

## FORM 51-102F1

### ICON INDUSTRIES LIMITED

#### MANAGEMENT DISCUSSION & ANALYSIS – DECEMBER 31, 2007

*The following management discussion and analysis (“MDA”) provides information on the activities of Icon Industries Limited (“Icon” or the “Company”) and should be read in conjunction with the audited financial statements and notes thereto for the years ended December 31, 2007 and 2006. The financial statements have been prepared in Canadian dollars and in accordance with Canadian generally accepted accounting principles. Readers are cautioned that management’s discussion and analysis contains forward-looking statements and that actual events may vary from management’s expectations.*

#### **Description of Business and Report Date**

The Company's principal business activity is the exploration and development of mineral properties. The Company currently has exploration properties in Manitoba and Quebec, as further described herein.

Certain information disclosed in this discussion is derived from the Company’s audited financial statements for the year ended December 31, 2007.

The following MDA is for the year ended December 31, 2007 (the “Current Year”) and includes relevant information up to April 24, 2008 (the “Report Date”).

#### **Overall Performance**

##### **Otish Mountain Uranium Property**

During the year ended December 31, 2007, the Company entered into an assignment agreement with Tasso Baras and Kevin Torudag (the “Assignors”), whereby the assignors assigned all of their rights, title and interest (the “Assignment”) in and to the letter agreement dated March 12, 2007 with Ms. Lai Lai Chan (the “Owner”) for an option to acquire 85 contiguous mineral claims (the “Property”) in the Otish Mountain area of Quebec (the “Letter Agreement”). The Company issued the Assignors 500,000 common shares, valued at \$400,000, as consideration for the Assignment.

The Company entered into a formal option agreement (the “Option Agreement”) dated March 30, 2007 with Ms. Lai Lai Chan as provided for by the terms of the Letter Agreement. Pursuant to the terms of the Option Agreement, the Company has the right to earn a 100% interest in the Property by making \$250,000 in cash payments, issuing 1,000,000 common shares, and completing \$1 million of expenditures on the Property over 3 years as follows:

- Pay \$75,000 and issue 300,000 shares on March 30, 2007; (paid and issued; shares valued at \$273,000)
- Pay \$75,000 (subsequently paid), issue 350,000 shares (subsequently issued with a value of \$140,000), and incur exploration expenditures of \$300,000 by March 30, 2008 (subsequently extended to October 30, 2008);
- Pay \$100,000, issue 350,000 shares, and incur \$350,000 by March 30, 2009;
- Incur exploration expenditures of \$350,000 by March 30, 2010.

The Property is subject to a 2% Net Smelter Royalty with the Company having the right to purchase half of the 2% NSR (i.e. 1%) for \$1,000,000.

Also during the year ended December 31, 2007, the Company entered into an option agreement dated April 10, 2007 with Eloro Resources Ltd. pursuant to which the Company has an option to earn up to a 55% interest in 7 mineral claims located in the Lac Henri prospect of the Otish Mountain area of Quebec. In order to earn an initial 50% interest, the Company is required to issue 300,000 common shares and complete \$1 million of expenditures on the property over a 3-year period. The terms are as follows:

- Issue 50,000 shares upon signing (April 23, 2007); (issued, shares valued at \$60,000)
- Issue 100,000 shares (subsequently issued with a value of \$55,000) and incur \$150,000 of expenditures by 1<sup>st</sup> year anniversary (subsequently extended to September 10, 2008);
- Issue 150,000 shares and incur \$300,000 of expenditures by 2<sup>nd</sup> year anniversary;
- Incur \$550,000 of expenditures by 3<sup>rd</sup> year anniversary.

Upon exercising the initial option, the Company has eighteen months in which to acquire a further 5% interest in the property by paying a further \$500,000 in cash.

The property is subject to a 2% NSR with the Company having the right to purchase half of the 2% NSR (i.e. 1%) for \$1,000,000.

### Exploration history and current activities

Historically, Icon's Otish property was explored for uranium in the 1970's as part of a regional program by Uranerz Exploration and Mining (Uranerz), who conducted regional mapping, airborne radiometric and geochemical surveys, and prospecting over the area. In 1978, this work resulted in the discovery of a large uraniumiferous boulder field in overburden extending over an area of 500 m by 200 m, and which is developed north of the Otish Basin in north-central portions of the property. From this boulder field, Uranerz sampled 49 boulders which returned an average grade of 0.11 % U<sub>3</sub>O<sub>8</sub>. Individual boulders within this are reported to include several which contain >0.25% U<sub>3</sub>O<sub>8</sub>, including by boulder number, B28 which returned 0.32% U<sub>3</sub>O<sub>8</sub>, B40 which returned 0.91% U<sub>3</sub>O<sub>8</sub>, B153 which returned 0.28% U<sub>3</sub>O<sub>8</sub>, 8BK16 which returned 0.27% U<sub>3</sub>O<sub>8</sub> and 8BK17 which returned 0.46% U<sub>3</sub>O<sub>8</sub>.

The boulders comprise brecciated biotite gneiss and pegmatite which have negligible thorium content, consistent in mineralization style with the style of known vein and fault hosted deposits in the Otish region. Surficial geology examination by Uranerz suggests local derivation of the angular boulders, possibly from an adjacent fault, but the source was not located at the time.

Icon conducted an initial ground prospecting and reconnaissance mapping program during August and September of 2007 on the Otish property. The summer field reconnaissance program succeeded in locating the Lac Henri boulder field (the "boulder field"). The field program was further complemented with a high-resolution, 825 line kilometer airborne radiometric-magnetic survey, which was undertaken by Geo Data Solutions Inc. ("GDS"). Due to contractor availability, the survey was only completed in early October, preventing ground follow-up of the results.

