

DUNDARAVE RESOURCES INC.

MANAGEMENT DISCUSSION & ANALYSIS

For the Year ended December 31, 2007

1.1 Date of This Report

April 4, 2008

1.2 Overall Performance

Description of Business

Dundarave Resources Inc. is a Canadian resource company involved in the identification, acquisition, exploration and development of natural resources. On October 4, the Company entered into a patent and technology license agreement (the "Agreement") with ENPAR Technologies Inc. (TSX-V: ENP) ("ENPAR"). The Agreement provides the Company with an option to acquire an exclusive worldwide license to ENPAR's ExtrEL leaching system technology and all related intellectual property as it relates to the recovery and the extraction of nickel and associated by-products contained in the nickel sulphide mine tailings.

Technology Description

The ExtrEL process promises to be a cost-effective and very energy efficient solid sulphur-rich mining waste dissolution technology. The process produces a uniform acidic matrix which can then be blended with appropriate metal, acid and water recovery technologies to develop an integrated processing circuit. This circuit could be modular in design, and thus relatively easily transported and installed to function on small remote sites with easy waste resource access, perhaps even powered by a local Green Energy source.

The process applies basic acid dissolution chemistry with minimal energy input to drive combination oxidation-reduction reactions which dissolve the sulphur-rich pyrite and pyrrhotite minerals in the tailings wastes. The combined reactions produce a process stream high in dissolved iron, and a waste stream of hydrogen sulphide which can be converted using existing technologies to either elemental sulphur or sulphuric acid.

The breakthrough ExtrEL process dissolves nickel from tailings. The nickel, in concentrations approaching 1.0% in both active and closed mill wastes, can be separated from the acidic solution matrix.

Unoptimized bench-scale trials of ExtrEL to date have provided over 75% recoveries of nickel occluded in the pyrrhotite waste from a Sudbury Tailings stream sample.

Third-party evaluation of technology

Dundarave Resources has engaged Dr. Graeme A. Spiers, C. Chem., the Chair of Environmental Monitoring at Laurentian University, to conduct due diligence on the ExtrEL process. Dr. Spiers has 25 years of research and facilities management experience in academic, government and commercial laboratory environments. His research has focused on effects of acidification and extreme metal insult on pedologic processes, particularly as these relate to seasonal metal fluxes to water bodies.

He is the author of over 100 publications, including 35 journal papers that have contributed to the understanding of metal translocation in soil-plant systems, and have also included pioneering work in development of slurry analytical methodologies for mineral materials.

According to Dr. Spiers, the ExtrEL technology has two major benefits: potential economic advantages and potential solution to environmental issues faced by the mining industry.

ExtrEL's Economic Advantages

The target feedstock for the ExtrEL process is not an expensive new ore body to be developed, but the sulphur-rich tailings waste streams from the concentrate mills of the modern and closed sulphidic-feed smelter operations at any location around the globe.

The ExtrEL technology has the potential to revolutionize the modern mining industry by:

- Recovering economically significant tonnages of base metals such as nickel from surface mining industry waste dumps at relatively low costs
- Producing economically significant tonnages of elemental sulphur or sulphuric acid from surface waste dumps as a by-product of the base metal extraction process

Potential Reduction of Environmental Liabilities

The other significant benefit of further developing the ExtrEL technology into an integrated metal, acid, gas and water recovery system could be the potential reduction of environmental liabilities for the mining industry.

Metal recovery from such metal and sulphur-rich wastes could become a stand-alone profit centre while reducing the environmental liability facing the mining industry.

Near-term Development Plan

As part of the Agreement, Dundarave Resources will fund an optimization and design program and the full cost of the construction of the test pilot plant to process a significant amount of nickel tailings. The Company is actively seeking a suitable nickel sulphide tailings deposit for the demonstration plant. Dundarave Resources has sufficient funds and resources to complete optimization and design program upon successful completion of this first stage, the Company may require additional funding to complete the pilot plant.

Deal structure

In order to exercise the option the Company must make capital expenditures of up to \$3,200,000, grant a \$5,000,000 royalty, and issue 8,000,000 common shares, each instalment of which shall be subject to a four month hold period.

The Agreement provides the Company with a right of first negotiation and refusal throughout the term of the Agreement and for a further period of 12 months thereafter in connection with the acquisition or sale, transfer, license or other form of disposition by ENPAR of any form of technology or related intellectual property used to recover and extract other metals.

As part of the Agreement, the Company will fund an optimization and design program and the full cost of the construction of the test pilot plant to process a significant amount of nickel tailings. The optimization and design program is expected to cost \$200,000 and culminate in design plans for the test pilot plant. Construction of the

test pilot plant is estimated to be \$3,000,000 and any excess costs would result in a claw-back whereby the royalty owing to ENPAR would be reduced by the amount construction exceeds \$3,000,000.

