



Form 51-102F1

Management Discussion and Analysis

---

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

**TO ACCOMPANY THE INTERIM UNAUDITED  
CONSOLIDATED FINANCIAL STATEMENTS**

**OF**

**ATW VENTURE CORP.**

**FOR**

**THE THIRD QUARTER ENDED**

**NOVEMBER 30, 2007**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

For the quarter ended: November 30<sup>th</sup>, 2007

Date of Report: January 29, 2008

---

The following is a discussion of the operating results and financial position of ATW Venture Corp. (the "Company") for the third quarter ended November 30, 2007. It should be read in conjunction with the Company's audited financial statements and notes for the fiscal year ended February 28, 2007 and the interim unaudited consolidated financial statements for the nine-month period ended November 30, 2007.

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 January 29<sup>th</sup>, 2008 (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 ("TSX-V") 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 engaged in the acquisition, exploration, and development of precious and base metal bearing properties. The Company's mineral property interests are comprised of properties located in British Columbia, Canada, Argentina and in Australia. 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.

**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 November 30, 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 third quarter**

---

#### **(August to November)**

- On September 5, 2007, the Company extended the term of 1,080,000 stock options issued to certain directors, officers and consultants of the Company which were granted on May 5, 2006 at an exercise price of \$0.45. The options are now exercisable for a five year term and now expire on May 4, 2011 rather than May 4, 2008.
- On September 18, 2007, the Company announced that it's preparing to restart the drill program on the Amarillo gold-copper project located in San Juan province in Argentina. As of the end of the third quarter, the program had not yet started and is scheduled to begin during the current quarter.
- On October 15, 2007 the Company signed an Asset Purchase Agreement ("Agreement") setting out the terms and conditions of the Company's acquisition of the Burnakura Exploration Joint Venture and the Burnakura Production Joint Venture which comprise the Burnakura Gold Mine Project and its assets ("Burnakura Project"), owned by Tectonic Resources NL, Burnakura Pty Limited and Extract Resources Limited. (Refer to "Discussion on Properties" for more information.)
- On November 8, 2007, the Company incorporated a wholly owned subsidiary, ATW Venture Australia Pty Ltd., to carry out its operations in Australia.
- The Company completed a private placement financing of 14,000,000 subscription receipts ("the Offering") at a price of \$0.60 per subscription receipt, by a syndicate of agents co-led by PI Financial Corp. and Haywood Securities Inc., for gross proceeds of \$8,400,000. (Refer to Note 5(d) of the interim consolidated financial statements of the Company for the third quarter ended November 30, 2007.) At November 30, 2007, the gross proceeds of the Offering were held in escrow by the Company's trust and transfer agent, Computershare Trust Company of Canada, in a low risk interest bearing account. The Offering was being conducted in conjunction with the Company's acquisition of the Burnakura Project in Western Australia. The completion of the Offering, including the release of the funds and the issuance of all securities underlying the Offering, was pending the Company receiving final TSX-V approval of the Burnakura Project acquisition (received

December 27, 2007), which acquisition was in turn pending approval of the TSX-V (received December 17, 2007), completion of a \$8,400,000 financing and the completion of a NI 43-101 compliant geological report (completed and filed on January 16, 2008).

## **Subsequent Events to November 30<sup>th</sup>, 2007**

### **(December to Present)**

- On December 12, 2007 Dr. David Stone, MBA, P. Eng. joined the Company's Board of Directors.
- On December 19, 2007, the Company granted a total of 2,140,000 incentive stock options, exercisable for a period of five (5) years at an exercise price of \$0.82 per share to certain directors, officers, employees and consultants of the Company.
- On December 27, 2007, ATW Venture Corp. closed its purchase of 100% of the Burnakura Gold Project.
- January 16, 2008, ATW Venture Corp. completed and filed a 43-101 compliant technical report on the Burnakura Gold Mine on SEDAR at [www.sedar.com](http://www.sedar.com).
- On January 17, 2008, the Company issued 50,000 common shares and paid \$50,000 USD to Marifil Mines Ltd. as first anniversary payment under the option agreement on the Amarillo property, Argentina.
- On January 21, 2008, ATW Venture Corp. announced that it contracted the services of Murchison Exploration to carry out a minimum 5000 meter RC drill program at the Company's Burnakura gold mine in Western Australia.
- On January 28, 2008, the Company granted 50,000 incentive stock options, exercisable for a period of two (2) years at an exercise price of \$1.04 per share to certain consultants of the Company.

