

COGITORE RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDING DECEMBER 31, 2006

The following discussion of the results of operations of Cogitore Resources Inc. ("the Company"), dated April 24, 2007, for the fiscal year ending December 31, 2006, and in comparison to the prior year, should be read in conjunction with the Company's audited Financial Statements and accompanying notes for the years ended December 31, 2006 and December 31, 2005 prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All dollar amounts are presented in Canadian dollars. Additional information relating to the Company is available on SEDAR at www.sedar.com and the Company's website at www.cogitore.com.

Description of Business

Cogitore Resources Inc. ("the Company"), formerly Woodruff Capital Management Inc., is a Tier-2 Mining Issuer engaged in the exploration of base metals in properties located in Quebec, Ontario and Newfoundland. The Company was incorporated on December 13, 2002, and is a reporting issuer in British Columbia, Alberta and Ontario. The Company's fiscal year end is December 31 and trades on the TSX Venture Exchange under the symbol WOO.

Significant Accounting Policies

A detailed summary of the Company's significant accounting policies is included in note 2 of the Company's Annual Audited Financial Statements for the years ended December 31, 2006 and 2005.

Significant Events

On March 1, 2006 the Company announced the signing of an option agreement with Cornerstone Capital Resources Inc. ("Cornerstone") for Cornerstone's Long Lake volcanogenic massive sulphide (VMS) property, 60 km southwest of Aur Resources' Duck Pond project and 11 km southwest of Falconbridge's Long Lake massive sulphide deposit currently under option to Messina Minerals.

As previously released by Cornerstone ([*Cornerstone news release dated March 2, 2005*](#)), the Long Lake property covers favourable felsic volcanics and sediments akin to those which host the Long Lake deposit. Messina's Boomerang discovery is located 10 km west northwest of Cornerstone's Long Lake property. Cornerstone's property hosts an isolated, 1 km long, airborne electromagnetic conductor associated with an adjacent silica-sericite-pyrite alteration zone hosted by prospective felsic volcanics. A till geochemical survey completed over the conductor in 2005 detected a broadly coincident, open ended, base metal in till anomaly.

The agreement grants the Company the right to earn a 51% interest in the property by spending \$1.5 million on exploration over four years. The first year's \$125,000 expenditure is a firm commitment and includes costs associated with the completion of a diamond drilling program designed to test a combined base metal in till geochemical anomaly and conductive airborne geophysical anomaly. The agreement also calls for the

Company to make cash payments totalling \$100,000 over four years including \$10,000 paid on signing the agreement. Cornerstone will be operator during the earn in period.

The schedule of required cumulative expenditures for Woodruff to earn a 51% interest is as follows:

- \$125,000 by the first anniversary of signing the formal agreement
- \$250,000 by the second anniversary
- \$500,000 by the third anniversary
- \$1,500,000 by the fourth anniversary

On Woodruff earning a 51% interest, a Joint Venture will be formed whereby both parties will have the right to maintain their respective interests by funding their respective share of exploration costs. Either party may dilute its interest, based on exploration expenditures, or if a party's interest falls to 15% or less, its interest will convert to a 2% NSR.

The Company also announced that it had notified Inmet Mining that it no longer wished to retain Inmet's Noel Paul's and Robert's Arm projects as part of the Inmet agreement.

On March 15, 2006 the Company announced that it had selected Montreal-based Met-Chem to undertake a scoping study on the company's Estrades Project in Quebec. The study commenced in mid-March and was completed in June 2006. The purpose of the study was to obtain a preliminary estimate of the capital and operating costs that would be associated with the development and mining of part of the remaining resources at the 100% owned Estrades deposit. The study incorporated the 1992 resource estimate to a depth of 400 metres into a mine plan for the project. The 1992 Breakwater plan served as a base for the current scoping study but alternatives for the development of the project were also reviewed. On June 2nd, 2006 the Company announced that it had received the final report. Although the study was conducted based on resource calculations that were not compliant with CIM Definition Standards on Mineral Resources and Mineral reserves adopted by CIM Council, November 14, 2004, the Company considered the results of the study encouraging enough to justify an independent National Instrument 43-101 resource calculation. Accordingly, a resource calculation was commissioned to Scott Wilson Roscoe Postle Associates Inc. ("SWRPA").

On April 26th, 2006 the Company was pleased to announce that Mr. Ned Goodman was appointed to the Company's Board of Directors and would also serve on the Company's Technical Advisory Committee. Mr. Goodman is Chairman of Goodman & Company, Investment Company Ltd. and Chief Executive Officer of Dundee Corporation and Dundee Wealth Management Inc. He has almost four decades of investment experience as a securities analyst, portfolio manager and senior executive. He has an established reputation as one of Canada's most successful investment counselors and is the lead portfolio manager for the Dynamic Focus+ family of funds.

On May 30, 2006 the Company announced that it acquired from Lounor Exploration Inc. ("Lounor", formerly Loubel Exploration Inc.) its 40% JV interest in the Lemoine project. In the summer of 2006, the Company earned in on its option to own half of Inmet Mining Corporation's ("Inmet") 60% interest. These two transactions brought the Company's JV interest in the Lemoine project to 70%. The remaining 30% JV interest will be held by Inmet. In consideration for the acquisition of the Lounor interest, the Company made a cash payment of \$75,000 to Lounor, canceled all outstanding cash calls pursuant to the terms of the joint venture, issued to Lounor 50,000 common shares of the Company, and returned to Lounor 175,000 post-

consolidation common shares of Lounor purchased by the Company in compliance with a 2001 option and joint venture agreement between Inmet and Lounor, to which the Company became a party in April 2004. Lounor will not retain any royalty or any right whatsoever on the Lemoine project. An independent technical report on Lemoine was filed in 2004 by the Company on SEDAR.

