

# **INTERNATIONAL GOLD MINING LIMITED**

## **Management Discussion and Analysis (Form 51-102F1)**

**For the six months ended December 31, 2007  
Information as of February 22, 2008 unless otherwise stated**

### **Note to Reader**

The following management discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2007, together with the notes thereto. These annual audited financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

### **Forward-Looking Information**

This discussion includes certain statements that may be deemed "forward-looking statements." All statements in this discussion, other than statements of historical facts that address future production, reserve potential, exploration drilling, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

### **Overall Performance**

International Gold Mining Limited (IGL) is a diverse mineral resource company that is focusing its core capabilities around identifying, securing and bringing to production small to medium mining operations.

Since listing in mid 2007, IGL has gone about the business of aggregated mining and exploration opportunities in Australia, Tanzania and the Philippines as well as value adding the British King Mine to a stage of production.

### **Exploration and Development Update**

- a) Commencement of production of gold from the British King mine
- b) Continued evaluation of Open Cut mining at Eureka Gold Mine
- c) Continued exploration program in Tanzania
- d) Continued exploration at Kenden Well
- e) Continue to identify new projects to add to the Company portfolio.

Early in 2008 one mining project under evaluation (a gold project in the Philippines) was relinquished as it did not complement the profile for near term mining projects.

## **Highlights for the Period up to December 31, 2007**

### **BRITISH KING GOLD MINE**

IGL has invested approximately \$1 million into re-commissioning this mine. This investment was higher than original forecast (in the November 2007 43-101 report) of \$600,000. These higher costs are principally due to the buoyant mining industry in Western Australia and the high demand for construction materials and tradespersons. On the positive side the record gold price of over \$800 US per ounce, supports the commercial business case based on the mining and processing of 15,400 ounces of gold in the measured resource and advancing the identification and mining of a further 79,000 ounces inferred gold resource to the tenement boundary. Activities during the quarter have been focused on the establishment of a mine camp and repair or replacement of mining infrastructure and equipment.

IGL has re-commissioned the British King to a point where it could be contract mined and the ore produced will be milled at a third party site. In December 2007, IGL announced that it had entered into a mining contract with Roxbury Mining Services Pty Ltd to mine and mill the gold resource at the British King Mine.

Since that announcement, Roxbury Mining has been undertaking the licensing process to allow it to commence underground mining operations. IGL is anticipating cash flow from this project to commence prior to the end of the second quarter of 2008.

### **EUREKA GOLD MINE**

The 43-101 Technical Report of September 2006 identified the resource and mining plan for the Eureka Gold Mine. The Eureka mine has a measured resource estimate of 451,000 tonnes at 4.4g/t Au containing 64,200 ounces of gold. No inferred mineral resource category is included in the above mentioned resource.

To value add this resource further geological activities relating to a site survey and infrastructure audit were completed. A review was also done on the interpretation of recent flown geophysical survey data. In addition a detailed mining plan based on the existing geological data has been prepared by the company's engineer. The preferred method of extraction of the remaining gold from this existing open cut mine is not clear at this point.

Moving forward IGL proposes to advance its exploration program to identify the preferred mining plan for Eureka. This will be followed by a desktop study to review the full optimization and pit design for a selective mining design. A commercial assessment can then be undertaken to ascertain the various options (mining, transport, milling etc) available to recommence mining at Eureka.

### **ECLIPSE GOLD PROJECT**

Limited activity has occurred on these tenements save for site review and the identification of drilling targets for the next quarters exploration program.

### **KENDEN WELL**

In June 2007 IGL announced a Joint Venture covering five contiguous prospecting licenses at Kenden Well. In July, CalWest Resources Australia was commissioned to conduct a preliminary pre exploration report on the area. IGL is now preparing a geological program to assess the potential for these areas.

## **TANZANIAN PROPERTIES ACQUIRED**

In September, IGL successfully acquired a 51% interest in six new tenement areas in highly prospective uranium and gold areas in Tanzania.

IGL entered into two Joint Ventures with Bahati Investments and Mining General Co Ltd and the other with Mase Exploration and Mining Company Limited. The details of these agreements and the geological prospectivity of these ventures were the subject of a TSX-V press release on the November 8, 2007.

IGL has a US\$300,000 expenditure commitment to maintain these areas over the next 12 months and a detailed exploration plan and budget is under development.

## **MINING PROJECT – PHILIPPINES**

On July 23, 2007, IGL was approached by a Philippine mining company seeking an Expression of Interest for a Joint Development Partner for its gold/silver project. IGL submitted an Expression of Interest (on November 2, 2007) to participate directly in the underground exploration and potential future development of this project.