## **Discussion on Properties**

The Company's strategic plan is to acquire, explore and develop interests in mining projects. The Company's mineral property interests are comprised of properties located in British Columbia, Canada, Argentina and in Australia.

The acquisition of the Burnakura Project reflects ATW's goal to develop into a junior producer with a portfolio of properties at various stages of development. The Burnakura Project is the most advanced of the Company's properties; the Company will continue to explore and develop its other properties.

In addition to its activities at Burnakura, management's long term plans are to acquire and consolidate additional gold production assets in Western Australia.

### **Burnakura Gold Mine Project, Australia**

On October 15, 2007 the Company entered into an Asset Purchase Agreement ("Agreement") with Tectonic Resources NL, Burnakura Pty. Limited and Extract Resources Limited, collectively the "Vendors", pursuant to which the Company completed, on December 27, 2007, its acquisition of the Burnakura Exploration Joint Venture and the

Burnakura Production Joint Venture, which comprise the Burnakura Gold Mine Project and its assets, collectively referred to as the Burnakura Project.

The Agreement was conditional upon TSX-V approval (received December 17, 2007), completion of a \$8,400,000 financing and the completion of a NI 43-101 compliant geological report (completed and filed on January 16, 2008).

The Company paid for the purchase of the Burnakura Project by:

- (a) Paying to the Vendors cash consideration of AUD\$4,000,000;
- (b) Issuing to the Vendors 5,000,000 ATW common shares which are subject to a hold period expiring on April 18, 2008; and
- (c) Issuing to the Vendors 5,000,000 ATW warrants exercisable for a period of three (3) years at an exercise price of \$0.79. The shares underlying the warrants are subject to a hold period expiring on April 23, 2008.

A finder's fee of 450,000 shares was payable to an arm's length party in connection with the acquisition of the Burnakura Project.

The Burnakura Project is located in the West Yilgarn goldfields of Western Australia, home to deposits of gold, nickel, bauxite, mineral sands and tantalum. Historical production from the western Yilgarn exceeds 17,000,000 ounces of gold production. The Burnakura Gold Mine Project consists of 58.8 square km of mining leases and prospecting licenses, a fully permitted 160,000 tonne per annum (450 tpd) CIL gold plant, rolling stock, underground equipment, workshops, office space and a 90 man camp. The project covers 12km of prospective strike length along a major auriferous shear zone and mesothermal gold system. Historic production on the project focused on lower grade surface oxides, which had been historically mined from 15 open pits stretching along the entire 12 km of strike length prior to the underground mining development. Management believes significant potential exists to expand the low grade surface and high grade underground resources on the property.

The Company has contracted the services of Murchison Exploration to carry out a minimum 5000 meter RC drill program at the Company's Burnakura gold mine in Western Australia.

The primary focus of the drill program is to increase current resources, as identified in an ATW news release dated January 17, 2008, by drilling along the 1500 metre (m) strike length from the underground workings at NOA 2, north toward the NOA 7-8 open cut. Intercepts from previous drilling in the area include:

- 7 metres @ 17.3 grams per tonne (gpt) gold
- 3 metres @ 42.6 gpt gold
- 5 metres @ 9.11 gpt gold

Additional drilling will target a high grade zone beneath the New Alliance Pit, 3 kilometers south of NOA 2, where previous drilling returned an intersection of 17.4 meters grading 19.7 gpt gold.

Since acquiring the Burnakura Project, ATW has been actively preparing to refurbish the plant and mill, in anticipation to re-commence processing operations in the 2nd quarter of 2008. ATW has engaged consultants to identify potential improvements to the crusher and mill to improve plant efficiency. These options will be assessed and work will begin refurbishing the crusher and mill immediately.

While there are several areas at Burnakura that can potentially contribute to production, the underground workings along the NOA 2 decline will be brought to producing status in the shortest time frame.

Production numbers of the previous operators, from the NOA 2 underground workings, until the cessation of mining activities in December 2006, indicate the average grade of gold recovered was 7.1 gpt. Engineering firms Ravensgate and Orelogy, of Perth, Australia, writers of the Company's 43-101 compliant technical report on Burnakura, have independently calculated a current measured and indicated resource at NOA 2 of 236,946 tonnes grading 8.28 gpt gold.

Upon completion of plant refurbishment, ATW plans to begin operating the mill at its daily capacity of approximately 450 tonnes per day, utilizing material from this resource. Investors are cautioned that a feasibility study has not been completed on Burnakura and there is no certainty the proposed operations will be economically viable.

