

**MICREX DEVELOPMENT CORP.**  
**Management Discussion and Analysis**

The following discussion prepared January 29, 2008, of the financial condition, changes in financial condition and results of operations of the Corporation for the period ended November 30, 2007 should be read in conjunction with the financial statements of the Corporation and related notes included therein.

**Forward-Looking Information**

This management discussion and analysis ("MD&A") contains certain forward-looking statements and information relating to Micrex Development Corp. ("Micrex" or the "Corporation") that are based on the beliefs of management as well as assumptions made by and information currently available to the Corporation. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Corporation or its management, are intended to identify forward-looking statements. Such forward-looking statements relate to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration of the Corporation's exploration properties. Such statements reflect the current views of the Corporation with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievement of the Corporation to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

**Overall Performance**

Over the past 8 years, the Corporation has continued its focus as a natural resource corporation with interest in precious metal, industrial minerals and gemstone properties located in Alberta, BC and New Mexico. The Corporation focuses the majority of its attention on the "proving up" of prospective properties as exploration dollars can be focused in a direct manner. Active exploration for undiscovered resources is, at present, not a priority. The Corporation is interested in properties which have a demonstrated resource, usually through historical production or testing by credible authorities such as Government Geological Survey personnel. The Corporation gives high priority to those properties which can be brought to production with relatively low cost and in a timely manner.

Two gold exploration properties are located in British Columbia and have excellent potential for future development. Three properties are located in Alberta. The Burmis Magnetite property is at the permitting stage and the Clear Hills and Buffalo Hills properties, which have diamond and poly metallic mining potential, are in the first stages of examination. The Corporation has three gold properties in New Mexico, one of which is being actively explored. The Corporation's Quebec Magnetite property has been leased to a third party who has commenced early stage operations.

The Corporation is in the middle of the permitting process for its Alberta magnetite property, with a view of putting it in production in 2008. A recent exploration program on the

Corporation's Big Horn gold property yielded encouraging results, resulting in the staking of additional ground around existing claims. The Corporation has entered into an agreement with a third party that will develop its Deadwood gold property in New Mexico.

### **Quarter Ended November 30, 2007**

#### **Results of Operation**

During the quarter ended November 30, 2007, the Corporation incurred a loss of \$90,459. The Corporation had no revenue. General and administrative expenses amounted to approximately \$85,141, including wages in the form of consulting fees. Amortization was \$1,018.

#### **Liquidity and Capital Resources**

As at November 30, 2007 the Corporation had 32,768,858 common shares outstanding. 250,000 shares were issued during the quarter for mineral property interests at a deemed cost of \$70,000.

Additional capital will need to be raised for additional exploration programs on the Corporation's properties. The amount and timing of such will depend upon the results of current exploration programs and market conditions at the time.

The Corporation's ability to continue to fund its operations depends upon its ability to sell shares to raise equity both on a flow-through and non flow-through basis as it has no source of revenue. The Corporation plans to put the Burmis Magnetite property into production and to receive royalty income from the Quebec Magnetite deposit in 2008, so the Corporation anticipates being able to generate some cash flow by the end of 2008.

The Corporation has no long term debt or leases. It plans to raise the funds necessary to put the Burmis property into production with a combination of debt and equity. The total funds required to be raised in this respect is approximately \$500,000. This project requires the necessary permits from the Alberta government. The permitting process is currently underway. The Corporation is currently resubmitting an updated application.

In Quebec, the Corporation has leased the property to an arms-length third party, who has undertaken preliminary operations on the property. All costs are for the leasee's account, and Micrex will receive a royalty on production.

Additional capital will need to be raised for additional exploration programs on the Corporation's other properties. The amount and timing of such will depend upon the results of current exploration programs and market conditions at the time

### **Quarter Ended November 30, 2006**

#### **Results of Operation**

During the quarter ended November 30, 2006, the Corporation incurred a loss of approximately \$86,248. The Corporation had no revenue. General and administrative expenses amounted to

approximately \$71,794, including wages in the form of consulting fees. \$13,000 was recorded as stock based compensation expense. Amortization was \$1,454..

### **Liquidity and Capital Resources**

During the quarter 83,586 units (\$371,125) were issued as a flow-through private placement. Each unit consists of 9 flow-through shares, 3 shares and 12 share purchase warrants.

### **Outlook**

For 2008, the Corporation plans to continue to focus its efforts on its Burmis Magnetite property. Progress has been made towards getting this deposit into production, and the Corporation anticipates receiving production revenue during the 2008 calendar year.

With a continuing strong gold price and investor interest in gold exploration, the Corporation is planning to conduct further exploration on its Big Horn gold property.

