



Form 51-102F1

Management Discussion and Analysis

---

**MANAGEMENT DISCUSSION & ANALYSIS  
FORM 51-102F1**

**TO ACCOMPANY THE INTERIM UNAUDITED**

**FINANCIAL STATEMENTS**

**OF**

**ATW VENTURE CORP.**

**FOR**

**THE THREE MONTH PERIOD ENDED  
MAY 31, 2007**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) AS OF JULY 30, 2007 TO ACCOMPANY THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED MAY 31, 2007**

---

This discussion and analysis should be read in conjunction with the unaudited financial statements of the Company for the fiscal year ended May 31, 2007 and the notes thereto.

This Management Discussion and Analysis (“MD&A”) may contain forward-looking statements that involve risks and uncertainties. When used in this MD&A, the words “anticipate”, “believe”, “estimates”, “expects” and similar expressions are intended to identify such forward-looking statements. Readers are cautioned that these statements which describe the Company’s proposed plans, objectives, and budgets may differ materially from actual results. Such forward-looking statements in this MD&A are only made as of July 30<sup>th</sup>, 2007 (the “Report Date”). See additional discussion under Risks and Uncertainties in this MD&A.

**Description of the Business**

---

ATW Venture Corp. (“ATW” or the “Company”) is a tier two reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange under the symbol ATW-V. The Company’s head office is located at Suite 2007, 1177 West Hastings Street, Vancouver, BC Canada V6E 2K3.

The Company is an exploration stage company engaged in the acquisition, exploration, and development of precious and base metal bearing properties. The Company holds options on properties in British Columbia and Argentina. The Company is a junior exploration company with no revenues from mineral producing operations.

The Company was incorporated under the Business Corporations Act (British Columbia) on March 7, 2005 under the name “Pacific Mariner Mining Corp.” and did not commence active business operations until September of 2005 at which point the Company began to raise equity financing for pursuing exploration and development of mineral projects. The Company changed its name to ATW Venture Corp. on November 3, 2005.

The Company’s strategic plan is to acquire and develop new properties that have the potential to host mineral resources while building value in the company through the development of mineral resources in currently held assets.

**Corporate Governance**

---

In order for the Board of Directors to be assured that what it sees is an accurate record of what has happened in the Company, and that what has happened was correctly entered into with the appropriate due diligence and legal and accounting records, ATW has put in place internal controls to enhance compliance and the reliability of financial reporting. These controls and governance procedures have been documented in a code under which the Board of Directors, its committees, the officers of the Company and its employees are required to operate.

Management has evaluated the effectiveness of the Company's disclosure controls and procedures as of May 31, 2007. Management's evaluation was that the disclosure controls were generally effective.

Company management believes that the financial statements and MD&A filed conformed in all other respects with the requirements of form 51-102F1. Management believes that the Company's accounting systems, staffing, policies and procedures are appropriate to the size and nature of the Company's operations. Management oversight and approval of transactions and disbursements limits the scope for inappropriate transactions and a qualified audit committee oversees the Company's reporting.

The Board of Directors has three standing committees to which the management reports. The Audit Committee receives the quarterly financial statements prepared by management and reviews them and the contributing procedures and controls before recommending them to the full Board. The Nominating Committee reviews issues of succession and management appointments. The Compensation Committee approves management salaries and expenses. Corporate governance is treated as a matter for the Board as a whole. The Board meets quarterly, more or less, as required.