Subject to the claw-back, ENPAR will receive a royalty totalling \$5,000,000 for the rights to the ExtrEL leaching system technology. This royalty will be paid by the Company by providing ENPAR with an annual maximum of 20% of the net annual profits earned by the Company from the sale of nickel produced by the test pilot plant using the technology.

TSX Venture Final Approval of the Transaction

Dundarave has applied for and received a final approval of the transaction from TSX Venture. Originally the Company has obtained the conditional approval from the TSX Venture Exchange for the licensing agreement. The TSX Venture has determined that the transaction is a fundamental acquisition (as defined in TSX Venture Exchange Policy 5.3) and requires that the Company obtain shareholder approval for the transaction.

Subsequently the Company held its Extraordinary General Shareholders' meeting on February 1, 2008 to vote on the approval of the transaction. The Company shareholders voted in favour of the transaction. After the vote, TSX Venture Exchange has accepted all the documentation required for the completion of the transaction.

The final approval of the transaction allows the Company to initiate the Optimization and Design Program which will focus on reactor design and the iron/nickel separation process.

Management and Directors

1.3 Selected Annual Information

The highlights of financial data for the Company for the three most recently completed financial years are as follows:

	<u>December 31,</u> <u>2007</u>	<u>December 31, 2006</u>	<u>December 31,</u> <u>2005</u>
(a) Net sales	-	-	-
(b) Loss before extraordinary items			
(i) Total income (loss)	\$(51,492)	\$(262,928)	\$38,735
(ii) Income (Loss) per share (basic)	\$(0.01)	\$(0.04)	\$0.01
(iii) Income (Loss) per share (diluted)	\$(0.01)	\$(0.04)	\$0.01
(c) Total assets	\$1,791,284	\$1,091,275	\$1,336,452
(d) Total long-term liabilities	N/A	N/A	N/A
(e) Cash dividends declared per-share	N/A	N/A	N/A

1.4 Results of Operations

The net loss for the year ended December 31, 2007 was \$51,492 as compared to \$262,928 for the comparative previous year. This is mainly due to a loss on disposal of mineral properties of \$413,923 for the previous year, off-set against stock based compensation of \$136,881 (2006 - \$18,394).

The Company received interest of \$46,990 (2006 - \$24,735).

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Q4 31-Dec-07	Q3 30-Sep-07	Q2 30-Jun-07	Q1 31-Mar-07	Q4 31-Dec-06	Q3 30-Sep-06	Q2 30-Jun-06	Q1 31-Mar-06
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net income(loss)	\$(100,938)	\$64,894	\$(5,528)	\$(9,920)	\$22,263	\$(422,572)	\$20,401	\$116,980
Basic earnings (loss) per share	\$(0.01)	\$0.01	\$(0.00)	\$(0.01)	\$(0.00)	\$(0.06)	\$0.00	\$0.02
Diluted earnings (loss) per share	\$(0.01)	\$0.01	\$(0.00)	\$(0.01)	\$0.01	\$(0.06)	\$0.00	\$0.01

1.6 Liquidity

The Company has no revenue generating projects at this time. The Company's historical capital needs have been met by equity subscriptions. The Company will require additional financing to fund any property acquisitions as well as exploration programs on any properties it acquires. As at December 31, 2007, the Company's working capital was 1,727,41 (compared to \$1,080,669 at December 31, 2006). The ability of the Company to successfully acquire and develop properties in the resource sector is conditional on its ability to secure financing when required. The Company proposes to meet any additional financing requirements through the exercise of outstanding stock options and warrants, or arranging other equity financing, and/or finalizing a joint venture agreement with a partner(s) who will be able to assume the costs of recommended exploration programs. In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions or finding a joint venture partner will be possible at the times required or desired by the Company.

1.7 Capital Resources

The Company currently does not own any mineral properties but is actively seeking nickel tailings properties to utilize the ExtrEL technology.

1.8 Off Balance Sheet Arrangements

There is no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

During the year ended December 31, 2007, the Company paid consulting fees of \$61,000 (2006 - \$70,000).

There are no formal agreements for the related party transactions described above.

1.10 Proposed Transactions

None.

1.11 Changes in Accounting Policies

Effective on January 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants relating to financial instruments. These new standards have been adopted on a prospective basis with no restatement of prior period financial statements.

1.12 Financial and Other Instruments

The carrying value of cash and cash equivalents and accounts payable approximate their fair values due to the short maturity of those instruments.

1.13 Outstanding share data

At the date of this report, the Company has 9,635,976 issued and outstanding common shares.