In July 2006 the Company announced that it had received shareholder approval at its annual meeting to change its name to COGITORE RESOURCES INC. The Company's common shares started trading under the new name on July 11, 2006. The stock symbol remained the same. The name was changed to more accurately reflect the mineral exploration activity that is at the core of the Company's business. The Company was also very pleased to announce that at its annual meeting June 27, 2006, Company President Gérald Riverin was elected to the board of directors. Mr. Riverin has been the President of the Company since September, 2004.

On August 11, 2006 the Company reported significant massive sulphides intercepts in follow-up drill hole SC-05 of the new volcanogenic massive sulphide (VMS) discovery made at the Scott Lake Project. Hole SC-05 intersected a combined total of 11.76 metres of massive sulphides distributed in 4 bands separated by mafic dykes. The sulphides were intersected at a vertical depth of 600 metres, 104 metres east and 138 metres above the original discovery hole SC-04. Prior to the intrusion of the late dykes, the massive sulphides would have represented a substantial thickness of nearly 12 metres, which is the thickest massive sulphide VMS intersection drilled on the property since exploration commenced in 1975 (for further discussion see Scott Lake in the 2006 Exploration Program section).

On September 15, 2006 the Company announced it had completed its previously announced private placement of 2,000,000 Flow-Through Shares at \$1.05 per Share to raise \$2,100,000. The Company protected offers received from registered investment dealers. The Company protected offers from Haywood Securities Inc., Jones, Gable & Company Ltd., Northern Securities Inc. and BMO Nesbitt Burns. As consideration for their services, these investment dealers were paid a 5% commission for an aggregate total of \$14,962.50. As well, an individual finder was paid a 5% commission for his services in the amount of \$5,250. The Common Shares are subject to resale restrictions pursuant to applicable securities laws requirements and notably to a hold period of four months plus one day from the closing date. The proceeds of the Offering will be used to fund the Company's 2006-2007 exploration program.

On October 11, 2006 the Company announced that it had received from Scott Wilson Roscoe Postle Associates Inc. ("Scott Wilson RPA") the results from an independent resource calculation on its 100% owned Estrades base and precious metal deposit. The resources were calculated by Bernard Salmon, Eng., consulting engineer with Scott Wilson RPA, and a Technical Report acceptable under National Instrument NI-43-101 was filed on SEDAR.

The resource calculations were done using a block model based on a minimum horizontal width of 2.0 metres and a cut-off grade of \$120 per tonne. Other technical parameters are fully disclosed in the Scott Wilson RPA report, posted on SEDAR. The estimate was done to a depth of 585m on the Main Zone only and confirmed the following resources in the Indicated Resources category:

Main Zone - Total Indicated Resources:

depth	tonnes	%Cu	%Zn	%Pb	g/t Au	g/t Ag
0-190m	54,000	0.88	13.06	1.35	7.64	196.0
190-415m	337,000	0.79	10.71	1.02	6.01	185.9
415-585m	170,000	0.54	8.43	0.64	2.87	143.6
Total	561,000	0.72	10.25	0.94	5.22	174.1

Based on the high gold and zinc grades of the Scott Wilson RPA resources and on the preliminary cost estimates prepared by Met-Chem Canada Inc. (see Press release of June 2, 2006), the Company's management believes that parts of the Estrades resources may be economically attractive in light of the current outlook for metal prices, the existing access and surface infrastructure, and the fact that the deposit is already developed by ramp to a depth of 200 metres vertical. Considering the scope and results of the Met-Chem preliminary cost study, the portion of the indicated resources located above a depth of 415 metres and shown below are of immediate interest:

depth	tonnes	%Cu	%Zn	%Pb	g/t Au	g/t Ag
0-190m	54,000	0.88	13.06	1.35	7.64	196.0
190-415m	337,000	0.79	10.71	1.02	6.01	185.9
Total	391,000	0.80	11.03	1.07	6.24	187.3

Consequently, the company has retained the services of engineering firm GENIVAR to undertake a full scale feasibility study on these resources. The purpose of the study is to determine mineable reserves/resources and make a detailed assessment of capital, operating costs, and cash flows that would be associated with the development and mining to 415 metres. Completion of the GENIVAR report is expected during the second quarter of 2007, pending results of the metallurgical testing.

On November 10, 2006 the Company announced that it had completed its previously announced private placement of 600,000 Flow-Through Shares at \$1.05 per Share to raise \$630,000. No commissions were paid by the Company as part of this offering. The Common Shares are subject to resale restrictions pursuant to applicable securities laws requirements and notably to a hold period of four months plus one day from the closing date. The proceeds of the Offering will be used to fund the Company's 2007 exploration program.

2006 Exploration Program

The Company's project portfolio includes 10 volcanogenic massive sulphides (VMS) projects located in easily accessible areas of Quebec, Ontario and Newfoundland. Among these projects, two (2) are past-producers (Lemoine and Estrades) and one encloses a small massive sulphide deposit (Scott Lake). Management is committed to the accelerated development of the remaining resource/reserves at Estrades, and exploring the Scott Lake and Lemoine projects.