After completing due diligence, the Company elected to withdraw from participation in this project.

The Company's loss from operations for the period ended December 31, 2007 totalled \$(761,179) a loss of \$(0.00) per share.

Interest income was \$16,240 for the period ended December 31, 2007.

## **RISKS AND UNCERTAINTIES**

The Company is subject to a number of risk factors due to the nature of its business and the present stage of development. The following risk factors should be considered:

### **General**

The Company is an Australian junior mineral exploration company listed on the TSX Venture Exchange and engaged in the exploration and development of mineral properties located in Western Australia and Tanzania. It has not yet determined whether its properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for resource assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties. The Company's ability to continue its operations is dependent on its ability to secure additional financing, 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. In order to continue developing its mineral properties, management is actively pursuing such additional sources of financing that may be required.

The Financial Statements and discussion and analysis of the financial condition, changes in financial condition and results of operations of the Company for the period ended December 31, 2007 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

The amount of the Company's administrative expenditures is related to the level of financing and exploration activities that are being conducted, which in turn may depend on the Company's recent exploration experience and prospects, as well as the general market conditions relating to the availability of funding for exploration-stage resource companies. Consequently, the Company does not acquire properties or conduct exploration work on them on a pre-determined basis and as a result there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with prior years may not be meaningful.

## **Trends**

The Company's financial success is dependent upon the discovery of commercial mineral resources on the British King, Eureka Gold and Tanzania deposits which could be economically viable to develop. Such development could take several years to complete and the resulting income, if any, is difficult to determine at this time, until the resource estimate on its gold prospect and scoping study is included. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control, such as the market value of the products produced. Other than as disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's sales or revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

## **Competitive Conditions**

The resource industry is intensively competitive in all of its phases, and a number of other gold deposits have been developed in Western Australia. The Company competes with other mining companies for the acquisition of mineral claims and other mining interests as well as for the recruitment and retention of qualified employees and contractors. The Company competes with many other companies that have substantially greater financial resources than the Company and our ability to compete is dependent of being able to raise additional funds as and when required.

## **Environmental Factors and Protection Requirements**

The Company currently conducts exploration and development activities in Western Australia. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. There is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the properties which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties. The Company is currently engaged in exploration with nil to minimal environmental impact.

## **Mineral Exploration and Development**

The Company's properties are in the exploration stage. Development of the Company's properties will only proceed upon obtaining satisfactory exploration results. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that mineral exploration and development activities will result in the discovery of an ore body of commercial minerals on any of the Company's properties. Several years may pass between the discovery of a deposit and its exploitation. Most exploration projects do not result in the discovery of commercially mineralized deposits.

## **Operating Hazards and Risks**

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labor disruptions, flooding, explosions, cave -ins, land slides and the inability to obtain suitable or adequate machinery, equipment or labor are some of the risks involved in the operation of mines and the conduct of exploration programs.

## **Operating Hazards and Risks – Cont'd**

Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition

## **Economics of Developing Mineral Properties**

Substantial expenditures are required to establish reserves through drilling, to develop processes to extract minerals and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

## **Commodity Prices**

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of minerals or interests related thereto. The price of various minerals have fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of mineral substitutes, mineral stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of various minerals, and therefore the economic viability of the Company's operations cannot accurately be predicted.

## **Title**

There is no guarantee that title to properties in which the Company has a material interest will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects. No native title claims were lodged by the due date, which has enabled the Company to apply for mining leases.

## **Governmental Regulation**

Operations, development and exploration on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labor; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulations, if any, will not adversely affect the Company's operations. Changes in such regulations could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted. If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labor standards, environmental protection, mine safety and other matters. In addition, new laws or regulations governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess.

## **Management and Directors**

The Company is dependent on a relatively small number of directors: Alan Phillips, Nicholas Revell, and Bruce Burrell; and officers.

Mr Revell, BSc, is a member of AusIMM, a Company Director and as the Company's Chief Geologist is a Qualified Person as defined in National Instrument 43-101. Mr Bruce Burrell, CPA, MBA joined the Board of Directors 26 July 2007, the same date that Mr David Barwick resigned as Director, for personal family reasons.

The loss of any one of those persons, or of employees could have an adverse affect on the Company. The Company does not maintain key person insurance on any of its management. In addition,

## **Conflicts of Interest**

Certain officers and directors of the Company are officers and/or directors of, or are associated with, other natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest from time to time. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

## **Limited Operating History: Losses**

The Company has experienced losses in previous years of its operations. There can be no assurance that the Company will operate profitably in the future, if at all. As at December 31, 2007 the Company's deficit was \$(12,851,687).

