

Antares Minerals Inc.

3rd Floor • 35 Main Street North •
Waterdown • Ontario • Canada •
L0R 2H0

Management's Discussion and Analysis

Quarter Ended October 31, 2006

This section provides an analysis of the financial and operating results of Antares Minerals Inc. ("Antares" or the "Company") for the three and nine month period ended October 31, 2006 and should be read in conjunction with our interim financial statements and notes thereto for the quarter ended October 31, 2006 (the "Interim Statements") as well as our audited financial statements for the years ended January 31, 2006 and January 31, 2005 and the notes thereto (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. Information herein is current as of December 20, 2006.

Overview

Antares is a minerals exploration company focused on gold and copper exploration properties in Latin America that can be quickly and cost-effectively advanced to the drilling and discovery stage.

The Company is currently exploring the Haquira copper project in Peru that it has optioned from Phelps Dodge and two copper-gold prospects in Argentina pursuant to option-joint venture agreements with Mansfield Minerals Inc. Results from our exploration programs in the quarter ended October 31, 2006, updated to December 20, 2006, are summarized in this report.

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

Principal Properties

Haquira

Description

The Haquira project offers potential for a low-strip, low-cost SX-EW operation in southern Peru. The project is located contiguous to, and immediately south of, the Las Bambas Cu-Au district where Xstrata Copper has committed to invest US\$121 million. Antares has an option agreement with Minera Phelps Dodge del Peru S.A.C. ("Phelps Dodge") to acquire a 100% interest in the Haquira project by completing optional payments totaling US\$15 million over a five-year period (see Antares press release

dated March 17, 2005). Additional information about the Haquira project is available on our website at www.antareshminerals.com.

Based upon 118 drill holes previously completed by Phelps Dodge and Antares, the Haquira project hosts a 43-101 inferred mineral resource, at a 0.3% total copper cut-off grade, of **156.3 million tonnes grading 0.49% copper amenable to SX-EW processing** (leachable secondary copper sulphides and oxides only; see Antares press release dated February 14, 2006 and independent 43-101 report prepared by Chlumsky, Armbrust and Meyer, L.L.C. and filed on SEDAR on April 18, 2006). A total of 97 additional drill holes have been completed to date in 2006 and are not included in the current resource calculation.

Exploration Update for the Period August 1 to December 20, 2006

Antares initiated an initial scoping phase exploration program at the Haquira project in July, 2006 consisting of approximately 50 drill holes for approximately 7000 m. The scoping phase exploration program was designed to obtain scoping data to allow for accurate planning for the ensuing pre-feasibility stage program. There are three components to the scoping-stage drilling program:

1. Six drill fences of 50-m spaced infill drill holes to test for continuity of mineralization and allow for determination of optimal infill drill spacing (Lines TIF-1 through TIF-6);
2. 10-12 sets of diamond core/reverse circulation twin drill holes to test the reliability of sampling by reverse circulation (which may be underestimating copper grades), and
3. Drilling at 200 m spacing to define outer limits of known zones of mineralization, particularly the western boundary of the Haquira West zone.

On September 25, 2006, the Company announced results from the first ten holes of the scoping phase drill program that confirmed the continuity of high copper grades over wide intercepts in the high-grade core of the Haquira copper project. Highlights from the first ten holes include the following intercepts of leachable secondary copper mineralization amenable to low-cost SX-EW processing:

- AHAD-036: 35.90 m with 1.17% Cu total
- AHAD-037: 32.35 m with 3.73% Cu total, including 9.23 m with 10.53% Cu total
- AHAD-038: 32.05 m with 1.32% Cu total
- AHAD-039: 51.50 m with 1.89% Cu total including 7.15 m with 9.48 % Cu total
- AHAC-085: 26.00 m with 0.87% Cu total
- AHAC-086: 58.00 m with 1.01% Cu total

In addition, diamond-hole twinning of reverse-circulation holes provided evidence to suggest that at least some reverse-circulation drill holes appear to have underestimated copper grade in zones containing sooty secondary chalcocite mineralization in the high-grade core. Two twin pairs provide the following comparisons:

- AHAD-039 (twin diamond hole—new): 51.50 m of 1.89% Cu total
- HAC-032 (reverse-circulation hole—old): 33.00 m of 0.51% Cu total

and

- HAD-003 (diamond hole—old): 36.15 m of 0.74% Cu total
- AHAC-084 (twin reverse-circulation hole—new): 34.00 m of 0.30% Cu total

Final conclusions will be made upon completion of all DDH/RC twin-hole pairs regarding the potential underestimation of copper grades by the previous reverse-circulation drilling.

