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## **Management Discussion and Analysis of Financial Results**

### **Year ended January 31, 2009**

This report provides an analysis of the financial and operating results of Antares Minerals Inc. (“Antares” or the “Company”) for the three and twelve month periods ended January 31, 2009 and should be read in conjunction with our audited financial statements and notes thereto for the years ended January 31, 2009 and January 31, 2008 (the “Annual Statements”).

This MD&A has been approved by the Board of Directors. The Annual Statements have been prepared in conformance with Canadian Generally Accepted Accounting Principles and the reporting currency is Canadian dollars.

Information herein is current as of May 15, 2009 unless otherwise noted.

#### ***Overview***

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

The Company's principal properties are the Haquira copper-molybdenum-gold project in Peru that it has optioned from Minera Phelps Dodge del Peru S.A.C. and the Rio Grande copper-gold prospect in Argentina that is held on a 50-50 joint venture basis with Mansfield Minerals Inc.

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

#### ***Highlights***

The Company achieved several significant successes in the past year. Unfortunately, these were overshadowed in the market by the global financial crises. Highlights from the past year, updated to May 15, 2009, include the following:

- Filing a positive National Instrument 43-101 preliminary economic assessment for the secondary copper zones at Haquira East and Haquira West, showing an after-tax net present value of US\$224 million using \$2.00/lb Cu and an 8% discount rate
- Continued exploration success on the primary copper zone at Haquira East with several holes encountering long intervals of high grade mineralization

- Filing a National Instrument 43-101 interim resource estimate for the primary copper zone at Haquira East showing an indicated resource of 147.9 million tonnes grading 0.57% Cu and 0.015% Mo and additional inferred resources 205.2 million tonnes grading 0.56% Cu and 0.014% Mo to a depth of 700 m and 99.4 million tonnes grading 0.46% Cu and 0.008% Mo below a depth of 700m
- Drilling some of our best holes at Haquira subsequent to preparation of the interim resource estimate, including step-out Hole AHAD-159 which intersected 937.30 m averaging 1.14% Cu, 0.034% Mo and 0.10 g/t Au (1.42% CuEQ)
- Identification of other promising targets at Haquira that we are planning to drill in 2009
- Maintaining a relatively strong balance sheet with working capital of over \$18 million at January 31, 2009

### ***Principal Properties***

#### ***Haquira***

##### ***Overview***

The Haquira project is located contiguous to, and immediately south of, the Las Bambas Cu-Au district in southern Peru where Xstrata Copper has announced an updated interim Mineral Resource base of 860 million tonnes of predominantly skarn-hosted primary sulphide mineralization with 0.93% Cu and 0.02% Mo utilizing a 0.4% Cu cut-off. The Haquira project offers potential for a low-strip, low-cost SX-EW operation as well as an opportunity for an underlying higher grade primary porphyry copper-molybdenum-gold deposit. 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 option payments totaling US\$15 million over a five-year period (see Antares press release issued March 17, 2005). A total of US\$10.0 million has been paid by the Company to date, including a payment of US\$3.5 million made in March 2009. The final option payment of US\$5.0 million is due on March 4, 2010.

##### **Secondary Copper Zone (SX-EW)**

The Haquira project began as an SX-EW heap-leach secondary copper deposit comprised of two zones of secondary copper mineralization, Haquira East and Haquira West. Antares announced an updated National Instrument 43-101 resource estimate on October 09, 2007 for the near-surface, SX-EW amenable portion of the Haquira project. The secondary copper zones at Haquira East and Haquira West host an indicated resource of 133.7 million tonnes at 0.53% total Cu with an additional inferred resource of 43.6 million tonnes at 0.44% total Cu (0.3% total Cu cut-off, leachable secondary copper sulphide and oxide mineralization only).