### **Summary of Activities During the first quarter**

---

- On March 29, 2007 the Company completed a private placement of 5,000,000 units, first announced on February 14, 2007 as amended on March 7, 2007, priced at \$0.64 per unit for total proceeds of \$3,200,000. The private placement received conditional acceptance from the TSX Venture Exchange on March 14, 2007. Each unit was comprised of one common share and one-half share purchase warrant exercisable for a period of one year at an exercise price of \$0.80 per whole warrant. There was a 4 month hold on the units, including shares underlying the warrants, expiring on July 29, 2007. A finder's fee of 8% of proceeds raised was paid on the Private Placement for a total finder's fee of \$256,600
- On April 5, 2007 the Company granted a total of 514,000 incentive stock options (the "Options") to certain directors, officers, and consultants of the Company. The options have a term of five years and are exercisable at a price of \$0.95.
- The company issued 37,500 shares to Marifil Mines Ltd. pursuant to the option agreement on the Amarillo property.
- Issued 689,750 shares pursuant to the exercise of warrants for gross proceeds of \$418,651.
- On February 14, 2007 the Company signed a non-binding Memorandum of Understanding (the "Memorandum") with Entropy Resources Ltd ("Entropy") and paid a non-refundable deposit of \$73,185 (US\$61,500) which sets out the terms and conditions upon which the Company and Entropy would negotiate an agreement whereby the Company would be granted an option to acquire up to a 75% interest in the property.

On May 1, 2007 the Company informed Entropy that the agreement was terminated due to breaches of the warranties and representations in the agreement and accordingly all expenses incurred have been written off to operations for the quarter ended May 31, 2007.

### **Subsequent Events to May 31<sup>st</sup>, 2007**

---

There were no subsequent events to the end of the first quarter. The Company continues to evaluate potential projects and acquisitions.

### **Discussion on Properties**

---

The Company is in the business of the acquisition, exploration and development of precious and base metal bearing properties. At the time of this report the Company's mineral tenure holdings are located in British Columbia and Argentina. The Company holds options on properties in British Columbia and Argentina.

#### **Carp Property British Columbia, Canada**

##### *Option to earn up to a 80% interest from Mountain Boy Minerals*

The Company has an interest in the Carp Property in Northern British Columbia, located near Prince George. Under the terms of its mineral property option agreement with Mountain Boy Minerals, the Company has the option to earn up to an 80% interest in 72 mineral claims and 20 placer claims ("Carp Property"), located in the Cariboo Mining Division of British Columbia by expending a total of \$800,000 on exploration on property over four (4) years as outlined below

Exploration expenditures, on or before

February 14, 2007	\$ 100,000	(incurred)
February 14, 2008	100,000	
February 14, 2009	200,000	
February 14, 2010	<u>400,000</u>	
Total expenditure requirement	<u>\$ 800,000</u>	

In 2006, ATW Venture Corp completed the first phase of exploration activity. The Carp Property consists of 72 mineral claims totaling 14,450 hectares and 20 placer claims totaling 500 hectares located 48 kilometres southwest of Mackenzie in north-central British Columbia.

The Company completed three drill holes totaling 230.8 metres on the Carp Property Nickel-1 claims. A fourth drill-hole was planned but was abandoned due to difficult ground conditions. The program was designed to target for nickel sulphide mineralization. Two of the three drill holes intersected highly sheared serpentinized pyroxenite with disseminated pyrite. The best assay results were from DDH-2006-1 which assayed 3.05m @ 2168ppm nickel from 24.09m downhole.

## **The 2007 Exploration Program on the Carp Property**

Work during 2007 on the Carp property included trenching by hand and excavator, prospecting and soil sampling both on forestry roads and grid lines. A total of approximately 1500 rock and soil samples were collected. Initial results indicate anomalous gold, cobalt, chrome and nickel results in the surveyed area.

Trenching located a zinc rich zone up to 5 meters wide on the Carp claims. Zinc values are expected in the 4-7 % range, based on visual estimation and comparison to previously sampled like mineralization. Float boulders up hill from the trenching indicate strike extensions to this zone of mineralization.

The Company had planned to investigate an area for the presence of molybdenum porphyry and copper-molybdenum mineralization. Previously, very limited rock sampling was completed in this area and sampling from six short trenches returned values as high as 3.1% molybdenum and 0.68% tungsten over 1.3 metre interval. Copper was weaker with a high value of 0.11% Cu over 1.2 m. In another area, a grab sample from massive sulphides returned 8.7% zinc and 0.13% copper. Deep snow conditions prevented the exploration of these areas during this spring's program. Scintillometer prospecting indicated low radioactivity for the rocks in the survey area.

The Company has completed its Phase I Exploration Program as proposed by the Company's Independent Geologist. The Company is now awaiting assay results and compilation of data of the spring program. Such information, when available, will be used by Company geologists to evaluate further exploration programs on the Carp property.