1.14 Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to permit timely decisions regarding public disclosure.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer has concluded that the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings ("52-109"), are effective to ensure that the information required to be disclosed in reports that are filed or submitted under Canadian Securities legislation are recorded, processed, summarized and reported within the time period specified in those rules. In conducting the evaluation it has become apparent that management relies upon certain informal procedures and communication, and upon "hands-on" knowledge of senior management. Management intends to formalize certain of its procedures. Due to the small staff, however, the Company will continue to rely on an active Board and management with open lines of communication to maintain the effectiveness of the Company's disclosure controls and procedures. Lapses in the disclosure controls and procedures could occur and/or mistakes could happen. Should such occur, the Company will take whatever steps necessary to minimize the consequences thereof.

1.15 Internal controls and Procedures over Financial Reporting

Management is also responsible for the design of the Company's internal control over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. As is indicative of small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated by senior management monitoring which exists. The Company is taking steps to augment and improve the design procedure and controls impacting these areas of weakness over internal control over financial reporting. It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable assurance, not absolute assurance, that the objectives of the control system are met.

1.16 Subsequent Event

Subsequent to December 31, 2007, the Company issued 1,300,000 shares to Enpar Technologies Inc.

Additional information

Additional information relating to the company is on SEDAR at www.sedar.com.

1.17 Risk Factors

Prior to making an investment decision investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out below to be the most significant to potential investors in the Company, but are not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware or which they consider not to be material in relation to the Group's business, actually occur, the Group's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

Dundarave Will Require Additional Capital in the Future

The Company has limited financial resources. The Company will continue to make substantial capital expenditures related to technology development and production. In particular the Company will have further capital requirements as it proceeds to expand its present development activities, or to take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it.

In addition, the Company may incur major unanticipated liabilities or expenses. There can be no assurance that the Company will be able to obtain necessary financing in a timely manner on commercially acceptable terms, if at all.

Volatile demand for nickel and other commodities and the volatile price for nickel and other commodities may make it difficult or impossible for the Company to obtain debt financing or equity financing on commercially acceptable terms or at all. Failure to obtain such additional financing could result in delay or indefinite postponement of further development and commercialization of its projects with the possible loss of the rights to such technologies.

Dundarave's Operations are Subject to Operational Risks and Hazards Inherent in the Mining Industry

The Company's business is subject to a number of inherent risks and hazards, including environmental pollution, accidents or spills; industrial and transportation accidents, which may involve hazardous materials; labour disputes; power disruptions, catastrophic accidents; failure of plant and equipment to function correctly, the inability to obtain suitable or adequate equipment, fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, underground floods, earthquakes, pit wall failures, ground movements, tailings, pipeline and dam failures and cave-ins; and encountering unusual or unexpected geological conditions and technical failure of mining methods.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the general, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures estimated by management may differ from the actual expenditures required.

Government Regulation

The Company's mineral exploration and planned development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. Although the Company believes its exploration and development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Many of the mineral rights and interests of the Company are subject to government approvals, licenses and permits. Such approvals, licenses and permits are, as a practical matter, subject to the discretion of applicable governments or governmental officials. No assurance can be given that the Company will be successful in maintaining any or all of the various approvals, licenses and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations or applicable laws or regulations.

Amendments to current laws and regulation governing operations or more stringent implementation thereof could have a substantial impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Political Risk

The Company's future prospects may be affected by political decisions about the potash market. There can be no assurance that the Canadian or other government or quasi-governmental authority will not enact legislation or other rules restricting potash extraction and processing activities, or restricting to whom the Company can sell its product. In addition the price of commodities may be affected by decisions of state governments.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares.

Availability of Qualified Personnel

The mining industry generally is experiencing a significant shortage of qualified personnel particularly in the availability of professionals such as mining engineers, metallurgists and geologists. There is also a shortage of staff and skilled workers and, as a result, training to fill the positions may be necessary in order to achieve Dundarave's planned production activities. The current demand for people has also resulted in a significant escalation of salaries and wages.

Competition and Technology Innovation

Dundarave operates in a competitive industry. The ability of the Company to market its current technology and to introduce new products or enhancements of existing products could require significant additional research and development expenditures. While there can be no assurance of the ability of the Company to penetrate target markets and sustain a share of those markets, the Company has no knowledge of existing or upcoming technologies that would render obsolete or significantly displace ExtrEL in the near future. However, such risk exists and, if it was to materialize, would have an adverse impact on the future growth of the Company.

Patents

Although a patent has a statutory presumption of validity, its issuance is not conclusive as to its validity or as to the enforceability of its claims. Moreover, the laws of certain countries may not protect proprietary rights to the same extent, as do the laws of Canada, the United States and the United Kingdom. Accordingly, there can be no assurance that the Company's patents will afford legal protection against competitors, nor can there be any assurance that the patents will not be infringed by others or that others will not obtain patents that the Company would need to license. Furthermore, successful challenges to certain of the Company's patents could materially and adversely affect its competitive and financial condition.