On May 13, 2008, the Company announced that it had received a positive scoping study and preliminary economic assessment ("PEA") from Chlumsky, Armbrust and Meyer LLC ("CAM") for the secondary copper zones at Haquira East and Haquira West. Highlights from the PEA include (all figures in US\$):

- After-tax IRR of 25.9% for base case using \$2.00/lb Cu
- After-tax NPV of \$224.4 million for base case using \$2.00/lb Cu and 8% discount rate
- Initial capital expenditure of \$301 million (includes 25% contingency)
- 11 year mine life with average annual production of 109 million lbs Cu cathode/yr
- Early higher grade starter pit facilitates project payback in 2.9 years
- Cash operating cost averages \$1.09/lb Cu over life of mine (including royalty)
- Average annual revenue of \$220 million and average annual after-tax profit of \$46 million
- Strongly leveraged to price of copper (based on \$1.75-3.00/lb)
  - IRR ranges from 17.9%-52.9%
  - NPV (8% discount rate) ranges from \$115.4 – \$660.3 million
- Open-pit, contract mining, SX-EW operation mining average of 50,000 tonnes ore/day
- Pre-feasibility study initiated with potential for significant project optimization.

This PEA only evaluates the leachable copper mineralization that is amenable to low-cost SX-EW processing and does not consider any of the recently discovered underlying primary sulphide mineralization at Haqira East.

### **Primary Copper (Sulphide) Zone (Conventional Flotation/Concentration)**

Early in 2007 the Company discovered high-grade *primary* porphyry copper-molybdenum-gold mineralization beneath the Haqira East secondary copper zone and implemented a drill program to begin testing this new zone. Several holes encountered long intervals of high grade primary mineralization, which led the Company to drill an additional 19 long holes at the Haqira East zone in 2008. An initial resource estimate for the primary mineralization at Haqira East has recently been prepared, as discussed below.

On November 24, 2008, the Company announced the completion of a National Instrument 43-101 interim resource estimate for its Haqira East primary Cu-Mo-Au discovery (the “Haqira East Report”). The resource estimate was prepared by Tetra Tech, Inc. of Golden, Colorado (“Tetra Tech”) and is the first estimation focused on the primary sulphide resources at Haqira East. Previous Haqira project resource estimates prepared by Chlumsky, Armbrust, and Meyer L.L.C., (“CAM”) of Denver, Colorado (see press releases of October 9, 2007 and February 14, 2006) focused on the near-surface, leachable secondary copper mineralization of both the Haqira East and Haqira West zones. This resource estimate utilizes all drill results up to and including drill-hole AHAD-120 (reported on August 05, 2008) and is restricted to the Haqira East zone. Mineralization at Haqira East remains open to depth as well as laterally to the

northwest and southeast. Additional drilling has been completed after the interim resource estimation (see below). Highlights from this interim resource estimate at a cut-off of 0.3% total Cu are as follows:

<b>Mineral Resources Summary Haqira Project – 0.3% Cu cut-off</b>								
<b>Haqira East Primary Sulphide Mineral Resources (Tetra Tech Nov 2008) – 0.3% Cu cut-off</b>								
Resource Classification	Tonnes (millions)	Cu Eq* %	Cu %	Mo %	Au %	Ag %	lbs Cu (billions)	Lbs Cu Eq* (billions)
<b>Indicated</b>	<b>147.9</b>	<b>0.71</b>	<b>0.57</b>	<b>0.015</b>	<b>0.054</b>	<b>1.63</b>	<b>1.86</b>	<b>2.31</b>
<b>Inferred &lt;700m</b>	<b>205.2</b>	<b>0.69</b>	<b>0.56</b>	<b>0.014</b>	<b>0.055</b>	<b>1.56</b>	<b>2.53</b>	<b>3.13</b>
<b>Inferred &gt;700m</b>	<b>99.4</b>	<b>0.54</b>	<b>0.46</b>	<b>0.008</b>	<b>0.031</b>	<b>1.13</b>	<b>1.01</b>	<b>1.18</b>

<b>Haqira East and West Secondary Cu Mineral Resources (CAM Oct 2007) – 0.3% Cu cut-off</b>								
Resource Classification	Tonnes (millions)	Cu Eq* %	Cu %				lbs Cu (billions)	Lbs Cu Eq* (billions)
<b>Indicated</b>	<b>133.7</b>	<b>0.53</b>	<b>0.53</b>				<b>1.55</b>	<b>1.55</b>
<b>Inferred</b>	<b>43.6</b>	<b>0.44</b>	<b>0.44</b>				<b>0.43</b>	<b>0.43</b>

(\*) CuEQ = Copper Equivalent is calculated for intervals dominated by primary mineralization using US\$1.50/lb Cu, US\$500/oz Au, US\$10/oz Ag and US\$10.00/lb Mo and is not adjusted for metallurgical recoveries as these remain uncertain. Metallurgical recoveries and net smelter returns are assumed to be 100%. The formula used is as follows:  $CuEQ = Cu\% + (Au\ g/t \times 0.4862) + (Mo\% \times 10.00/1.50) + (Ag\ g/t \times 0.0077)$ . Copper Equivalent contributions are only applied to primary sulphide mineralization.