2006 was the second complete year of exploration activities for the Company. A total of 28,927 metres were drilled in 4 projects, including 400 metres at the Long Lake project in Newfoundland that is operated by our partner Cornerstone Capital Resources Inc. Drilling and drilling-related activities accounted for approximately 70% of 2006 expenditures. Summaries of individual projects are presented below.

Estrades

The Estrades project is located in Northwestern Quebec approximately 95 km NE of the town of La Sarre and 35 km WNW from the former village of Joutel. The property includes three (3) distinct blocks: the Estrades Block, the Newiska Block, and the Estrades Mining Lease (ML #795). The mining lease was purchased in 2005 and is owned 100% by Cogitore whereas the remaining claims are subject to an April 23, 2004 agreement between Cogitore and Inmet Mining Corporation granting Cogitore the right to earn a 50% interest in the claims.

Estrades was the most active project for Cogitore in 2006 and the year culminated with the commissioning of a full scale feasibility study on the Estrades deposit to engineering firm Genivar. Prior to the feasibility study, a scoping study was completed by Montreal-based Met-Chem and results were encouraging enough to warrant an independent resource evaluation by Scott Wilson Roscoe Postle & Associates (results presented in the section Significant Events).

A total of 11,373 metres were drilled at Estrades in 2006. The program included holes to confirm resources in the Main Lens and to close off the limits of the mineralized zone. The Company also began wide spaced exploratory drilling of the Estrades mine horizon at depth and along strike. As well, the Company followed up on 2005 drill results at the Newiska block to the southeast of the Estrades mine. The 3 holes drilled in the Main Lens confirmed the continuity and the high grade of the resources as displayed by the assays results announced in April 2006:

Hole	From (m)	To (m)	Length (m)	Au g/t	Ag g/t	Cu %	Pb %	Zn %
EST-03	343.39	344.69	1.30	8.02	125.6	0.32	1.46	14.21
	346.37	347.08	0.71	3.32	230.0	0.71	3.43	23.90
H-165W	387.65	391.55	3.90	29.83	370.0	1.27	3.90	28.76
H-193W	467.70	469.90	2.20	3.59	267.8	1.04	0.78	20.57

These holes were incorporated in the subsequent resource calculations by Scott Wilson RPA. Other holes in the vicinity of the Main lens failed to add significantly to the known resources but helped define the exact limit of the Main lens for the purposes of the resource calculations. Results of the exploratory drilling away from the Estrades deposit returned mixed results by intersecting favourable geology and elevated base metal numbers but without assays of economic interest.

Scott Lake

The Scott Lake project is located in the Chibougamau area approximately 20 km west of the town of Chibougamau. The property includes three (3) distinct blocks: the Ouje Claims, the Thundermin block and the Scott-Diagold block. The Ouje claims are 100% owned whereas the Thundermin and Diagold blocks are subject to 100% buy-out agreements.

The Scott Lake Project was subject to considerable exploration activity in the mid 70's and late 80's following the discovery by Selco Mining Corporation ("Selco") of a VMS deposit. Thundermin Resources Inc. subsequently optioned the property and estimated that the Selco massive sulphide lens contains a drill indicated resource of 700,000 tonnes grading 0.4% copper and 6.9% zinc to the 375 meter level. In today's standards these estimates would not comply with CIM Definition Standards on Mineral Resources and Mineral reserves that were prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council, November 14, 2004. The Company has not done the work necessary to verify the classification of the resource or reserve, the Company is not treating them as a NI 43-101 defined resource or reserve verified by a QP, and the historical estimates should not be relied upon. The Selco massive sulphide deposit covers a strike length of 160 meters, down to a vertical depth of 400 metres.

Work done by Cogitore in 2006 consisted of geophysical surveys and diamond drilling. A total of 11,497 metres were drilled in 13 new holes and the deepening of 5 old holes. As reported above in the section Significant Events, the Company discovered a new massive sulphide lens at Scott Lake in the fourth hole of the 2006 program. The massive sulphide lens was intersected subsequently with holes SC-05, SC-06, and SC-09 and the assay results for all holes that intersected massive sulphides are shown below:

Scott Lake Massive Sulphide Intersections

Hole	From (m)	To (m)	Length (m)	Cu %	Zn %	Au g/t	Ag g/t
SC-04	865.40	867.74	2.34	0.47	3.56	0.08	12.75
SC-05	735.68	738.16	2.48	1.26	7.91	.18	43.90
dyke	738.16	743.33	5.17	0.04	0.88	0.09	3.51
SC-05	743.33	743.87	0.54	0.06	4.05	0.08	11.20
dyke	743.87	745.74	1.87	0.06	0.80	0.05	5.20
SC-05	745.74	750.0	4.26	1.48	7.20	0.34	48.41
dyke	750.0	754.18	4.18	0.09	1.18	0.02	12.92
SC-05	754.18	758.66	4.48	0.34	9.39	0.29	24.92
SC-05	Composite MS		11.76	0.93	8.04	0.27	36.80
SC-06	638.17	640.70	2.53	0.36	9.08	0.22	21.68

SC-09	880.99	882.22	1.23	0.62	5.70	0.08	25.12
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In SC-05, the lens was intruded by 3 narrow dykes carrying low values but a cumulative core length of 11.76 metres of massive sulphides was intersected grading 8.04% zinc, 0.93% copper Cu and 36.9 g/t Ag, making this the most significant massive sulphide discovery in the Chibougamau camp since the Lemoine and Selco-Scott discoveries respectively in 1973 and 1975. The Cogitore discovery is located at the same horizon (volcanic contact) as the Selco-Scott deposit but about 800 metres to the west.