## **Amarillo, Argentina**

### *Earning up to a 70% interest from Marifil Mines Limited*

On December 11, 2006 ATW signed an option agreement with Marifil Mines Limited ("Marifil") to earn up to a 70% interest in the "Amarillo" property located in the San Juan province of Argentina.

Under this option agreement, ATW can earn a 51% interest in the property by spending US\$4,000,000 in exploration and development over a three year period and making certain cash and share payments totaling US\$282,500 and 262,500 common shares. Upon earning 51%, ATW can make a further election to increase its ownership to 60% by spending an additional US\$1,500,000 in each of years four and five of the agreement and paying cash payments of US\$150,000 per year. Subsequent to earning a 60% interest, ATW can increase its interest by a further 5% by delivering a bankable feasibility study within six years of the agreement or 8 years if it found that a deposit in excess of 50 million tonnes is delineated. Finally, the Company can earn an additional 5%, bringing its ownership to 70%, by agreeing to provide financing for Marifil's entire share of expenses to the commencement of commercial production.

The Amarillo gold-copper-silver project is located within the Veladero-El Indio gold belt on the Argentine side of the Andes. This belt has become an attractive area for major mining companies investing substantial funds exploring for world class gold deposits. The belt already hosts several major discoveries including Barrick's 2 deposits lying to the north of Amarillo, Veladero (12.6 million ounce gold reserve) and Pascua Llama (18.3 million ounces of gold reserve) as well as the very high grade El Indio copper gold mine.

The Amarillo land-holding covers over 40 square kilometres of intensely altered sedimentary and intrusive rocks that represent the upper levels of two or more large porphyry-related hydrothermal systems. The Company is impressed with the magnitude and intensity of the alteration systems and the highly anomalous gold and copper values from previous explorer's trench sampling. The project's geologic setting is similar to the setting at Newmont-Buenaventura's Yanacocha mine in Peru.

### The 2007 Exploration Program on the Amarillo Property

During the 2007 Argentine fall exploration season, the Company completed mapping, sampling and drilling on the property. In addition, a current National Instrument 43-101 compliant Technical Report has been prepared and will be filed on SEDAR shortly.

### Mapping and Sampling

Geological mapping has indicated several locations for potential primary porphyry copper mineralization. Mapping has also indicated a large target area for discovering a significant gold deposit. Rock chip samples from outcrops returned anomalous gold and copper values. Significant results are as follows:

Amarillo Rock chip sampling Jan 2007						
Sampno	Easting	Northing	Au g/t	Ag g/t	As g/t	Cu %
2171	2432921	6627474	2.56	18.95	94.80	0.007
2178	2433430	6624417	2.38	5.19	727.17	0.612
2180	2433346	6624360	1.36	42.98	2343.82	>1
2183	2432537	6627301	1.05	4.91	243.69	0.001
2187	2432614	6626739	1.09	27.61	156.14	0.002
2802	2433347	6625740	0.78	78.36	1469.84	0.062
2804	2433315	6625725	0.80	21.99	477.74	0.022
2821	2433405	6625780	1.26	116.27	49.06	0.004
2904	2432611	6626780	0.83	2.62	361.61	0.013
2989	2433794	6626859	1.81	93.00	285.00	0.002
3143	na	na	0.54	16.41	1588.76	>1
4001	2432914	6627127	2.91	17.40	91.00	0.002
4002	2432914	6627127	261.00	21.80	864.00	0.000
4003	2432914	6627127	2.19	28.50	95.00	0.000
4005	2433030	6626647	1.12	13.30	1390.00	0.001
4009	2433030	6626647	0.66	16.90	na	0.432
4013	na	na	9.32	89.50	>10000	>1
4014	na	na	1.65	13.50	1488.00	0.132