**The Haqira East discovery also contains significant higher grade material – primary sulphide resources at a cut-off of 0.7% Cu are:**

- **Indicated Resource – 22.9 mt at 0.79% Cu, 0.022% Mo, 0.068 g/t Au, 2.21 g/t Ag (0.99% Cu Eq)<sup>1</sup>**
- **Inferred Resource – 48.8 mt at 0.84% Cu, 0.023% Mo, 0.072 g/t Au, 2.27 g/t Ag (1.05% Cu Eq)<sup>1</sup>**

The Haqira East resource estimate is based on a total of 55 drill holes (21,750 m) including 33 shallow holes (to 250 m for a total of 4,950 m) drilled initially to delineate the leachable secondary copper zone and an additional 22 deeper holes (to 1200m for a total of 16,800 m) drilled in 2007-08 to delimit the underlying primary sulphide Cu-Mo-Au mineralization. The holes have been drilled on a grid with approximately 100m spacing between holes and with the majority of the holes drilled to the NE (055 degrees) at an inclination of -80 degrees.

The delineation of a large volume of primary Cu-Mo-Au sulphide mineralization at Haqira East represents a major advance in the Haqira project. We have increased the amount of in-situ copper equivalent at Haqira by fourfold and there is now a very good opportunity to evaluate the potential for a staged copper mining operation with early, low CAPEX, SX-EW copper leaching paving the way for the subsequent development of the larger volume of primary Cu-Mo-Au sulphide mineralization.

The Haqira East zone remains open to depth and as well as laterally to the northwest and southeast. We hope to continue to increase the size and grade of the deposit and look forward to reporting additional drilling results in the near future.

On February 11, 2009, the Company released results of an additional nine holes (9,442.85 m) from the Haquira East primary zone. These holes were not included in the Haquira East Report and represent several of the best intervals encountered to date at the Haquira project. Highlights from the nine holes reported in this release are presented below. Holes AHAD-124 and AHAD-127 are in-fill holes to complete the 100 m grid within the known deposit and the remaining seven holes are mostly 100 m step-out holes along the west, southwest and southeast margins of the Haquira East deposit. These holes represent all of the Haquira East holes remaining to be reported from the 2008 drilling campaign. Additional 2008 holes from Haquira West and the Potato Patch zones will be reported separately in the near future.

- AHAD-124: 423.00 m with 0.71% Cu and 0.011% Mo (0.78% CuEQ<sup>1</sup>)
  - Includes 254.80 m with 0.81% Cu, 0.010% Mo and 0.12 g/t Au (0.94% CuEQ)
- AHAD-127: 902.90 m with 0.67% Cu and 0.014% Mo (0.76% CuEQ)
  - Plus an additional 97.15 m with 0.50% Cu and 0.043% Mo (0.79% CuEQ)
- **AHAD-130: 651.05 m with 0.87% Cu and 0.037% Mo (1.12% CuEQ)**
  - Includes 210.30 m with 1.06% Cu and 0.054% Mo (1.42% CuEQ)
  - and 157.95 m with 1.21% Cu and 0.037% Mo (1.46% CuEQ)
- AHAD-133: 404.50 m 0.69% Cu (0.69% CuEQ)
  - Includes 205.75 m with 0.88% Cu and 0.012% Mo (0.96% CuEQ)
- **AHAD-159: 937.30 m with 1.14% Cu, 0.034% Mo and 0.10 g/t Au (1.42% CuEQ)**
  - Includes 331.20 m with 1.76% Cu, 0.013% Mo and 0.20 g/t Au (1.94% CuEQ)

Drill holes AHAD-130 and AHAD-159, located along the south-eastern margin of the Haquira East deposit, are the two best holes drilled to date at Haquira and will undoubtedly add additional higher grade tonnage to the Haquira East resource. The higher grade mineralization found in these holes remains open to depth and to the south and southeast. The step-out drill holes along the south-western margin of the system have also extended mineralization, in particular near AHAD-133. The horizontal dimensions of the known body of primary porphyry copper mineralization, as defined by longer drill holes, are now approximately 700 m by 425 m and mineralization remains open to the west and southeast as well as at depth to the southwest.