See press release dated September 25, 2006.

On November 14, 2006, the Company announced additional results from the scoping phase drill program that had been completed at the Haqira copper project (total of 49 holes for 6,892 m). Ten holes from drill fences TIF-1 and TIF-2 across the high-grade core at the northern end of the Haqira West mineralized zone had been previously reported (see Antares press release of September 25, 2006 as summarized above). The November 14 release presented results from eleven additional holes from drill fence TIF-3 and several surrounding holes located to test for a northwest extension of the Haqira West mineralized zone. The new results demonstrated that continuous higher grade mineralization extends approximately 300 m to the west-southwest of AHAC-062 (the outermost hole in the current resource model). Highlights include the following intercepts of leachable secondary copper mineralization amenable to low-cost SX-EW processing:

- AHAD-040: 38.90 m with 0.85% Cu total(2)
- AHAD-048: 10.45 m with 3.74% Cu total
- AHAC-087: 16.00 m with 1.65% Cu total
- AHAC-089: 38.00 m with 1.94% Cu total including 14.00 m with 4.17 % Cu total
- AHAC-090: 58.00 m with 0.65% Cu total

See press release dated November 14, 2006.

On December 5, 2006, the Company announced results from five additional holes from the scoping phase drill program recently completed at the Haqira copper project (total of 49 holes for 6,892 m). Twenty-one holes from drill fences TIF-1, TIF-2, and TIF-3 across the high-grade core at the northern end of the Haqira West mineralized zone have been previously reported (see Antares press releases of September 25 and November 14, 2006 as summarized above). The December 5 release presented results from all five new holes from the Haqira East mineralized zone including drill fence TIF-4. All five holes encountered significant grades and thicknesses of secondary copper mineralization with good lateral continuity. Highlights include the following intercepts of leachable secondary copper mineralization amenable to low-cost SX-EW processing:

- AHAD-044: 57.20 m with 1.20% Cu total(2) including 23.75 m with 1.83% Cu total
- AHAD-047: 32.60 m with 0.58% Cu total
- AHAC-097: 74.00 m with 0.72% Cu total

The holes all pierced the secondary copper zone and bottom at shallow depths in primary copper sulphide mineralization including AHAD-044 which was terminated at 162.75 m total depth with the final 69.5 m of the hole in primary sulphide mineralization averaging 0.56% Cu and 0.035% Mo (0.77% Cu equivalent).

The results from the remaining 23 drill holes of the scoping phase drill program will be released within the next few weeks as final assays are received and data interpretation is completed.

Future Plans

Three diamond-drill rigs have continued working at Haquira after the completion of the scoping phase drilling program with an objective to complete approximately 40-45 additional in-fill holes (6000-7000 m) within the higher grade portions of the Haquira West and Haquira East zones prior to the end of the year. This drilling phase will be completed on approximately December 21, 2006 with a total of 43 additional holes. Completion of the in-fill drilling, in conjunction with the recently completed scoping-phase drill program, will allow the Company to produce an updated resource estimate in early 2007 that will better characterize the grade and full size of the leachable copper deposit at Haquira.

Rio Grande

Description

Rio Grande is a large porphyry copper-gold prospect with associated IOCG (Iron Oxide Copper Gold) style alteration located in Salta Province, northwestern Argentina. Copper-gold mineralization at Rio Grande occurs within the eroded central core of a mid-Miocene intrusive center and is best expressed by a large area (2 km by 2 km) of well-defined, coincident copper-in-soil, gold-in-soil, and Induced Polarization (IP) chargeability anomalies. Trenching and drilling programs by Teck Corporation (2000-2001) and Antares (2004-2005) have partially delineated the Discovery and Sofia copper-gold zones along the southeast margins of the system and also encountered indications of deeper copper-gold mineralization beneath the central portion of the system.

The Rio Grande project is very favourably located along the prominent northwest-trending Archibarca Lineament which also controls the location of the world-class giant Escondida porphyry copper deposit 150 km to the northwest in Chile. The Rio Grande project shares many geologic similarities with the Bajo de Alumbrera porphyry copper-gold deposit which is located along a similar northwest-trending regional structural lineament approximately 300 km to the south.