In addition to the new massive sulphide lens, significant stringer style copper mineralization was intersected in three holes just to the west of the new discovery. The following assay results were obtained from the deepening of two old holes drilled about 300 apart on the same vertical section (SL-91-100E, SL-SL-93-105) and from a new Cogitore hole (SC-11):

Assay results - DDH SL-91-100E (deepening)

From (m)	To (m)	Length (m)	Cu %	Zn %	Au g/t	Ag g/t
630.84	636.64	5.80	0.73	1.14	0.11	8.06
645.65	649.79	4.14	1.63	1.54	0.92	26.08
681.67	684.05	2.38	0.92	1.85	0.13	8.11

Assays results – DDH SL-93-105E (deepening)

From (m)	To (m)	Length (m)	Cu %	Zn %	Au g/t	Ag g/t
988.50	1000.80	12.30	0.58	0.52	0.05	4.56
1017.82	1030.50	12.68	1.29	0.18	0.06	13.95
<u>Including</u>						
1018.88	1025.71	6.83	1.99	.31	0.06	21.73
1045.50	1053.70	8.20	1.45	0.41	0.12	12.90
<u>including</u>						
1051.50	1053.00	1.50	5.58	.70	0.28	44.10
1059.00	1066.50	7.50	0.48	1.14	0.05	5.10

Assay results – DDH SC-11

From (m)	To (m)	Length (m)	Cu %	Zn %	Au g/t	Ag g/t
913.50	958.50	45.00	0.11	0.36	0.06	2.04
651.00	958.50	7.50	0.48	0.60	0.07	9.04

The above stringer zones are significant for two reasons. First, some of the assay intervals in SL-91-100E and SL-93-105E reported above would represent grades of immediate potential economic interest at today's high metal prices if sufficient tonnage was found. Secondly, in active volcanogenic massive sulphide environments, such copper enriched stringer zones represent the feeder conduits followed by hot mineralized fluids to reach seafloor and ultimately discharge metals into massive sulphides. Therefore it is important for geologists to identify and 'track' such stringer zones across the volcanic pile and hopefully find the related copper-rich massive sulphide lens on the former seafloor.

The 2007 exploration program at Scott Lake will focus on extending the massive sulphide lens, which is still open at depth. Significant re-interpretation work is also warranted to put the extensive copper-rich stringer zones into context with known VMS field relationships.

Lemoine

The Lemoine project, located 25 km south of Chibougamau, Quebec encloses the former producing Lemoine Mine which produced 0.76Mt of high grade massive sulphide ore. Although small, Lemoine ranks number 2 in Canada (second only to Eskay Creek) and is within the top 1% of all VMS deposits worldwide in terms of total base and precious metal grade. The property encompasses a 17 km segment of the favourable horizon hosting the deposit.

Since 2001, exploration work by Inmet and Cogitore (since 2004) has been focused at depth (i.e., below 250m vertical), mostly within certain corridors subjected to increased hydrothermal alteration. Holes have in general been spaced 600m to 1,200m apart and at least 400m deep. Although no economic intersections have been obtained in the recent drilling, several intersections were highly anomalous in base metals, sometimes over very significant widths, either along the Lemoine mine horizon itself, or in disseminated and stringer zones in the stratigraphic footwall.

In 2006, a total of 5,657 metres were drilled in 8 holes, including one deepening. Six of the holes were drilled around the LEM-47 and LEM-49 drill holes and the remaining two holes were drilled in proximity to the former mine. While anomalous metal content and strong hydrothermal alteration were reported from most of the holes, no significant results were obtained. A deep penetrating TITAN 24 survey was completed along three cross sectional corridors of the property by Quantec Geosciences Inc. The report is still pending but preliminary results show anomalies that will have to be evaluated further and possibly drilled in 2007.

Loveland

The Loveland project is located about 30 km northwest of Timmins, Ontario, and 23 km west of the world class Kidd Creek mine. The property encloses the same rhyolite unit that hosts the past producing Kam-Kotia VMS mine (5.8Mt @ 1.1%Cu & 1.2% Zn) located 8 km ESE of the property. Recent data published by the Ontario Government show that two ages of rhyolites are found on the property, including one that is identical to the Kidd Creek rhyolite. In addition to having rhyolites with the prospective (high temperature) signature and the same age as Kidd Creek, the property hosts a stringer zone that has yielded encouraging stringer type drill intersections such as 0.9% Zn/12m and 0.5% Cu/13m.

A detailed review of the project was done in 2006, followed by field mapping, sampling and examination of old drill core. The results of this work suggested that the best target areas have effectively been tested by previous drilling and no further work is contemplated at the present time.

Newfoundland

In Newfoundland, the Company had one active VMS project in 2006, namely the Long Lake project, which was optioned from Cornerstone Capital Resources in February 2006. As previously released by Cornerstone, the Long Lake property covers favourable felsic volcanics and sediments akin to those which host the Long Lake deposit, which is located 7 km to the north of the project area and is comprised of high-grade massive sulphides with base metal grades comparable to those returned from Messina Mineral's recent Boomerang and Domino discoveries. Messina's Boomerang discovery is located 10 km west northwest of Cornerstone's Long Lake property. Cornerstone's property hosts an isolated, 1 km long, airborne electromagnetic conductor associated with an adjacent silica-sericite-pyrite alteration zone hosted by prospective felsic volcanics. A till geochemical survey completed over the conductor in 2005 detected a broadly coincident, open-ended, base metal in till anomaly.