An improved understanding of the nature of mineralization and alteration at Haquira has also led to the identification of several additional targets within the project area.

### ***Future Plans for Haquira***

The 2008 drill program at Haquira, which involved six rigs at its peak, constituted a total of 57 holes (29,083 m). All nineteen of the long holes (17,937 m) from Haquira East have been reported to date. The remaining 38 holes (11,145 m) consist of five long holes (3,959 m) at Haquira West to test for primary sulphide mineralization underlying near-surface secondary mineralization, two long holes (1,117 m) at the Potato Patch

target between Haquira East and Haquira West, 25 short in-fill holes (5,382 m) at Haquira West to convert inferred secondary resources to indicated resource status, and six large-diameter metallurgical holes (686 m) to collect material for column leach tests. Results from these holes will be reported in the next several weeks.

Column leach test work of secondary copper mineralization from the Haquira West and Haquira East deposits is well underway and we anticipate that results will be available and reported in the near future.

We are in the process of planning for additional drilling at Haquira, primarily to test other targets that have been outlined as having potential for additional primary copper mineralization. Drilling will likely commence in or about June 2009. We will also continue to work on cost-efficient advancement of scoping and pre-feasibility studies of current defined mineralization as well as continuing our work with local communities to plan for future development of the project.

## ***Rio Grande***

### ***Overview***

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 (2004-2008) have partially delineated the Discovery and Sofia copper-gold zones along the southeast margins of the system, extended the known mineralization to the northern and western 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 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.

Under the terms of an option-joint venture agreement dated June 30, 2004 with Mansfield Minerals Inc. ("Mansfield"), the Company was entitled to 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. Pursuant to a vesting agreement dated April 16, 2007 made between the Company and Mansfield, the Company undertook to vest its 50% interest in the Rio Grande property by completing US\$3,375,000 in exploration expenditures on or before September 30, 2007 with the remaining option payment of US\$375,000 being waived. The Company was also required to issue 300,000 shares of Antares to Mansfield on or before June 30, 2007 (for a total of 600,000 shares rather than the 900,000 as originally contemplated).

The Company has fulfilled all of its earn-in obligations for Rio Grande. In November 2008, Mansfield transferred its interest in the Rio Grande property to Pachamama Resources Ltd. which was formed as a spin-out of Mansfield. The Company is currently working with Pachamama to formalize the vesting of its 50% interest in the property and the formation of a joint venture to oversee future operations on the property. Antares will be appointed the operator under the joint venture.

***Summary of Results for 2008 updated to May 15, 2009***

On June 2, 2008 the Company announced the results from the first three holes (1,884 m) of the 2008 drilling program at the Rio Grande copper-gold project in north-western Argentina. The holes were drilled at the northern end of the Sofia Zone as 75 m offsets to higher grade copper gold mineralization previously encountered in RGA-034 (189 m with 0.70% Cu, 0.67 g/t Au and 11.1 g/t Ag). All three holes intersected zones of higher grade copper gold mineralization and confirm the presence and continuity of this style of mineralization at the northern end of the Sofia Zone. The significant intercepts from the three holes are as follows:

- RGA-08-065: 146 m with 0.60% Cu, 0.57 g/t Au and 7.2 g/t Ag
  - includes 73 m with 0.87% Cu, 0.85 g/t Au and 8.5 g/t Ag
  - which includes 46.4 m with 1.16% Cu, 1.18 g/t Au and 10.4 g/t Ag
  - located 75 m to north of RGA-07-034
- RGA-08-064: 114 m with 0.56% Cu, 0.58 g/t Au and 10.6 g/t Ag
  - includes 62 m with 0.79% Cu, 0.85 g/t Au and 15.9 g/t Ag
  - which includes 28 m with 1.10% Cu, 1.22 g/t Au and 20.6 g/t Ag
  - located 75 m to south of RGA-07-034
- RGA-08-063: 65 m with 0.49% Cu, 0.35 g/t Au and 6.0 g/t Ag
  - Includes 19.6 m with 0.88% Cu, 0.82 g/t Au and 13.6 g/t Ag
  - located 75 m to west and drilling below RGA-07-034
  - also intersected 48.5 m with 0.064% Mo in a separate zone