The Rio Grande property is wholly owned by Mansfield Minerals Inc. ("Mansfield" - MDR.V). Under the terms of an option-joint venture agreement dated June 30, 2004, 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. 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 October 31, 2006, the Company had made the first three option payments totaling \$225,000, issued 300,000 common shares to Mansfield and had exceeded the expenditure commitment for the first two years totaling \$1,250,000.

Exploration Update for the Period August 1 to December 20, 2006

On September 5, 2006, the Company announced the results of a 10 hole (3382 m) drill program at Rio Grande. Six of the holes were designed to test the continuity and extent of the mineralization partially defined in the Discovery and Sofia Zones in previous drill programs. All of these holes intercepted significant intervals of copper-gold mineralization and two holes drilled to test the deeper extensions of the Sofia Zone discovered increased copper and gold grades that remain open to depth. Four holes were drilled in the central portion of the prospect area to test for deeper porphyry-style mineralization in the core of the system and encountered deep supergene oxidation and strong hydrothermal alteration with narrow intervals of copper-gold mineralization.

The best results were encountered in two of the holes drilled into the Sofia Zone, as summarized below. See Antares press release dated September 5, 2006 for full details of the results from the 10 holes program.

RGA-06-24 128 m with 0.71 g/t Au and 0.47% Cu (62-190 m depth)
RGA-06-26 158 m with 0.51 g/t Au and 0.46% Cu (167-325 m depth)
 including 58 m with 0.67 g/t Au and 0.54% Cu (167-225 m depth)
 and 74 m with 0.52 g/t Au and 0.51% Cu (251-325 m depth)

Future Plans

A trenching program was conducted in November and December to identify new drill targets at Rio Grande. Results from the trenching program are expected by the end of January, 2007.

Other Properties

Catua: The Catua property is a copper prospect also 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. 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.

The Company completed an eight-hole (1,378 m) reconnaissance drilling program at the Catua project in August of 2006. No results have been released at the date of this report.

Qualified Person

John Black, President and Chief Executive Officer is the qualified person under National Instrument 43-101 who supervises all work programs and reviews all public disclosure documents associated with the Company's exploration programs.

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 October 31, 2006 amounted to \$6,804 as compared to \$1,644 in the prior year period. Revenues for the nine month period ended October 31, 2006 were \$9,645 as compared to \$9,279 in the prior year period. Expenses were higher in the current quarter at \$474,660 as compared to \$236,801 in the corresponding quarter of the prior year and they were higher in the current nine month period at \$1,219,045 as compared to \$683,867 in the corresponding nine month period of the prior year. The increase in both cases is primarily attributable to costs associated with running drilling programs in both Peru and Argentina, an increase in staff, the payment of bonuses to employees for 2005 and recognition of travel expenses that were incurred in prior periods but not submitted. Also included in expenses for the current quarter was \$83,007 for stock-based compensation (2005 - \$62,401) which is a non-cash charge. The negative charge for Transfer agent and filing fees was caused by a cheque that was issued in error in a prior period and reversed in the current quarter.

The net result of the foregoing is that the Company recorded a loss of \$467,856 for the current quarter, (\$0.015 per share) as compared to a loss of \$235,157 (\$0.014 per share) in the corresponding quarter of 2005. For the nine month period the losses were \$1,209,400 in 2006 (\$0.045 per share) as compared to \$674,588 (\$0.043 per share) in the corresponding nine months of 2005. The results in both cases reflect the fact that the Company is incurring significant expenditures but not earning any revenues from operations, other than minor amounts of interest income. This is a common result for mineral exploration companies and we expect this trend to continue until we are able to generate meaningful operating revenues.

Quarterly Disclosure – Eight Most Recently Completed Quarters

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

	Three Months Ended			
	<u>Oct. 31/06</u>	<u>July 31/06</u>	<u>Apr. 30/06</u>	<u>Jan. 31/06</u>
Revenues	6,804	(\$1,269)	\$4,110	\$3,264
Net Income (loss)	(467,856)	(419,607)	(321,937)	(662,804)
per share – basic	(0.02)	(0.02)	(0.01)	(0.04)
	<u>Oct. 31/05</u>	<u>July 31/05</u>	<u>Apr. 30/05</u>	<u>Jan. 31/05</u>
Revenues	\$1,644	\$1,533	\$6,102	\$17,035
Net Income (loss)	(235,157)	(153,221)	(286,210)	(370,077)
per share – basic	(0.01)	(0.01)	(0.02)	(0.04)

Resources Expenditures

The Company is engaged in the acquisition, exploration and development of 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.