### **Summary of Quarterly Results**

#### **Two Year Quarterly Financial Data**

<u>2006</u>	<u>Feb 28/06</u>	<u>May 31/06</u>	<u>Aug 31/06</u>	<u>Nov 30/06</u>
Total Revenue (\$)	Nil	Nil	Nil	Nil
Total Income (loss) (\$)	(155,273)	(228,014)	(367,586)	(86,248)
Income (loss) per share (\$)	(0.005)	(0.008)	(0.012)	(0.003)
<u>2007</u>	<u>Feb 28/07</u>	<u>May 31/07</u>	<u>Aug 31/07</u>	<u>Nov 30/07</u>
Total Revenue (\$)	Nil	Nil	Nil	Nil
Total Income (loss) (\$)	(111,699)	(6,698)	(215,315)	(90,459)
Income (loss) per share (\$)	(0.004)	(Nil)	(0.003)	(0.003)

### **Transactions with Related Parties**

During the period Micrex paid \$30,000 (2006 - \$30,000) to a director for consulting and management services provided.

Of the amount owing to shareholders, the balance owing to directors as at November 30, 2007 was \$60,759 (Aug 31, 2007 - \$20,959).

During the period the Corporation paid \$31,500 (2006 - \$32,500) to certain shareholders for subcontract services, and also paid legal fees to a law firm of which the corporate secretary is a partner.

### **Outstanding Share Data**

As at November 30, 2007 the following shares, warrants and options are outstanding:

32,768,858 common voting shares.

**Management and Directors' Options Outstanding at November 30, 2007:**

<b>Number</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
218,416	0.30	February 19, 2008
230,000	0.35	December 9, 2008
165,000	0.32	January 4, 2009
225,000	0.31	February 5, 2009
200,000	0.23	June 9, 2009
85,000	0.22	November 26, 2009
384,000	0.16	April 27, 2010
75,000	0.23	September 29, 2010
375,521	0.30	December 28, 2010
520,000	0.50	March 23, 2011
140,000	0.29	February 13, 2012
673,000	0.27	May 30, 2012
80,000	0.25	July 4, 2012

The following warrants were outstanding as at November 30, 2007:

- i. 958,689 warrants with an exercise price of \$0.23 per share are attached to shares that have been deposited in performance escrow. These warrant expire 6 months after the release of the performance shares from escrow.
- ii. 720,352 warrants expiring April 9, 2008.

**Critical Accounting Policies**

**Stock-based Compensation**

The Corporation adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3870 "Stock-based Compensation and Other Stockbased Payments", which requires fair value accounting for all stock options issued during the year. A formula is used, relying on factors such as interest rates, volatility and length of time an option will be held. When determining the volatility factor and length of options for its stock-based compensation assumptions, management of the Corporation is required to make estimates for the future volatility of its shares and the length of time stock options will remain unexercised. These assumptions may not necessarily be an accurate indicator of future volatility. The model used was developed for securities whose market is liquid. The application of this model to the value of the Corporation's options is unlikely to be an accurate indicator of fair value.

**Multilateral Instrument 52-109 Disclosure Evaluation**  
**Evaluation of Disclosure Controls and Procedures**

Micrex has evaluated the effectiveness of its disclosure controls and procedures and have concluded that they are sufficiently effective to provide reasonable assurance that material information relating to the Corporation is made known to management and disclosed in accordance with applicable securities regulations.

**Internal controls over financial reporting**

The Chief Executive Officer and Chief Financial Officer, together with other members of management, after having designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reporting in accordance with the issuer's GAAP as of November 30, 2007, have not identified any factors of the Corporation's internal control over financial reporting which would materially affect, or is reasonably likely to materially affect the Corporation's internal control over financial reporting, other than the fact that financial reporting is largely controlled by the CEO. Given the size and nature of the Corporations assets and small management team, this is not likely to change in the near future.

**Additional Disclosure**

	<b>November 30 2007</b>	<b>November 30, 2006</b>
Consulting fees and sub-contracting fees	\$47,250	\$62,500
Stock based compensation	Nil	Nil
Professional fees	\$15,750	\$1,853
Total general and administrative costs	\$85,141	\$71,794

<b>Deferred Exploration costs, by property:</b>	<b>August 31, 2007</b>	<b>November 30, 2007</b>
Big Horn Mine	\$437,038	\$437,038
Deadwood and Sunburst Mines	\$23,024	\$23,024
Burmis Magnetite Deposit	\$1,008,434	\$1,029,318
Quebec Deposit	\$89,318	\$89,318
Accumulated deferred exploration total	\$1,557,814	\$1,578,698

Further information with respect to the Corporation can be found on its website at [www.mixcorp.com](http://www.mixcorp.com) and on the SEDAR website.