On April 30, 2009, the Company reported results from the final twelve holes (6,523 m) of the 2008 drilling program at Rio Grande. The holes were drilled in the Discovery, North, and Number 7 zones to offset previously identified mineralization in these areas. All twelve holes intersected zones of significant grade copper-gold mineralization and confirm the presence and continuity of mineralization in the Discovery and North zones. The more significant intercepts from the twelve holes reported are as follows:

- RGA-08-066: 111.00 m with 0.39% Cu, 0.39 g/t Au and 5.4 g/t Ag
  - includes 17 m with 0.55% Cu, 0.68 g/t Au and 6.5 g/t Ag
- RGA-08-069: 166.50 m with 0.35% Cu, 0.44 g/t Au and 5.6 g/t Ag
  - includes 29.55 m with 0.63% Cu, 0.79 g/t Au and 12.1 g/t Ag
- RGA-08-073: 58.50 m with 0.54% Cu, 0.59 g/t Au and 7.3 g/t Ag
  - Includes 15.5 m with 0.75% Cu, 0.97 g/t Au and 7.3 g/t Ag
- RGA-08-074: 44.00 m with 0.68% Cu, 0.75 g/t Au and 6.4 g/t Ag

- RGA-08-077: 69.00 m with 0.43% Cu, 0.57 g/t Au and 4.2 g/t Ag
  - Includes 25.00 m with 0.62% Cu, 0.83 g/t Au and 7.6 g/t Ag

### **Future Plans for Rio Grande**

The Company and its joint venture partner are in the process of planning further work programs for 2009. This will likely include a metallurgical test program to determine metallurgical characteristics of the copper-gold mineralization and completion of an initial resource estimate for the project.

### **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.

### **Selected Annual Information**

	Year Ended January 31, 2009	Year Ended January 31, 2008	Year Ended January 31, 2007
Total Revenues	\$583,993	\$293,641	\$52,859
Net Loss	(\$3,678,583)	(\$3,932,041)	(\$2,485,888)
Loss per common share – basic and diluted	(\$0.07)	(\$0.09)	(\$0.08)
Total Assets	\$56,813,379	\$50,972,764	\$16,493,248
Long Term Liabilities	-	-	-
Dividends	-	-	-

### **Selected Quarterly Information (Unaudited)**

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

	<b>Three Months Ended</b>			
	<u>Jan. 31/09</u>	<u>Oct. 31/08</u>	<u>July 31/08</u>	<u>Apr. 30/08</u>
Revenues	\$71,928	\$148,928	\$155,395	\$207,742
Net Income (loss)	(1,002,561)	94,283	(1,584,565)	(1,185,740)
Loss per share – basic & diluted	(0.02)	(0.00)	(0.03)	(0.02)
 Total assets	 56,813,379	 57,829,283	 57,029,657	 51,972,557
	<u>Jan. 31/08</u>	<u>Oct. 31/07</u>	<u>July 31/07</u>	<u>Apr. 30/07</u>
Revenues	\$202,936	\$23,092	\$44,679	\$22,934
Net Income (loss)	(226,578)	(2,232,258)	(1,019,584)	(453,621)
Loss per share – basic & diluted	(0.00)	(0.05)	(0.03)	(0.01)
 Total Assets	 50,972,764	 21,974,590	 23,358,765	 16,135,040

## Results of Operations

### *Annual Revenues and Expenses*

The Company is still in the pre-mining stage without any producing properties. Revenues were derived solely from interest income earned on cash balances.

The Company held higher cash balances during the year ended January 31, 2009 than in the prior year. As a result, interest for the year ended January 31, 2009 was \$583,993 versus \$293,641 in the prior year.