Exploration work completed in 2006 by operator Cornerstone consisted of locating an airborne conductor with ground geophysics and testing the conductor with drilling. The conductor was successfully located but was qualified as weak. Two holes totalling 400 m were drilled to test the best parts of the conductor. The drilling was successful in intersecting altered and pyrite mineralized felsics with local traces of base metal sulphides, though massive sulphides mineralization was not encountered. The best mineralization assayed 3.2% Zn and 369 ppb Au over a narrow interval of 20 cm. Although visually impressive, hydrothermal alteration turned out to be only weak to moderate after proper lithogeochemical sampling. Borehole Pulse EM will be done in early 2007 in the two holes to see if there is a nearby major conductor that was missed by the drill holes.

Due to favourable drilling results at Scott Lake, exploration work on other Cogitore projects such as Hebecourt, Castagnier, Landrienne and Selbaie West was deferred.

Statements of Exploration Properties and Deferred Exploration Expenditures

For the years ended December 31	2006	2005	Cumulative (from date of inception of project to December 31, 2006)
Estrades Project			
Opening balance	\$ 1,825,201	\$ -	\$ -
Property acquisition costs	6,455	1,663,483	1,669,938
Travel, hotel and meals	496	58	554
Property maintenance	7,275	5,926	13,201
Geochemistry and geophysics	28,398	13,235	41,633
Drilling and linecutting	586,819	6,211	593,030
General and geology	235,297	36,924	272,221
Professional fees	-	125,858	125,858
Quebec refundable tax credit and mining duties refund	(283,057)	(26,494)	(309,551)
Activity during the year	581,683	1,825,201	2,406,884
Closing balance	\$ 2,406,884	\$ 1,825,201	\$ 2,406,884
Inmet Projects			
Opening balance	\$ 2,345,028	\$ 1,584,534	\$ -
Property acquisition costs	161,046	94,663	606,958
Property maintenance	12,030	15,180	38,512
Geochemistry and geophysics	453,665	180,106	701,894
Drilling and linecutting	869,105	1,292,610	2,260,870
General and geology	166,015	261,062	888,461
Professional fees	-	-	56,951
Participant's share	21,402	228,747	1,223,726
Travel, hotel and meals	1,133	2,893	28,752
Write-off of exploration expenditures	(42,567)	(433,192)	(475,759)
Quebec refundable tax credit and mining duties refund	(471,761)	(881,575)	(1,815,269)
Activity during the year	1,170,068	760,494	3,515,096
Closing balance	\$ 3,515,096	\$ 2,345,028	\$ 3,515,096

Statements of Exploration Properties and Deferred Exploration Expenditures

For the years ended December 31	2006	2005	Cumulative (from date of inception of project to December 31, 2006)
Scott Project			
Opening balance	\$ 162,107	\$ 6,650	\$ -
Property acquisition costs	177,862	72,488	256,903
Travel, hotel and meals	4,782	228	5,010
Property maintenance	4,318	2,354	6,672
Geochemistry and geophysics	151,610	107,400	259,010
Drilling and linecutting	975,901	136	976,037
General and geology	133,169	21,353	154,619
Professional fees	-	12,076	12,076
Quebec refundable tax credit and mining duties refund	(424,586)	(60,578)	(485,164)
Activity during the year	1,023,056	155,457	1,185,163
Closing balance	\$ 1,185,163	\$ 162,107	\$ 1,185,163
Long Lake Project			
Opening balance	\$ -	\$ -	\$ -
Property acquisition costs	10,000	-	10,000
General and geology	323	-	323
Participant's share	108,401	-	108,401
Activity during the period	118,724	-	118,724
Closing balance	\$ 118,724	\$ -	\$ 118,724

For the years ended December 31	2006	2005	Cumulative (from date of inception of project to December 31, 2006)
Other Projects			
Opening balance	\$ 1,027	\$ 1,027	\$ -
Participant's share	-	-	1,027
Activity during the period	-	-	1,027
Closing balance	\$ 1,027	\$ 1,027	\$ 1,027
Regional Office Expenses			
Opening balance	\$ 153,539	\$ -	\$ -
Rent	62,800	62,800	125,600
Salaries and wages	48,443	41,861	90,304
Office maintenance	4,810	4,665	9,475
Office and general	27,293	18,281	45,574
Travel, hotel and meals	4,155	7,810	11,965
Taxes	2,006	2,006	4,012
Insurance	8,944	8,657	17,601
Telephone	6,076	7,459	13,535
Activity during the period	164,527	153,539	318,066
Closing balance	\$ 318,066	\$ 153,539	\$ 318,066
TOTAL	\$ 7,544,960	\$ 4,486,902	\$ 7,544,960

Selected Financial Information

A summary of selected financial information for the years ended December 31, 2006 and December 31, 2005 is as follows:

	<u>Year Ended December 31, 2006</u>	<u>Year Ended December 31, 2005</u>
Total Revenue	\$0	\$0
Net Income (Loss)		
- Total	\$(563,171)	\$(1,353,287)
- Per Share	\$(0.03)	\$(0.11)
Total Assets	\$11,375,903	\$8,586,091
Long-Term Financial Liabilities	\$1,875,313 ⁽¹⁾	\$666,666 ⁽¹⁾

For the years ended 2006 and 2005, the Company reported no discontinued operations and declared no cash dividends.