All of the Company's properties are in the exploration stage and there can be no assurance that any of them will reach the stage of production.

The company's net additions to resource properties in the third quarter of 2006 were \$2,335,932 (\$344,922 in the third quarter of 2005). \$730,907 was incurred on the Rio Grande property and \$1,377,024 was expended on the Haquira property and \$197,121 was expended on the Catua property in the current quarter, primarily for drilling in each case. See "Principal Properties" for a summary of the exploration program results in the current period.

Financial Condition, Liquidity and Capitalization***Working Capital***

The Company had working capital of \$6,054,897 at October 31, 2006 (\$776,591 at January 31, 2006) consisting primarily of cash. The increase is attributable to the equity financings completed in March, June and October of 2006 as discussed below.

The Company had no long-term liabilities at October 31, 2006.

Financings

On March 3, 2006 the Company and Farallon Capital Management, L.L.C. ("Farallon") announced that funds and an affiliated entity managed by Farallon had subscribed for 3,500,000 units of Antares by way of private placement at \$.70 per unit for an aggregate consideration to Antares of \$2,450,000. Each unit consisted of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at \$0.90 for a period of 24 months from closing. Farallon also exercised an option to complete a second private placement consisting of 5,000,000 additional units on the same terms for consideration to Antares of an additional \$3,500,000 in June, 2006. On October 31, 2006 the Company completed a non-brokered private placement for 6,000,000 units of Antares at \$0.94 per unit for gross proceeds of \$5,640,000. Each unit consisted of one common share and one-half of a common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at \$1.14 for a period of 24 months from closing.

Capitalization

The Company had 37,154,351 common shares outstanding at October 31, 2006, an increase of 15,740,600 from January 31, 2006, which represents the 8,500,000 common shares issued under the private placements completed in March and June as described above, the 6,000,000 common shares issued under the private placement completed in October, as described above, the exercise of 940,600 warrants and the issuance of 300,000 common shares to Mansfield pursuant to the Rio Grande option agreement.

As at October 31, 2006 the Company's fully diluted share capital was 49,291,163 shares. Included in this amount are 9,456,812 warrants and agent options outstanding at October 31, 2006, as follows:

Number	Exercise Price	Expiry Date	Date of Grant
1,217,673 (1)	\$.90	June 22, 2007	December 22, 2005
239,139 (2)	\$.70	June 22, 2007	December 22, 2005
750,000 (3)	\$1.50	March 4, 2007	March 4, 2005
1,750,000 (4)	\$.90	March 22, 2008	March 22, 2006
2,500,000 (5)	\$.90	June 30, 2008	June 30, 2006
3,000,000 (6)	\$1.14	October 31, 2008	October 31, 2006

- (1) Unexercised warrants issued as part of the December 2005 financing.
- (2) Unexercised Agent options issued as part of the finders' fee for the December 2005 financing. If these options are exercised, 115,569 new warrants will also be issued. Such warrants will have the same terms as the warrants referenced in note 1.
- (3) Unexercised warrants issued to Phelps Dodge as part of the Haqaira option agreement.
- (4) Unexercised warrants issued to Farallon as part the March 2006 private placement.
- (5) Unexercised warrants issued to Farallon as part the March 2006 placement.
- (6) Unexercised warrants issued as part of the October 2006 placement.

Another part of the potential dilution comes from the remaining 600,000 shares that the Company would be required to issue to Mansfield if the Company wishes to complete its earn-in option on the Rio Grande property (see "Principal Properties" above). The Rio Grande shares would be issued in two annual tranches of 300,000 on or before June 30, 2007 and 2008, in each case at the option of Antares.

The remaining potential dilution comes from 2,080,000 options held by directors, officers and consultants at October 31, 2006, each of which entitles the holder to purchase one common share at prices ranging from \$.50 to \$.95 per share for a period of five years from the date of grant, subject to specified vesting periods.

Subsequent Events

This report is current as of December 20, 2006 and includes material events that occurred after October 31, 2006 as noted herein.

Critical Accounting Estimates

Critical accounting estimates used in the preparation of the Financial Statements include the Company's estimate of the recoverable value of its resource properties as well as

the value of stock-based compensation. Both of these estimates could be significantly affected by factors that are out of the Company's control.

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. Other risks facing the Company include: political stability in the countries where the Company's properties are located; 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.

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 Antares can be found in the Financial Statements, as well as in the Company's Annual Information Form, which are filed on SEDAR at www.sedar.com.