Expenses (cash and non-cash) for the year ended January 31, 2009 totaled \$4,262,576 versus \$4,225,682 for the prior year. Significant increases in individual expense accounts were as follows:

- Salaries and benefits increased by \$468,486 over the prior year as a result of an increase in salaries, benefits, bonuses and payroll services incurred primarily in Peru due to a higher level of activities in the first half of the year, as well as severance payments incurred in the second half of the year as the Company moved to lower its ongoing costs;
- Stock based compensation costs increased by \$582,290 due to the valuation of the options issued in the first quarter of the year ended January 31, 2009 when compared to the options issued in the prior period and the fact we are expensing more options in the current year than in the prior year;
- A detailed review of project costs necessitated the removal of certain costs that had been capitalized in prior years. This resulted in a write-down of resource properties of \$375,469, as compared to a write-down of \$54,360 the prior year;
- Rent costs were higher by \$36,872 due to increased office rentals in all three locations and the addition of warehouse and apartment rent in Argentina;
- Professional fees were higher by \$36,769 reflecting an increase in use of consultants and legal services;
- Banking fees increased by \$28,117 as more volumes of cash were transferred between Canada and both Argentina and Peru and the increased activity levels in both countries meant more payments to suppliers which carry with them banking fees; and
- Communication costs were higher by \$27,314 due to the increased activity levels at both major projects.

These increases in costs were offset by the following reductions:

- Foreign exchange gain was higher by \$1,368,921 reflecting the declining value of the Canadian dollar against the US dollar, the Argentine peso and the Peruvian sole in the second half of the year; and
- Transfer agent and filing fees decreased by \$68,187 reflecting the fact that no equity financings occurred in the current year compared to the prior period.

The net result of the foregoing is that the Company incurred a loss of \$3,678,583 in the current year versus a loss of \$3,932,041 in the prior year.

### ***Fourth Quarter Review***

Fourth quarter revenues were \$71,928, a decrease of \$131,008 from the fourth quarter of the prior year, reflecting the lower cash balances held in the current year's fourth quarter and a decrease in interest rates available from financial institutions.

Fourth quarter expenses (cash and non-cash) were \$644,975 higher than the fourth quarter a year ago. Principal reasons for the increase in the current quarter are as follows:

- Foreign exchange gain was \$31,760 versus a gain of \$917,456 in the prior period, reflecting the relative stability of the Canadian dollar against the US dollar in the current quarter versus the comparative period;
- The payment of severance to staff that were terminated in the current quarter resulted in an increase of \$437,275 in salary costs when compared to the prior period;
- Write-offs of projects costs in the current quarter were \$370,351 higher than the same period in the prior year; and
- The recovery of costs from our joint venture partner in the current quarter were \$262,232 less than in prior quarter due to a reduction in activities and a re-allocation of costs recovered in the prior quarter.

These increases in costs were offset by the following:

- Stock-based compensation expense decreased by \$474,364 reflecting the fact that no grants of options were made since the first quarter of the current year;
- Salary costs were lower by \$225,547 largely due to the reclassification of certain labour costs in Peru. After an in-depth review conducted in the fourth quarter, it was determined that certain labour cost incurred in Peru in the prior three quarters of the current year should have been capitalized. A correcting entry of \$385,000 was made in the current quarter resulting in a lower salary expense for the current quarter. Excluding that correcting entry, salary costs were up \$160,000 in the fourth quarter as compared to a year ago due primarily to the severance payments incurred in both Argentina and Peru as staff levels were reduced to reflect lower activity levels;
- Office and administration costs were \$74,076 lower reflecting a reduction of operations in all three offices;
- Travel costs were lower by \$68,161 due to less trips being made to projects by senior staff;
- Transfer agent and filing fees were lower by \$44,257; and
- Professional fees were \$30,405 lower reflecting a decrease in use of consultants and legal services.

***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 year ending January 31, 2009 were \$13,789,798 (\$9,470,722 in the corresponding period of the prior year). \$11,360,434 was incurred on the Haquira property, \$1,484,052 (net of recovery of administration costs) was expended on the Rio Grande property, and \$268,210 was expended on the Cristo de Los Andes project in the year ended January 31, 2009. See "Principal Properties" for a description of the Haquira and Rio Grande projects.

An amount of \$1,052,571 was also added to the balance in resource properties in respect of certain input tax expenses incurred in Argentina that are now no longer considered likely to be recovered. See Note 12 to the Financial Statements.