In preparation to re-commence mining activities from the underground development along the NOA 2 decline, ATW has reached an agreement with the previous operators to purchase certain mining equipment required for underground operations. This equipment includes rolling stock items such as loaders, cranes, pumps, sub-surface ventilation, lighting and communication systems.

## **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 was completed and filed on SEDAR.

### **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:

<b>Amarillo Rock chip sampling Jan 2007</b>						
<b>Sampno</b>	<b>Easting</b>	<b>Northing</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>As g/t</b>	<b>Cu %</b>
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 2007 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. In spring of 2008, the Company plans to drill the number one target area, Esperanza, where previous attempts (ATW-AM01 & 4) failed due to weather and technical difficulties. Two holes totaling 294m were drilled in the Esperanza area but were not completed, and did not reach target depth as the drill program was halted for the season due to the early onset of winter.

The Company is preparing to restart the drill program and is currently obtaining the necessary permits and organizing the logistics for this program. This upcoming program will test Esperanza and two other copper-gold targets nearby.

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

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

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 Ltd., 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***

The Carp property is located about 48 kilometres southwest of Mackenzie in north-central British Columbia in Cariboo and Omineca mining divisions on NTS maps 93O/3E & 3W, and 93J/14E & 14W. The property consists of 72 mineral claims totaling 14,691 hectares and 20 placer claims totaling 500 hectares.

The property is at the south end of the Quesnel terrain in the Mackenzie area and is south of the recent Serengeti porphyry copper-gold discovery in these rocks.

Work during 2007 on the Carp property included trenching both by hand and excavator, prospecting and soil sampling both on forestry roads and grid lines. A total of 1044 soil samples and 60 rock samples were collected. Results indicate anomalous gold, silver, copper, zinc, lead and nickel results in the surveyed area.

Three hand trenches were excavated along a partially exposed outcrop of highly sheared, carbonate altered and limonitic siltstone on the Jack 11 claim. A total of 50 meters of hand trenching was completed in this area. Although grab sampling yielded low gold values from the exposed outcrops, soil sampling in the area indicated highly anomalous gold values up to 0.8 g/tonne.

A long trench was excavated on the Carp 11 claim to expose zinc mineralization associated with skarns formed at the contact of granodiorite intruding into calcareous sediments and argillites. The excavator was used to expose 200 meters of outcrop along an old road. Zinc mineralization is exposed in several locations with one 3.05 meter interval assaying 1.88 % zinc with greater than 1 % lead. Grab sampling of a 0.5 meter boulder above the trench and at the base of a steep hill yielded 7.88 % zinc indicating extension of this zone to the north.

Grab sampling was also conducted from old trenches on the Nickel 1 claim. Values up to 0.19 % Ni were obtained from the pentlandite bearing silicified limestone within these trenches. The nickel bearing formation is up to 10 meters wide and is exposed over 75

meters of length. It appears to dip west and drilling in 2006 was in the footwall portion and likely missed the mineralization.

Deep snow conditions prevented the exploration of areas with molybdenum mineralization reported from 1980's on the Carp claims. Along a contact of a granodiorite with calcareous sediments, metasomatism has created calc-silicate, siliceous, micaceous skarns in which diopside, garnet, carbonates and epidote are prominent. In these skarns abundant magnetite-pyrrhotite mineralization is developed along with varying amounts of molybdenite with lesser chalcopyrite, galena, sphalerite and scheelite. Molybdenite has also been noted as disseminations within the fine grained granites and aplites as well as metasediments. Very limited rock sampling was done in this area. Sampling from six trenches returned values as high as 3.1% molybdenum and 0.68% tungsten over 1.3 metre interval. Copper was weaker with a high of 0.11% Cu over 1.2 m.

The Company will be evaluating the merits of the Carp properties during early 2008 with a view to determine if it warrants future expenditures by the Company.

## **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.

The year ended February 28, 2007 represented 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.

