------------|-------------------|---------------------------|-------------------|-------------------|
| | | <u>April 30/04</u> | <u>Jan. 31/04</u> | <u>Oct. 31/03</u> |
| Revenues | \$287 | \$216 | \$145 | \$137 |
| Net income (loss) | (216,252) | (8,198) | (14,334) | (10,369) |
| per share - basic | (0.015) | (0.001) | (0.002) | (0.002) |

Resources Expenditures

The Company is engaged in the acquisition, exploration and development of resource properties. All of the Company's properties are in the exploration stage and there can be no assurance that any of them will reach commercial production.

Expenditures on resource properties totaled \$362,684 in the current quarter. Approximately 62% of the cash expenditures was spent on the Haquira property in Peru and the bulk of the remainder on the Rio Grande property in Argentina. See Note 2 to the Interim Statements. Resource expenditures in current period were primarily spent on completing technical reviews of the properties in preparation for drilling programs scheduled to commence this winter (South American summer).

Principal Properties- Acquisition Terms

Haquira

On March 17, 2005, the Company announced that it had executed an option agreement effective March 04, 2005, with Minera Phelps Dodge del Peru S.A.C. ("Phelps Dodge"), a wholly owned subsidiary of Phelps Dodge Corporation (PD-NYSE), whereby the Company can acquire a 100% interest in the Haquira SX-EW copper project in Apurimac Department, south-central Peru.

The Company can acquire a 100% interest in the Haquira project from Phelps Dodge by completing option payments totaling US\$15 million over a five-year period. An initial

payment of US\$750,000 was made upon execution of the agreement; all other payments are optional.

The Company has also issued 1.5 million warrants to Phelps Dodge as part of this transaction. Each warrant is exercisable for one common share of the Company. Half of the warrants are exercisable at CDN\$1.25 for a period of one year and the other half are exercisable at CDN\$1.50 for a period of two years.

Rio Grande

Rio Grande is a copper-gold property that is wholly owned by Mansfield and located in Salta Province, northwestern Argentina. Under the terms of the option/joint-venture agreement, the Company can earn an initial 50% interest in the property by completing work expenditures totaling US\$3,000,000, making option payments totaling US\$600,000 and issuing 900,000 shares, all over a four-year period. The Company's commitment for the first year is to complete work expenditures of US\$400,000 and make an option payment of US\$25,000. The Company may terminate the agreement at anytime thereafter. If the Company completes the 50% earn-in, it can elect to earn an additional 10% interest by spending an additional US\$1.5 million over 18 months.

At July 31, 2005, the company had made the second option payment (\$25,000) and had exceeded the first year exploration expenditure commitment for Rio Grande.

Desierto

The Desierto property is a gold-silver epithermal vein prospect located 320 km from the City of Salta, Salta Province, northwestern Argentina. The property is 100% owned by Mansfield. Under the terms of the option/joint-venture agreement, the Company can earn an initial 50% interest by completing work expenditures totaling US\$2,000,000 and making option payments totaling US\$400,000 over a four-year period. The Company's commitment for the first year is to spend US\$150,000 and make an option payment of US\$25,000. The Company may terminate the agreement at anytime thereafter. If the Company completes the 50% earn-in it can elect to earn an additional 10% by issuing 100,000 shares and spending an additional US\$1.5 million over 18 months.

At July 31, 2005, the Company had made the second option payment (\$25,000) and had first year expenditure requirements of approximately \$US100,000 remaining for Desierto. The Company and Mansfield have agreed to extend the deadline for the commitment to October 31, 2005.

Catua

The Catua property is a newly discovered copper prospect, owned 100% by Mansfield. It is located in the Jujuy Province, northwestern Argentina, only 6 km from the Chilean border and 220 km from the city of Salta. Under the terms of the option/joint-venture agreement, the Company can earn an initial 50% interest by completing work expenditures totaling US\$2,000,000 and making option payments totaling US\$400,000 over a four-year period. The Company's commitment for the first year is to spend US\$100,000 and make an option payment of US\$25,000. The Company may terminate the agreement at anytime thereafter. If the Company completes the 50% earn-in, it can

elect to earn an additional 10% by issuing 100,000 shares and spending an additional US\$1.5 million on the property over 18 months.

At July 31, 2005, the Company had made the second option payment (\$25,000) and had exceeded the first year exploration expenditure commitment for Catua.

Principal Properties- Exploration Results

The following is a summary of the exploration results for the quarter ended July 31, 2005, updated to the date of this report (September 30, 2005).

Haquira

The Haquira project is located approximately 75 km to the southwest of Cuzco in the emerging Andahuaylas-Yauri copper-gold porphyry/skarn belt that hosts the Tintaya copper-gold skarn mine (BHP Billiton), the Las Chancas copper-gold porphyry deposit (Southern Peru Copper Corp.), the Las Bambas copper-gold skarn deposits (Xstrata), as well as numerous other copper-gold-molybdenum porphyry and skarn occurrences. The Haquira project is contiguous with, and immediately to the south of, the Las Bambas district where Xstrata Copper has committed to invest US\$121 million.

On September 27, 2005 the Company announced that it had filed an independent 43-101 technical report for the Haquira project. The report (the "CAM Report") was prepared by Chlumsky, Armbrust, and Meyer L.L.C., ("CAM") of Denver, Colorado, USA and was based upon 85 drill holes (11,350 m) completed by Minera Phelps Dodge de Peru S.A.C. in 2001-2003.