***Liquidity and Capitalization******Working Capital***

The Company had working capital of \$18,813,885 at January 31, 2009 (\$28,834,765 at January 31, 2008) consisting primarily of cash and cash equivalents. Management believes the Company has sufficient working capital to cover planned expenditures and fixed expenses for a period exceeding the next 12 months.

***Long-Term Liability***

The Company had no long-term liabilities at January 31, 2009.

Environmental obligations for reclamation of disturbed areas are addressed on a continuous basis, as leases are explored and decisions made to abandon or plan further work. Local environmental regulations in Peru and Argentina require surface disturbances from mineral exploration to be addressed on an annual basis. The Company has no production facilities, leaching facilities, or permanent maintenance facilities. The Company has recognized the reclamation costs determined in accordance with local environmental requirements associated with the Haquira and the Rio Grande properties. The estimated amount of such programs as at January 31, 2009 was US\$50,000 for the Haquira property and US\$30,000 for the Rio Grande property (for which the Company would only be 50% financially responsible).

The Company does include preliminary estimates of costs to conduct final environmental and reclamation in its National Instrument 43-101 standard preliminary economic assessments and pre-feasibility studies regarding project economic returns.

## **Financings**

There were no financings completed in the year ended January 31, 2009.

On May 13, 2009, the Company announced that it had agreed to a \$6 million private placement with International Finance Corporation ("IFC"), the member of the World Bank Group focused on private sector investments in developing countries. The private placement will consist of five million units at \$1.20 per unit, each unit consisting of one common share and three-quarters of a common share purchase warrant. Each whole common share purchase warrant will entitle IFC to acquire a common share at an exercise price of \$2.00 for a period of five years from closing. If at any time following two years from the closing date, the Company's common shares trade at \$2.75 or higher for 30 days on a volume weighted-average basis, the Company can give notice accelerating the expiry date of the warrants to 60 days following the date of such notice.

Closing of the financing is subject to certain conditions, including IFC due diligence, approval of IFC's Board of Executive Directors, approval of the TSX Venture Exchange and the negotiation and execution of definitive agreements. All securities issued pursuant to this financing will be subject to a four month hold period in accordance with Canadian securities law.

## **Outstanding Share Data**

The Company has 55,564,891 common shares outstanding at May 15, 2009.

As at May 15, 2009 the Company's fully diluted share capital is 64,077,951 common shares. Included in this amount are 3,391,336 warrants outstanding at January 31, 2009, as follows:

<b>Number</b>	<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Date of Grant</b>
3,260,900 (1)	\$6.00	May 23, 2009	November 23, 2007
130,436 (1)	\$4.60	May 23, 2009	November 23, 2007

(1) Unexercised warrants and broker warrants issued as part of the November 2007 private placement

The remaining potential dilution comes from 5,121,72 options held by directors, officers and consultants at May 15, 2009, each of which entitles the holder to purchase one common share at prices ranging from \$0.70 to \$4.00 per share for a period of five years from the date of grant, subject to specified vesting periods.

## **Change in Accounting Policies**

On February 1, 2008 the Company adopted four new handbook sections issued by the Canadian Institute of Chartered Accountants ("CICA"), which apply to fiscal years beginning on or after October 2007.

- Section 3862 describes the required disclosures related to the significance of financial instruments on the Company's financial position, risk associated with those financial instruments, and how the entity manages those risks.
- Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives.

- Section 1535 establishes standards disclosing information about a Company's capital and how it is managed to enable users of financial statements to evaluate the Company's objectives, policies and procedures for managing capital.
- Section 1400, *General Standards on Financial Statement Presentation*. This standard requires management to assess at each balance sheet date and, if necessary, disclose any uncertainty surrounding the ability of the Company to continue as a going concern.
- In March 2009, the CICA issued an EIC Abstract on Impairment Testing of Mineral Exploration Properties, EIC-174. This Abstract discusses the analysis recommended to be performed to determine if there has been an impairment of mineral exploration properties. The Company considered the recommendations discussed in this Abstract effective for financial statements issued after March 27, 2009 when testing for impairment of mineral properties in the period and no impairment adjustments were required

The above changes in accounting policy did not have a material impact on the financial statements of the Company.