## **Price Fluctuations: Share Price Volatility**

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many mineral exploration companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. In particular, during the six months ended December 31, 2007, the per share price of the Company's shares fluctuated from a high of \$0.13 to a low of \$0.05. There can be no assurance that continual fluctuations in price will not occur.

## **Shares Reserved for Future Issuance: Dilution**

As at December 31, 2007, there were 4,062,500 stock options and nil warrants outstanding.

## **RELATED PARTY TRANSACTIONS**

The Company entered into the following transactions with related parties:

- a) Accrued income of \$71,400 in consulting fees from Macarthur Minerals Limited, a related party by way of common directors.
- b) Included in accounts payable is \$30,000 (2006 - \$30,000) due to directors and former directors.
- c) Included in loans payable at December 31, 2007 was \$326,380 owed to companies owned by directors and former directors of the Company. The Company paid or accrued \$7,487 in interest expense related to the loans payable due to related parties.

These transactions were in the normal course of operations and, in management's opinion, were undertaken with the same terms and conditions as transactions with unrelated parties.

## COMMITMENTS

At balance sheet date the Company had commitments to pay \$152,015 for an operating lease on office space expiring in 2011 and \$457,925 in minimum expenditure requirements on their exploration tenements.

## ACCOUNTING POLICIES

Accounting policies are listed in Note 2 to the Financial Statements for December 31, 2007.

## SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial information of the Company for, and as at the end of, each of the last three financial years of the Company up to and including June 30, 2007 and the six months ended December 31, 2007. This financial information is derived from the financial statements of the Company. The Company prepares financial information according to Canadian Generally Accepted Accounting Principles ("GAAP") and all information is reported in Australian \$.

### June 30 (Audited) Australian \$

|                                       | Six months<br>to December<br>31, 2007 | 2007      | 2006    | 2005      |
|---------------------------------------|---------------------------------------|-----------|---------|-----------|
| Income from continuing operations     | 93,941                                | 185,093   | 300,998 | 1,422     |
| Net loss for the period               | (761,179)                             | (829,351) | 65,676  | (815,413) |
| Net loss per share                    | (0.00)                                | (0.01)    | 0.00    | (0.02)    |
| Total Assets                          | 6,069,970                             | 6,493,105 | 753,314 | 129,332   |
| Total Long-term financial liabilities | 0                                     | 0         | 0       | 0         |

No cash dividends have been declared or paid since the date of incorporation and the Company has no present intention of paying dividends on its common shares. The Company anticipates that all available funds will be invested to finance the growth of its business.

## SELECTED FINANCIAL INFORMATION - Continued

The net loss amount is affected mainly by the administration costs during the fiscal year. Revenues from 2005 to 2007 are interest income and other miscellaneous income.

Interest income is dependent upon interest rates and the amount of financing raised each year by the Company. Interest rates will vary due to market conditions and the Company has no control over the fluctuation of rates.

Expenses are mainly composed of administration expenses, which including filing fees, investor relations, professional fees, management fees, travel and accommodation and stock-based compensation.

All of the above factors must be taken into consideration when comparing Total Revenues and Net Loss for each year.

## LIQUIDITY AND CAPITAL RESOURCES

The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to acquire and explore mineral properties. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may consequently have its interest in the properties subject to such agreements jeopardized. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

The Company is dependent on raising funds by the issuance of shares or disposing of interests in its mineral properties (by options, joint ventures or outright sales) in order to finance further acquisitions, undertake exploration and development of mineral properties and meet general and administrative expenses in the immediate and long term. There can be no assurance that the Company will be successful in raising their required financing.

## FINANCIAL INSTRUMENTS

Fair value estimates of financial instruments are made at a specific point of time, based on relevant information about financial markets and specific financial instruments. At these estimates are subjective in nature, involving uncertainties and matter of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash, sundry receivables, and accounts payable and accrued liabilities and amounts due to related parties approximate their fair market value because of the short-term nature of these instruments.

## OUTSTANDING SHARE DATA AS OF FEBRUARY 13, 2008 (RECORD DATE):

Authorized and issued share capital:

| <b>Class</b> | <b>Par Value</b> | <b>Authorized Common shares<br/>(No par value)</b> | <b>Issued</b> |
|--------------|------------------|--|---------------|
| Common       | No par value     | Unlimited  | 85,953,910    |

## OTHER INFORMATION

Other information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

## BY ORDER OF THE BOARD

*"Alan Phillips"*

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Alan S. Phillips, Director  
President and CEO

*"Nicholas Revell"*

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Nicholas Revell, Director