## Drilling

An exploration program of eight core holes for 2,600m was planned during the fourth quarter to test both epithermal and porphyry occurrences. Only two core drill holes totaling 899 metres were drilled to target depth in the Poposa area. Both holes intersected silicified and kaolin-altered metasediments with stockwork veins. This alteration indicates the possibility of potential underlying copper gold mineralization. The two core holes (ATW-AM02 & 3) intersected a Paleozoic metamorphic sequence (quartzite and shales) that contains thin veinlets of stockwork type with argillic and quartz sericite alteration suggestive of a high sulphidation system. The veins contain massive pyrite with thin coatings of the copper mineral, chalcocite. Results from these drill holes are as follows:

ATW-AM02 Significant Intercepts					
Hole	East	North	Azimuth	Dip	Depth (m)
AM-02	2432748	6627484	135	60	473.85
From (m)	To (m)	Interval (m)	Cu%	Au (ppm)	Mo (ppm)
94	98	4	0.12	0.13	2
164	168	4	0.12	0.06	1
182	192	10	0.12	0.17	2
196	204	8	0.26	0.28	2
222	226	4	2.51	0.58	2
302	306	4	0.12	0.20	2
354	356	4	0.13	0.12	4
442	446	4	0.15	0.06	1

ATW-AM03 Significant Intercepts					
Hole	East	North	Azimuth	Dip	Depth (m)
ATW-AM03	2433018	6626379	45	-60	425.15
From (m)	To (m)	Interval (m)	Cu%	Au (ppm)	Mo (ppm)
144	150	6	0.22	0.23	3
162	168	6	0.14	0.14	3
194	198	4	0.17	0.10	6
274	278	4	0.16	0.10	4
282	288	6	0.17	0.10	4
290	294	4	0.12	0.10	3
316	320	4	0.13	0.25	21
330	336	6	0.15	0.45	177

Hole ATW-AM02 appears to have drilled peripheral to the porphyry target. Subsequent drilling is planned at a more optimum orientation to target this mineralization. Later this year, the Company plans to drill the number one target area, Esperanza, where previous attempts (ATW-AM01 & 4) failed due to weather and technical difficulties.

These two holes were drilled for a total of 294m in the Esperanza area but were not completed to target depth.

The drill program was halted for the season due to the early onset of winter and will recommence in October.

## **Financial and General and Administrative**

---

The Company is a mineral exploration and development company, and currently has no producing properties nor operating income or cash flows. Accordingly, the Company records only minor revenues, and depends upon share issuances and property option agreements to fund its exploration activities and administrative expenses.

### **Selected Annual Information**

During the most recent fiscal years, the Company has not generated any revenue, incurred any loss from discontinued operations or extraordinary items or declared any dividends. Selected annual financial information is presented below:

	<u>February 28,</u>	
	<u>2007</u>	<u>2006</u>
Loss before discontinued operations and extraordinary items	(763,160)	(19,733)
Net loss	(768,418)	(19,733)
Net loss per share, basic and diluted	(0.06)	(0.01)
Total assets	1,670,133	168,539
Long term financial liabilities	Nil	Nil

The year ended February 28, 2007 represents the first full year of operation for the Company. The Company's general and administrative expenses reflect the expenses incurred by a Company getting established and beginning operations.

### **Summary of quarterly results for the last consecutive 8 quarters**

	<b>Quarters Ended</b>			
	May 31, 2007 \$	February 28, 2007 \$	November 30, 2006 \$	August 31, 2006 \$
Revenue	Nil	Nil	Nil	Nil
Loss	(655,144)	(342,776)	(153,502)	(164,931)
Loss Per Share Basis	(0.04)	(0.06)	(0.03)	(0.02)
Weighted Average shares	18,570,628	12,213,055	12,170,769	10,871,757

  

	May 31 2006 \$	February 28, 2006 \$	November 30, 2005 \$	August 31, 2005 \$
Revenue	Nil	Nil	Nil	Nil
Loss	(107,209)	(19,733)	-	-
Loss Per Share Basis	(0.01)	(0.01)	-	-
Weighted average shares	9,815,000	1,863,510	-	-

### *Revenue and Net loss:*

Net loss for the three month period ended May 31, 2007 amounted to \$655,144 as compared to net loss of \$107,209 in 2006 last year. The increase of \$547,935 were recorded on operations, stock based compensation, expenses and write downs on securities. Refer to the Statements of Operations and Deficit in the financial statements for the three month period ended May 31, 2007 for details

Cash Revenues for the three month period ended May 31, 2007 were \$17,219 as compared to \$3,318 for the three month period ended May 31, 2006. These monies were generated through interest income.