- (1) The Company has adopted the recommendations of CICA Emerging Issues Committee Abstract 146, Flow-Through Shares (“EIC-146”). Under EIC-146, a future income tax liability should be recognized, and shareholders’ equity reduced, on the date that a company renounces the tax credits that are associated with resource expenditures, provided there is reasonable assurance that the expenditures will be made. As a result, the Company recognized a \$1,875,313 future income tax liability for the year ended December 31, 2006 and a \$666,666 future income tax liability for the years ended December 31, 2004 and 2005.

The following table provides selected financial information that is derived from the unaudited interim financial statements and audited financial statements of the Company:

For the quarter ended	<u>March 31</u>	<u>June 30</u>	<u>Sept.30</u>	<u>Dec 31</u>
<u>2006</u>				
Total Revenues	\$0	\$0	\$0	\$0
Net Loss	(\$125,188)	(\$101,777)	(\$253,024)	(\$83,182)
Net Loss per Share	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.00)
<u>2005</u>				
Total Revenues	\$0	\$0	\$0	\$0
Net Loss	(\$278,143)	(\$167,782)	(\$134,550)	(\$772,812)
Net Loss per Share	(\$0.03)	(\$0.02)	(\$0.01)	(\$0.05)

Additional Disclosure for Venture Corporations without Significant Revenue

The following table sets forth a breakdown of material components of the general and administration costs of the Company for the years ended December 31, 2006 and December 31, 2005:

	<u>Year ended December 31, 2006</u>	<u>Year ended December 31, 2005</u>
Interest & Bank Charges	\$1,996	\$1,592
Flow Through Taxes Paid	\$65,797	\$13,200
Consulting Fees	\$15,270	\$7,850
Office and General	\$20,204	\$90,111
Transfer agent, listing & filing fees	\$33,752	\$50,102
Salaries & Benefits	\$129,887	\$50,215
Rent	\$11,597	\$9,212
Shareholder Relations	\$24,795	\$13,460
Corporate Development	<u>\$68,879</u>	<u>\$71,502</u>
Total	\$372,177	307,244

Results of Operations

The Company's loss in 2006 was \$563,171 compared with an operating loss of \$1,353,287 for the same period in 2005. The operating loss was lower in 2006 largely due to significantly higher stock-based compensation expense in 2005 (\$503,760 in 2005 vs. \$246,099 in 2006) and due to the write off of \$433,192 in exploration expenses at its Noel Paul's and Robert's Arm properties in 2005 (with a subsequent income tax recovery of \$171,000 through the decrease in future income tax liability in 2006). In 2005, the Company informed Inmet that it no longer wished to participate in the Joint Venture on the Noel Paul's and Roberts Arm properties.

The costs of exploration properties and deferred exploration expenditures are carried at cost until they are brought into production, at which time the costs are depleted on a unit-of-production method based on proven and probable reserves. If a property is subsequently determined not to be economically viable, the property and related deferred costs are written down to net realizable value. In 2006 the Company spent \$1,447,641 on the Scott Property, \$1,052,774 on Lemoine, \$864,741 on the Estrades-Newiska property (Inmet exploration property) and \$540,026 on the Estrades Lease. The remainder was split amongst the other properties.

Liquidity and Capital Resources

At December 31, 2006, the Company had working capital of \$3,495,008 compared to \$3,816,781 as at December 31, 2005. The Company anticipates receiving approximately \$1,554,536 in refundable tax credits and refundable mining duties from the Quebec government as a result of its exploration expenditures in Quebec during the year ended December 31, 2006 (this total includes refundable Mining Duties from 2004 and 2005). Working capital is being used for exploration as described under the Outlook section of this report and to support corporate overhead. The Company has enough working capital to meet all its financial commitments.

Related Party Transactions

During 2005 and 2006, the Company shared its premises with other companies that have common directors, and the Company reimburses the related companies for their proportional share of the expenses. In 2006 the Company paid \$11,597 (2005 - \$13,837) to a company owned by a director of the Company for the sharing of office space and related expenses.

Financial Instruments

Fair Value:

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

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

Changes In Accounting Policies

There were no changes in accounting policies in 2006.

Outstanding Share Data

As at December 31, 2006, the following is a description of the outstanding equity securities and convertible securities previously issued by the Company:

	<u>Authorized</u>	<u>Outstanding</u>
Voting or Equity Securities Issued and Outstanding	Unlimited Common Shares	22,788,873 Common Shares
Securities convertible or exercisable into voting or equity securities-stock options	Stock Options to acquire up to 10% of outstanding Common Shares	Stock options to acquire 1,923,665 Common Shares

The Company has the following warrants outstanding as at December 31, 2006:

<u>Number of Shares</u>	<u>Price per Share</u>	<u>Expiry Date</u>
933,332	\$1.10	May 7, 2007
1,666,665	\$0.90	September 29, 2007
1,024,888	\$1.15	December 31, 2007
102,487	\$1.15	December 31, 2007

Subsequent Events

On February 13, 2007 the Company announced that Dr. Gérald Riverin was appointed Chief Executive Officer of the Company, effective immediately. Dr. Riverin is President of the Company and is also on the Board of Directors. Mr. Mark Goodman will continue to serve as the Company's Executive Chairman. Dr. Riverin has served as the Company's President since September, 2004. Prior to joining Cogitore Resources Inc., Dr. Riverin spent 27 years working for Inmet Mining Corporation and its predecessors, including ten years as General Manager for North American exploration. He obtained his Ph.D. from Queen's University in 1977 and has been involved with the development of several properties, including the discovery of Inmet's Troilus open pit gold-copper mine near Chibougamau. Dr. Riverin is internationally renowned as an expert on the geology of volcanogenic massive sulphide deposits. He has also recently completed a term as President of the Association de l'Exploration Minière du Québec. Dr. Riverin received 100,000 stock options to purchase common shares of the Company at an exercise price of \$0.80 per share expiring February 8, 2012.