## **Results of Operations – Quarter ended November 30, 2007**

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

	<b>Quarters Ended</b>			
	November 30 2007	August 31 2007	May 31 2007	February 28 2007
	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil
Loss	(444,365)	(883,287)	(655,144)	(342,776)
Loss Per Share Basis	(0.02)	(0.05)	(0.04)	(0.06)
Weighted Average shares	20,938,876	19,625,439	18,570,628	12,213,055
	November 30 2006	August 31, 2006	May 31 2006	February 28, 2006
	\$	\$	\$	\$
Revenue	Nil	Nil	Nil	Nil
Loss	(153,502)	(164,931)	(107,209)	(19,733)
Loss Per Share Basis	(0.01)	(0.02)	(0.01)	(0.01)
Weighted average shares	12,170,769	10,871,757	9,815,000	1,863,510

### *Revenue and Net loss:*

Net loss for the nine month period ended November 30, 2007 amounted to \$1,327,652 as compared to net loss of \$318,433 in 2006. The increase of \$1,009,219 was recorded on operations, stock-based compensation, expenses and write downs of mineral property interests. Refer to the Statements of Operations and Deficit in the interim consolidated financial statements for the nine month period ended November 30, 2007 for details.

Cash Revenues for the nine month period ended November 30, 2007 were \$91,769 as compared to \$12,549 for the nine month period ended November 30, 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 November 30, 2007, were \$499,273 (2006 - \$158,192). The increase in expenses for the three month period ended November 30, 2007 are attributed to an increase in Company activities in general; where as during the three month period ended November 30, 2006 the Company was focused on getting listed on the TSX Venture Exchange.

Summary of highlights listed below:

- Investor Relations expenses in Nov 2007 Q3 were \$81,342 as compared to \$2,000 in Nov 2006 Q3. This increase of \$79,342 is a direct result of increased marketing activities related to the Burnakura Project acquisition.
- Management Fee expenses in Nov 2007 Q3 were \$90,685 as compared to \$37,605 in Nov 2006 Q3. This increase of \$53,080 is a direct result of increased staffing on a management level due to the Company actively engaged in property acquisitions and exploration.
- Office Expenses in Nov 2007 Q3 were \$48,581 as compared to \$11,734 in Nov 2006 Q3. This increase of \$36,847 is a direct result of increased office expenditures related to the Burnakura Project acquisition.
- Professional Fees in Nov 2007 Q3 were \$82,745 as compared to \$31,916 in Nov 2006 Q3. This increase of \$50,829 is a direct result of increased legal and accounting fees in relation to the Burnakura Project acquisition.
- Travel and entertainment Expenses in Nov 2007 Q3 were \$101,603 as compared to \$25,820 in Nov 2006 Q3. This increase of \$75,783 is related to property visits for due diligence purposes on the Burnakura Project acquisition and increased travel related to Investor Relations.
- Regulatory and shareholder services Expenses in Nov 2007 Q3 were \$7,289 as compared to \$38,122 in Nov 2006 Q3. The higher expenses in 2006 were in relation to the Company getting listed on the TSX Venture Exchange.
- Stock-based compensation Expenses in Nov 2007 Q3 were \$69,630 as compared to \$Nil in Nov 2006 Q3. This increase is due to extending the term of 1,080,000 stock options from a 2 year term to a 5 year term (refer to Note 5 in the interim unaudited consolidated financial statements.)

Refer to the Statements of Operations and Deficit in the interim unaudited consolidated financial statements for the third quarter ended November 30, 2007 for details.

## **Liquidity and Capital Resources**

---

The Company has financed its operations through the sale of its equity. 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 November 30<sup>th</sup>, 2007, the Company had a cash position of \$11,630,218 and working capital of \$11,218,681 compared to cash of \$1,363,584 and working capital of \$1,250,129 as at 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 period ended November 30, 2007, the Company paid or accrued management fees of \$139,695 (November 30, 2006 - \$90,210) to a company controlled by the president of the Company and \$91,250 (November 30, 2006 - \$Nil) to two directors of the Company. The Company also paid \$50,000 (November 30, 2006 - \$Nil) in investor relations fees to a director of the Company.

Included in accounts payable is an amount of \$26,387 (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. 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 entitled the shareholder thereof to purchase one additional common share for a period of one year from the closing date of the IPO, being November 23, 2007, at a price of \$0.60 per warrant share. 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 IPO warrants. All of the agent warrants were exercised, in addition to

1,473,500 of the \$0.60 IPO warrants. The remaining 26,500 unexercised IPO warrants forfeited on November 23, 2007.