### *Details of Revenue and Expenses*

#### *Expenses:*

The Company was incorporated on March 7, 2005. From the period of incorporation to February 28, 2006, the company was not actively engaged in business activities. The Company's general and administrative expenses for the three month period ended May 31, 2007, were \$661,427 (2006 - \$110,527). The increase in expenses for the year ended February 28, 2007 are attributed to increased staffing on a management level, costs associated with becoming listed on the TSX Venture Exchange, fundraising activities, project analysis and acquisition.

Refer to the Statements of Operations and Deficit in the financial statements for the year ended May 31, 2007 for details

### **Liquidity and Capital Resources**

---

The Company has financed its operations through the sale of its treasury shares. The Company has no producing mineral properties. The Company expects to obtain financing in the future primarily through equity financing. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interests in its properties.

As at May 31<sup>st</sup>, 2007, the Company had a cash position of \$4,030,835 and working capital of \$3,423,521 compared to cash of \$1,376,419 and working capital of \$1,250,129 on February 28, 2007.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. The Company continues to use various strategies to minimize its dependence on equity capital, including the securing of joint venture partners where appropriate.

## **Related Party Transactions**

---

Transactions and balances with related parties are as follows:

During the quarter ended May 31, 2007, the Company paid or accrued management fees of \$44,325 (May 31, 2006 - \$15,000) to a company controlled by the president of the Company and \$21,250 (May 31, 2006 - \$Nil) to two directors of the Company. The Company also paid \$15,000 (May 31, 2006 - \$Nil) in investor relations fees to a director of the Company.

Included in accounts payable is an amount of \$42,634 (Feb 28, 2007 - \$41,976) owing to directors and officers of the Company.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

## **Financing Activities**

---

- On November 23, 2006 the Company raised \$1,350,000 by closing its initial public offering ("IPO") of 3,000,000 units at \$0.45 per unit for gross proceeds of \$1,350,000. Specifically, a total of 2,857,500 units were issued under the Prospectus offering concurrently with 142,500 units issued by a Private Placement of Securities for Ontario Accredited Investors. Each unit consisted of one common share in the capital of the company and one-half of one non-transferable common share purchase warrant. One warrant entitles the shareholder thereof to purchase one additional common share for a period of one year from the closing date of the IPO at a price of \$0.60 per warrant share. In the event the common shares of the Company trade at a price of \$1.20 or more for thirty consecutive trading days (the "Acceleration Event"), the expiry of the warrants shall accelerate to thirty days after the holders have received notice of the Acceleration Event. Pursuant to an Agency Agreement with Blackmont Capital Inc. (the "Agent"), the Agent received a cash commission of \$135,000 equal to 10% of the gross proceeds raised, and 450,000 agent's warrants equal to 15% of the total number of units sold, a corporate finance fee of \$25,000, plus reimbursement of legal and other costs. Each agent's warrant has the same terms as the offering. The Company has earmarked these funds for creation of a reserve for funding further acquisitions and supplementing working capital.
- On March 29, 2007 the Company completed a private placement of 5,000,000 units, first announced on February 14, 2007 as amended on March 7, 2007, priced at \$0.64 per unit for total proceeds of \$3,200,000. The private placement received condition acceptance from the TSX Venture Exchange on March 14, 2007. Each unit consisted of one common share and one-half share purchase warrant exercisable for a period of one year at an exercise price of \$0.80 per whole warrant. There was a 4 month hold on the units, including shares underlying the warrants, expiring on July 29, 2007. A finder's fee of 8% of proceeds raised was paid on the Private Placement for a total finder's fee of \$256,600

## Share Capital

---

The Company has one class of common shares. As at May 31, 2007, there are 20,680,250 common shares outstanding of which 7,143,750 shares are held in escrow, of which 1,428,750 will be released every six months. During the three month period ended May 31<sup>st</sup>, 2007 a total of 1,428,750 shares were released from escrow.