On February 17, 2007 the Company announced the acquisition of a 100% interest in a major property position west of, and on strike with, the past producing Normetal Mine. There are no third party interests. The Company's new 'West Normetal' property is located in Ontario and covers about 22 kilometers of the same favourable rhyolite volcanic rocks that host the Normetal Mine 12 km to the east. Previous drilling in the 1960's on a portion of the newly acquired property yielded anomalous zinc and copper values located near a 3 kilometre long zone of favourably altered rhyolitic rocks. The project is easily accessible through a network of public and logging roads.

The Normetal Mine, located relatively close to the provincial boundary but in Quebec, produced 10 Million tonnes grading 2.2% Cu, 5.4% Zn, 0.53 g/t Au and 44.5 g/t Ag over a 37 year mine life from 1938 to 1975 (Quebec government files). The deposit was found by surface prospecting and mined from surface to a depth of 2.4 kilometres. At current metal prices the sale revenues of Normetal would be over \$2.0 Billion, net of smelting and refining but before factoring in costs to develop, mine and mill the deposit.

In spite of the fact that VMS deposits typically occur as clusters of deposits, such as in the Noranda, Val d'Or and Matagami camps, no other deposit has yet been found in the Normetal belt of rocks. The Company's management believes that many features of the Normetal belt are consistent with the earmarks of a prolific VMS camp which could host several deposits. Such features include the nature and chemical signature of the felsic volcanics hosting the former mine, the value of the old Normetal deposit itself, and finally the scale of the alteration system and its ranking according to Cogitore's proprietary technique. This property acquisition is consistent with the Company's strategy of assembling large property positions in established mineralized belts that benefit from easy access. The Company plans to begin field work on the West Normetal project in May, 2007.

On April 23, 2007 the Company announced completion of the non-brokered portion of its previously announced private placement of 2,500,000 Flow-Through Units to raise \$2,000,000 and 1,314,860 Units to raise \$920,402 for aggregate gross proceeds of \$2,920,402.

The Flow-Through Units were priced at \$0.80 and the Units were priced at \$0.70. Each Flow-Through Unit consists of one Flow-Through Common Share and one half Common Share Purchase Warrant. Each whole Common Share Purchase Warrant that is part of the Flow-Through Unit will entitle the holder to purchase

one additional Common Share at a price of \$1.05 for a period of two years after the closing of the private placement. Each Unit consists of one Common Share and one half Common Share Purchase Warrant. Each whole Common Share Purchase Warrant that is part of the Unit will entitle the holder to purchase one additional Common Share at a price of \$0.90 for a period of two years after the closing of the private placement.

When accepted by the Company, the Company protected offers received from registered investment dealers. The Company protected offers from Haywood Securities Inc., Jones, Gable & Company Limited, Laurentian Bank Securities, Jennings Capital Inc., Canaccord Capital Corp. and BMO Nesbitt Burns Inc. As consideration for their services, these investment dealers were paid a 6% commission for an aggregate total of \$76,224.

On or about April 25, 2007 the Company expects to complete the brokered portion of its previously announced private placement of 2,500,000 Flow-Through Units to raise \$2,000,000 and 1,428,572 Units to raise approximately \$1,000,000 for aggregate gross proceeds of approximately \$3,000,000. Total aggregate gross proceeds for the private placement will be approximately \$5,920,402.

Northern Securities Inc. ("Northern") will receive a 6% commission totalling approximately \$180,000 and Flow-Through Broker Warrants and Broker Warrants equal to 10% of the number of Flow-Through Units and Units, respectively, sold pursuant to its portion of the private placement. The Broker Warrants will be exercisable into Flow-Through Broker Units and Broker Units, respectively, at the issue price at any time prior to the date that is 24 months from the closing date of the private placement. Each Flow-Through Broker Unit and Broker Unit will consist of one common share and one half of one Common Share Purchase Warrant, the exercise price of each whole Common Share Purchase Warrant will be \$1.05 and \$0.90, respectively. Northern will receive 250,000 Flow-Through Broker Warrants and 142,857 Broker Warrants.

The Common Shares issued at closing are, and the Common Shares issued upon exercise of the Common Share Purchase Warrants will be subject to resale restrictions pursuant to applicable securities laws requirements and notably to a hold period of four months plus one day from the closing date.

The proceeds of the Flow-Through portion of the financing will be used to fund the Company's 2007-08 exploration program, while the non-Flow-Through portion of the financing will be used for the Company's 2007-08 exploration program and for general corporate purposes.