#### ***Future Accounting Standards***

On February 1, 2008 the Company adopted the following Canadian Institute of Chartered Accountants ("CICA") Handbook Section which has no impact at this time:

- Section 3064, Goodwill and intangible assets, establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the introduction of this standard, the CICA withdrew EIC27, which addressed recognition of revenues and capitalization of expenses, during the pre-operating period (defined as the period between initial production and achievement of commercial production). At such time as the Company was to advance a project to this stage of development, the Company would no longer be able to defer project costs or revenues on that project.
- International Financial Reporting Standards ("IFRS") In February 2008, the Canadian Accounting Standards Board ("AcSB") announced that changeover for publicly-listed companies to adopt IFRS, replacing Canada's own GAAP, will be effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement, for comparative purposes, of amounts reported by the Company for the year ended January 31, 2011.

#### ***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.

All property-related acquisition costs, exploration costs, and associated overhead expenditures are recorded as an asset on the balance sheet under the heading "Resource Properties". Resource properties, provided they are deductible for tax purposes at some future date, are recorded at cost.

All resource property assets, once capitalized are held on the balance sheet until one of two events occurs;

- If lease acreage is dropped from the exploration portfolio, or if management otherwise determines that the net carrying amount on a specific lease will not be recovered, the associated asset values and tax liability (if relevant) are immediately written off to income.
- If a property is put into production at some future date, both the capitalized asset value and the deferred tax liability will be amortized against earnings over the estimated life of the property.

The amount expensed for stock-based compensation was based on the application of a recognized option valuation formula, the Black-Scholes model, which is highly dependent on the expected volatility of the Company's shares. The Company used an expected volatility rate for its shares of 84% in the year ending January 31, 2009 (86% - 87% in the year ending January 31, 2008). This is an estimate based on past stock trading data and actual volatility may be significantly different in the future. While the estimate of stock-based compensation can have a material impact on the operating results reported by the Company, it is a non-cash charge and as such has no impact on the Company's financial condition.

### ***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***

All of the Company's operations involve mineral exploration and development and there is no guarantee that any such activity will result in commercial production of deposits. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. Examples of these risks include, but are not limited to:

- **No Proven Commercial Resources.** There is no assurance that commercial quantities of ore will be discovered on any of Company's exploration properties, or even if commercial quantities of ore are discovered, that a mineral property will be brought into commercial production. The Company has not completed a final feasibility study on its two advanced stage projects (Haquira and Rio Grande), so cannot say that the possible project economics discussed in this MD&A have any commercial certainty.

- **Legal/Political Risk.** Antares' businesses in Argentina and Peru may be harmed if the countries adopt laws that are not favourable to the mining community. Laws may be applied in an inconsistent, arbitrary and unfair manner. Legal remedies may be uncertain, delayed or unavailable. Future amendments to Argentine and Peruvian laws could weaken, shorten or curtail the Company's mineral exploration rights or adversely impact development economics.
- **Changing Government Regulations.** The Company's operations may be affected by government regulations, including those with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, employment, land use, water use, environmental legislation and mine safety.
- **Lack of Qualified Staff.** Although the Company believes that it will be successful in attracting and retaining qualified personnel as its business activity grows, there can be no assurance of such success.
- **Availability of Financing.** There can be no assurance that the Company will be capable of raising the additional financing that it needs to carry out its exploration and development objectives.
- **No Operating Mine History.** Antares has no history of developing or operating a mining project and there can be no assurance of its ability to operate such mining projects profitably.
- **Environmental Risks.** While the Company reclaims areas disturbed by exploration on a continuous basis, exploration activities could potentially create environmental exposures that would represent unforeseen expenses for the Company.
- **Community Relations.** The Company strives to maintain good relations with the local communities in which it operates. In order to develop a mine, it will be necessary to secure surface right agreements with the local communities and there can be no assurance that the Company will be successful in these efforts.

### **Recently Issued Accounting Pronouncements**

#### ***International Financial Reporting Standards***

In February 2008, the Canadian Accounting Standards Board confirmed that International Financial Reporting Standards ("IFRS") will replace current Canadian GAAP for publicly accountable companies. The official change over date is for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. IFRS will be required for Antares' interim and annual consolidated statements for the fiscal year beginning February 1, 2011. The Company is currently formulating and developing an implementation plan to comply with the new standards and its future reporting requirements.

***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 on SEDAR at [www.sedar.com](http://www.sedar.com).