Warrants:

The Company has 3,747,250 warrants outstanding as at May 31<sup>st</sup>, 2007.

Summary of warrants outstanding:

<u>Warrants Issue Date</u>	<u>Number Outstanding</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
Nov 23, 2006*	1,247,250	\$0.60	November 22, 2007
Mar 29, 2007	<u>2,500,000</u>	\$0.80	March 28, 2008
<b>total:</b>	<b>3,747,250</b>		

\* inclusive of 450,000 agent's warrants

During the three month period ended May 31<sup>st</sup> 2007 a total of 697,750 warrants have been exercised.

*Stock Options:*

The Company has issued incentive options to certain of its directors and officers and consultants. As of the date of this report, there are three tranches.

<u>Option Issued Date</u>	<u>Number of Options Outstanding</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
May 5, 2005	1,080,000	\$0.45	May 4, 2008
December 4, 2006	400,000	\$0.80	December 2, 2011
April 5, 2007	<u>514,000</u>	\$0.95	April 4, 2012
<b>total:</b>	<b>1,994,000</b>		

## Off-Balance Sheet Arrangements

---

The Company has no off-balance sheet arrangements.

## **Disclosure Controls and Procedures**

---

For the three month period ended May 31, 2007, a review has been performed under the supervision and with the collaboration of the Company's management, including the Chief Executive Officer and the Chief Financial Officer, on the effectiveness of the Company's disclosure controls and procedures. Based on that review, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these controls and procedures were effective as at May 31, 2007 and were performed so as to provide reasonable assurance that material information related to the Company and its subsidiaries has been adequately disclosed.

## **Risks and Uncertainties**

---

Mineral exploration is inherently speculative in nature, is intensely competitive, and carries high risks. There can be no certainty that money invested in exploration and development will result in the discovery of a commercial ore body. Metal prices are commodity prices that are set in open auction markets and, accordingly, can be extremely volatile.

The Company has limited financial resources and, as pointed out above, has no current source of recurring income with which to cushion financial setbacks. If the Company is successful in discovering a commercial deposit at one of its properties, additional funds will be required for development, and there is no certainty that those funds will be forthcoming. Failure to attain such funding could adversely affect the Company's properties and the Company's title thereto.

## **Outlook**

---

ATW Venture Corp remains committed to continuing to seek out and review projects that exhibit potential to host large ore bodies of base and precious metals with strong prospects to increase in value. The Company looks forward to continuing to expand its holdings as well as success in exploring and developing its properties.

On behalf of the Board of Directors,

*"Brent W. Butler"*

Brent W. Butler  
President and CEO

## **ATW VENTURE CORP.**

### **CORPORATE DIRECTORY**

#### **CORPORATE OFFICES**

Suite 2007 – 1177 West Hastings Street  
Vancouver, B.C. Canada V6E 2K3  
Tel. (604) 662-8184 / Fax. (640) 602-1606  
[www.atwventure.com](http://www.atwventure.com)  
info@atwventure.com

#### **DIRECTORS**

Robert Schafer, P. Geo  
Brent Butler, BSc. Geo.  
Andrew Bowering, BA  
Graham L. Harris, BA  
Luke Norman

#### **OFFICERS**

Brent Butler, President and CEO  
Andrew Bowering, CFO  
Luke Norman, VP Corporate Development  
Jasvir Kaloti, Corporate Secretary

#### **TRANSFER AGENT**

Pacific Corporate Trust Company  
510 Burrard Street 2nd Floor  
Vancouver, B.C.

#### **AUDITORS**

Davidson and Company LLP  
1200 - 609 Granville Street  
Vancouver, BC V7Y 1A1 Canada

#### **SOLICITOR**

CD Farber Law Corp.  
Suite 2602, 1111 Beach Avenue  
Vancouver, BC V6E 1T9 Canada

#### **BANKERS**

Bank of Montreal  
First Bank Tower, 595 Burrard Street  
Vancouver, BC, Canada

#### **SHARE LISTING**

TSX Venture Exchange  
Trading Symbol: ATW

#### **CAPITALIZATION**

Common Shares

Authorized: unlimited  
Issued: 20,680,250