- On March 29, 2007, the Company completed a private placement of 5,000,000 units at \$0.64 per unit for gross proceeds of \$3,200,000. 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. The Company paid finder's fees of \$256,000 for the placement and administration fees of \$10,000 to the agent.
- The Company completed a private placement in two tranches on November 28 and 29, 2007 for 14,000,000 Subscription Receipts (the "Subscription Receipts") at a price of \$0.60 per Subscription Receipt for gross proceeds of \$8,400,000. The gross proceeds were held in escrow on behalf of the subscribers by Computershare Trust Company of Canada (the "Escrow Agent"). Each Subscription Receipt will be exercisable, for no additional consideration into one unit (a "Unit") of the Company upon conditions precedent to the Acquisition being satisfied, approval for the Acquisition being received, and the Agents being satisfied with their due diligence (collectively, the "Release Conditions"). Each unit consists of one common share and one-half share purchase warrant, each whole warrant entitling the holder to purchase one additional common share at a price of \$0.80 for a period of two years from the release date except that if over a period of 20 consecutive trading days between the date that is four months following the closing date and the expiry of the warrant, the daily volume weighted average trading price of the common shares on the TSX Venture Exchange, or such other stock exchange where the majority of the trading volume occurs, exceeds \$1.25 on each of those 20 consecutive days, the Company may give notice in writing to the warrant holders within 30 days of such an occurrence that the warrants will expire at 4:00 PM (Vancouver time) on the 30th day following the giving of such notice unless exercised by the holders prior to such date. The common shares underlying the units and other securities to be issued (including the compensation options issued to the agents as described below) are subject to a hold period expiring on March 28, 2008 (as to the first tranche) and March 30, 2008 (as to the second tranche).

Share issue costs in relation to this financing consisted of a 7.0% commission on \$8,283,000 commissionable units placed by agents, payable in a combination of i) \$318,597 in cash and ii) 435,355 units having the same terms as the private placement units and iii) legal and administrative costs of \$42,870. These costs have been deferred until the release of the funds and corresponding issuance of the units.

In addition, the Company is to issue a total of 1,104,400 compensation options equal in number to 8% of the number of commissionable receipts sold under the offering. Each compensation options entitles the agents to purchase one common share at a price of \$0.65 for a period of two years, from the release date (December 17, 2009.) The hold period on the common shares underlying the compensation options expires on March 29, 2008 (as to the first tranche) and March 30, 2008 (as to the second tranche).

At November 30, 2007, the proceeds from this private placement were held in escrow. The release of the funds was pending the Company receiving final Exchange approval of the Company's acquisition of the Burnakura Project in Western Australia. On December 17, 2007 the funds were released and all securities underlying the offering were issued (see Note 9, Subsequent events of the Financial Statements).

## Share Capital

---

The Company has one class of common shares. As at November 30, 2007, there are 21,913,500 common shares issued and outstanding. As at the date of this report, there are 41,876,355 common shares issued and outstanding.

At November 30, 2007, 5,715,000 shares are held in escrow, of which 1,428,750 will be released every six months. An escrow release occurred on November 23, 2007.

### Warrants:

The Company has 15,999,755 warrants outstanding as at January 29, 2008

Summary of warrants outstanding:

<u>Warrants Issue Date</u>	<u>Number Outstanding</u>	<u>Exercise Price</u>	<u>Expiry Date</u>	
Mar 29, 2007	2,460,000	\$0.800	March 28, 2008	
Dec 17, 2007	7,000,000	\$0.800	December 17, 2009	
Dec 17, 2007	1,104,400	\$0.650	December 17, 2009	*
Dec 17, 2007	435,355	\$0.800	December 17, 2009	**
Dec 24, 2007	<u>5,000,000</u>	\$0.790	December 24, 2010	
<b>total:</b>	<b>15,999,755</b>			

\* Agent Compensation Warrants

\*\* Agent Commission Warrants

During the three month period ended November 30<sup>th</sup>, 2007 1,233,250 warrants were exercised for total proceeds of \$742,450.

### Stock Options:

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

<u>Option Issue 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, 2011**
December 4, 2006	400,000	\$0.80	December 3, 2011
April 5, 2007	514,000	\$0.95	April 4, 2012
December 19, 2007	2,140,000	\$0.82	December 18, 2012
January 28, 2008	<u>50,000</u>	\$1.04	January 28, 2010
<b>total:</b>	<b>4,184,000</b>		

\*\* On September 5, 2007 the expiry date of the options was extended from May 4, 2008 to May 4, 2011.

## **Off-Balance Sheet Arrangements**

---

The Company has no off-balance sheet arrangements.

## **Disclosure Controls and Procedures**

---

For the nine month period ended November 30, 2007, a review was 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 November 30, 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.  
David Stone, Bsc Geo, PhD Eng.  
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

Computershare Trust Company of Canada  
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  
Frankfurt Exchange – Trading Sumbol: A3N

CAPITALIZATION

Common Shares

Authorized: unlimited  
Issued: 41,876,355