The CAM report estimates an inferred mineral resource for Haquira, at a 0.3% total copper cut-off grade, of **120.5 million tonnes grading 0.49% copper amenable to SX-EW processing** (*secondary* copper sulphides and oxides only) and 89.2 million tonnes grading 0.43% copper amenable to flotation/concentrate processing (*primary* copper sulphides) for a **total of 209.7 million tonnes grading 0.46% copper**. All resources at Haquira are currently classified as inferred mineral resources due to the relatively wide average spacing of 200 m between drill holes.

See Press Release dated September 27, 2005

Desierto

The Desierto Project is located immediately to the south of the Taca Taca porphyry copper deposit, approximately 320 km to the west of the City of Salta, Salta Province, northwestern Argentina. The project hosts multiple epithermal precious metal veins in three main areas on the property; predominantly gold-bearing veins to the west, predominantly silver-bearing veins to the east, and the Silica Ridge, a prominent rhyolite dyke with locally strong silicification of both the dyke and the wall rocks in the central part of the property.

On September 28, 2005, the Company announced the commencement of a diamond drilling program at the Desierto Project. The program will consist of 4-6 drill holes for a

total of approximately 600 m. The drilling will target a 1,200 m long silver-rich vein called the Eastern Silver vein. Surface rock chip and trench sampling by Antares and JV partner Mansfield Minerals Inc have returned silver values in excess of 1000 g/t (>32 oz/t) over widths varying from 1-6 meters.

See Press Release dated September 28, 2005

Financial Condition, Liquidity and Capitalization

Working Capital

The Company had working capital of (\$87,810) at July 31, 2005 (\$1,964,394 at January 31, 2005). The decrease is attributable to on-going spending for mineral exploration in South America.

The Company had no long-term liabilities at July 31, 2005.

Financings

No financings were completed in the third quarter. See "Subsequent Events".

Capitalization

The Company had 15,404,205 common shares outstanding at July 31, 2005, an increase of 855,000 from January 31, 2005, which represents new shares that were issued upon warrants being exercised.

As at July 31, 2005 the Company's fully diluted share capital was 19,774,205 shares. The potential dilution comes from 3,145,000 warrants and 1,225,000 options outstanding. 1,645,000 of the warrants outstanding were issued in connection with a private placement in 2003 and entitle the holders to purchase one common share at \$.11 per share until December 8, 2005. 1,500,000 of the warrants were issued in connection with the acquisition of the Haqira Project and entitle the holder (Phelps Dodge) to purchase 750,000 common shares at \$1.25 before March 15, 2006 and 750,000 common shares at \$1.50 before March 15, 2007. The 1,225,000 options were issued to directors, officers and consultants, each of which entitles the holder to purchase one common share at prices ranging from \$.50 to \$.80 per share for a period of five years, subject to specified vesting periods.

Subsequent Events

On August 8, 2005, the Company announced that it had completed a private placement financing consisting of 1,815,000 units ("Units") at \$0.60 per Unit share for gross proceeds of \$1,089,000. Each Unit consists of one common share and one-half of a common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share at \$0.80 for a period of one year from closing, provided that if the common shares trade at \$1.25 or higher on a volume weighted average basis over any ten trading day period during the one year period, the Company can give written notice to all warrant holders to accelerate the expiry date of the warrants to 10 business days after the date of such notice.

Proceeds of the financing are intended to be utilized to prepare for drilling programs on the Haquira copper project in Peru and the Rio Grande copper-gold and Desierto gold-silver prospects in Argentina, and for general working capital purposes.

Change in Accounting Policies

There have been no changes in accounting policies since the Company's most recent year end.

Critical Accounting Estimates

Critical accounting estimates used in the preparation of the Interim Statements include the Company's estimate of the recoverable value of its resource properties.

Resource properties are recorded at cost. All acquisition, exploration and related overhead expenditures are recorded as an asset on the balance sheet under the heading "Resource properties". These expenditures will be depleted over the estimated life of the properties if and when they reach production or will be written down by management when it is determined that the net carrying amount will not be recovered.

Financial Instruments

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. The principal financial instruments used by the Company are short-term deposits or debt obligations which are acquired to enhance the returns on the Company's cash position. The Company considers these instruments to be very low risk in nature. The fair value of these instruments approximates their carrying costs, unless otherwise noted on the financial statements.

Risks and Uncertainties

Mineral exploration involves a high degree of risk. Few properties that are explored are ultimately developed into production. None of the Company's properties has a known body of commercial ore. The Company is actively seeking to acquire new properties. Other risks facing the Company include: competition from other companies for properties of merit; political stability in countries outside of Canada where the Company might acquire properties; changes in legislation in those countries that could affect exploration and mining rights as well as taxation and royalties; fluctuations in mineral prices; ability to attract and retain qualified personnel; availability of additional capital; costs and availability of materials and services relevant to the mining industry; title risks; and integrity of exploration results.

Technical Information

All of Antares' exploration programs and pertinent disclosure of a technical or scientific nature are prepared by or prepared under the direct supervision of John Black, Antares'

President, who serves as the qualified person (QP) under the definitions of National Instrument 43-101.

Forward Looking Statements

The above contains forward looking statements that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in our forward looking statements. Shareholders and prospective investors should not place undue reliance on forward-looking information and should bear in mind the risks and uncertainties outlined above under “Risks and Uncertainties”.

Additional Information

Additional information relating to the Company can be found in the Interim Statements, the Annual Statements and other public filings, all of which are available for viewing on SEDAR at www.sedar.com

Mark Wayne,
Chief Financial Officer

September 30, 2005