Outlook

The Company has developed a strategic focus on base metal exploration in prospective areas that also feature infrastructure favourable for mining development. Accordingly, it will focus its work in the Abitibi Belt of Quebec and Ontario, and in the Central Belt of Newfoundland. The Company is working on high quality VMS projects including seven properties optioned from Inmet Mining, three 100% owned properties, and one property under option. Two of Cogitore's properties encompass former high grade VMS producers, namely Lemoine and Estrades, and in both cases the focus will be on exploring the properties at depth and on strike to locate additional deposits. A full scale feasibility study is currently in progress at the Estrades Mine to evaluate the possibility of extracting a portion of the remaining resources in light of the

existing mine development to the 200 metre level, the high grade of the resources and the current favourable outlook for metal prices. In 2007, the Company anticipates drilling about 17,000 metres on 6 different properties, with the largest portion being at the Scott Lake project, where a new massive sulphide lens was discovered in 2006. Given the possibility of it's becoming a profitable producer in the short term and its focus on high quality exploration projects such as Scott Lake, 2007 will be an exciting year for our shareholders and perhaps a turning point for the Company.

Risk and Uncertainties

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. The risks below are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. If any of the following risks actually occur, the Company's business, financial condition and operating results could be adversely affected.

Nature of mineral exploration and mining

At the present time the Company does not hold any interest in a mining property in production. The Company's viability and potential success is based on its ability to develop, exploit and generate revenue from mineral deposits. The exploration and development of mineral deposits involve significant financial risk over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While discovery of a mine may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on exploration properties in which the Company has an interest will result in a profitable commercial mining operation.

The operations of the Company are subject to all of the hazards and risks normally incident to exploration and development of mineral properties, any of which could result in damage to life and property, the environment and possible legal liability for any and all damage. The activities of the Company may be subject to prolonged disruptions due to weather conditions depending on the location of the operations in which the Company has interests. Hazards, such as unusual or unexpected geological structures, rock bursts, pressure, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While the Company may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which the Company cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance or in excess of insurance coverage or associated with compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of the Company and, potentially, its financial position.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting and environmental protection. The effect of these factors cannot be accurately

predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Fluctuating Prices

Factors beyond the control of the Company may affect the marketability of gold or any other minerals discovered. Commodity prices have fluctuated widely and are affected by numerous factors beyond the Company's control. The effect of these factors cannot accurately be predicted.

Permits and Licenses

The operations of the Company require licenses and permits from various governmental authorities. The Company believes that it presently holds all necessary licenses and permits required to carry out the activities which it is currently conducting under applicable laws and regulations and the Company believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations at its projects.

Competition

The mineral exploration and mining business is competitive in all its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and the acquisition of attractive mineral properties, the acquisition of mining equipment and related supplies and the attraction and retention of qualified personnel. The ability of the Company to acquire properties, purchase required equipment, and hire qualified personnel in the future will depend not only on its ability to develop its present properties, but also on its ability to identify, arrange, negotiate, select or acquire suitable properties or prospects for mineral exploration, source suitable equipment and hire qualified people. There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects, sourcing equipment or hiring people.

Environmental and Climate Change Regulation

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations. The impacts of the Kyoto Protocol are difficult to predict and are not yet fully understood. Such impacts may have an adverse effect on the capital and operating cost of the Company's operations or those of its future customers that may materially affect future operations.

Aboriginal Title and Rights Claims

Aboriginal title and rights may be claimed with respect to Crown properties or other types of tenure with respect to which mining rights have been conferred. The Company is not aware of any aboriginal land claims having been formally asserted or any legal actions relating to aboriginal issues having been instituted with respect to the properties. There can be no assurance that title and rights claims will not be asserted in the future in respect of the Company's properties. The Company is aware of the mutual benefits afforded by co-operative relationships with indigenous people in conducting exploration and development activity and is supportive of measures established to achieve such cooperation including preferential hiring practices, local business development activities, involvement in environmental stewardship and other forms of accommodation. In addition, other parties may dispute the Company's title to the properties and the properties may be subject to prior unregistered agreements or transfers or land claims by aboriginal peoples, and title may be affected by undetected encumbrances or defects or government actions.

Estimates of mineral resources may not be realized

The mineral resource estimates published from time to time by the Company with respect to its properties are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geological, metallurgical or engineering work, and work interruptions, among other things. Short-term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of operations. There can be no assurance that minerals recovered in small-scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. The estimated resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations.

Dependence on key personnel

The Company is dependent on the services of its senior management and a small number of skilled and experienced employees and consultants. The loss of any such individuals could have a material adverse effect on the Company's operations.

Limited financial resources

The existing financial resources of the Company are not sufficient to bring any of its properties into commercial production. The Company will need to obtain additional financing from external sources in order to fund the development of its properties. There is no assurance that the Company will be able to obtain such financing on favourable terms, or at all. Failure to obtain financing could result in delay or indefinite postponement of further exploration and development of the Company's properties.

Forward-Looking Statements

This MD&A contains certain forward-looking statements related to expected future events, future spending levels and the future financial and operating results of the Company. Forward-looking statements are subject to inherent risks and uncertainties including but not limited to, market and general economic conditions, changes arising as drilling results unfold, changes in regulatory environments affecting the Company and the availability and terms of subsequent financings. Mining exploration itself contains a high degree of risk and uncertainty. Consequently, actual results and events may differ materially from those included in, contemplated or implied by such forward-looking statements for a wide variety of reasons.

Disclosure Controls and Procedures

Management has ensured that there are disclosure controls and procedures in place which provide reasonable assurance that material information relating to the Company is disclosed on a timely basis, particularly information relevant to the period in which annual filings are being prepared. Management believes these disclosure controls and procedures have been effective during the fiscal year ended December 31, 2006.