In addition, 10 claims which are adjacent to the Company's property along its northwestern boundary, and formerly held by a third party, became available for re-staking by online bidding on December 8, 2007. The Company has entered into arrangements with the three successful staking applicants to act on the Company's behalf to acquire those claims which will enhance the Company's current property holding. Furthermore, some of the most intense radiometric anomalies identified by the GDS radiometric survey are located on several of the newly acquired claims.

The GDS airborne radiometric-magnetic survey has confirmed the position and extent of the historical radiometric anomaly on the property which was identified in the 1970's by Uranerz Exploration and Mining ("Uranerz"). Furthermore, the anomaly has been found to be more intense and extensive than expected, and internally contains areas of higher radioactivity which correspond with structural targets (faults) suggested by the magnetic survey. The anomaly is large, extending northeast for more than 6 kilometers across the north and central parts of the property, with a width of 1.2 - 2 kilometers. Few anomalies of this size are present in the Otish area. It is a composite anomaly comprised of a series of north-northeast trending areas of more intense radiometric response that include a broad, intense 2 by 3 kilometer highly anomalous area which is contiguous with the Lac Henri Boulder field. The reader is referred to the relevant maps on the Company's Website under the URL <http://www.iconindustriesltd.com/s/Projects.asp>.

The historical Lac Henri boulder field, where 49 grab samples collected historically by Uranerz returned an average grade of 0.11% U<sub>3</sub>O<sub>8</sub>, stands out clearly on the GDS radiometric map, and is actually not the most radiometric portion of the anomaly, suggesting other areas of radioactive boulders might also be present. The magnetic survey clearly shows several east-west to east-northeast trending faults which offset the basement metamorphic rocks. Faults of this orientation are known in the region to host uranium deposits (e.g. Lac Beaver).

Several of the most intense portions of the radiometric anomaly appear to terminate up-ice (towards the northeastern portion of the property, up-flow of the direction of prehistoric glacial ice flow) at the same position as the fault strands, which suggests that the anomalies are sourced along the faults. The most significant of these faults is also the potential source of the radioactive boulder field, which, based on the shape and size of the constituent boulders, is probably locally sourced. The most intense southern portions of the radiometric anomaly and the Lac Henri Boulder field itself consistently terminate up-ice over a more than 2 km strike length along the fault, forming a high priority drilling target. Western portions of this highly prospective target lie on two of the newly acquired claims. Other faults to the north of this target also appear to be directly associated with other intense parts of the central and northeastern parts of the radioactive anomaly, and are therefore also considered highly prospective. One of these interpreted fault strands passes adjacent to Jeans' showing, a narrow uranophane-bearing vein that is exposed in outcrop. The northerly trending Barou fault, which was previously interpreted as an important target, was not clearly defined during the field reconnaissance program, or on the magnetic maps, and may not be as an important target as first

thought.

Both the Lac Henri boulder field and Jean's showing clearly demonstrate that hydrothermal uranium mineralization is present in the area. The recent ground program on the property has confirmed the presence and hydrothermal nature of mineralization, in these showings which occur in the form of hematitic breccias, uraniferous veinlets and quartz veins, both within the boulders, and also in outcrop for the case at Jean's showing. The importance of such an observation is that many areas which show elevated radioactivity levels in the Otish region are not related to hydrothermal mineralization, but are associated instead to pegmatites (granitic dykes) which are not considered as prospective for an economic uranium deposit. Further evidence in support of a potential hydrothermal source of the large radiometric anomaly on the Otish property, and not a pegmatite or granite source, is its overall high uranium to thorium ratio, whereas pegmatites or granites typically have a higher thorium to uranium content.

Overall, the results of the survey are very positive. The high resolution nature of both the magnetic and radiometric data, and the subsequent recognition of discrete faults associated with anomalous radiometric signatures, provides ideal, discrete drill targets to follow up for high grade fault and vein hosted uranium mineralization, such as is present on Strateco Resource's nearby Matoush property. An initial diamond drill program comprising approximately 12-15 drill holes and 2500-3000 m is proposed. However due to the high cost and other logistical constraints associated with winter drilling in this isolated area – including several technically challenging river crossings to access the project – it is more appropriate and potentially necessary to commence helicopter-borne drilling of the property in the late spring or early summer when conditions are more favorable. An initial diamond drill program comprising approximately 12-15 drill holes and 2500-3000m is proposed. The company recently announced that drilling will commence when conditions become favorable for access in the early summer. A contract with Major Drilling International Inc. has been signed, and initial logistical requirements have been addressed, including the recent delivery of sufficient fuel for the summer program to the site.

### **Beresford Lake Property**

The Company acquired a 100% interest in the Beresford Lake Property (the "Property") near Bisset, Manitoba pursuant to an option agreement (the "Option") with Stephen Stares, Michael Stares, and Wayne Reid (collectively the "Optionors"). To acquire its 100% interest, the Company paid the Optionors \$82,001 and issued 300,001 common shares of the Company with a value of \$60,750. The Option also included a work commitment which the Company has met. The Property is subject to a 2% net smelter royalty ("NSR") with the Company having the right to purchase 1% of the NSR for \$1,000,000 with a first right of refusal to the remaining 1%. The Option contains a provision for the acquisition of additional claim units in an area of interest surrounding the Property.

The Option also contains a provision for the Company to acquire the rights to the Mirage Claim, located in close proximity to the Property. During fiscal 2004, the Company paid \$4,000 and issued an additional 65,000 common shares valued at \$22,000 to complete the acquisition of the option on the Mirage Claim.

Also during fiscal 2004, the Company entered into a letter of intent with San Gold Resources Corporation ("San Gold") for an option (the "MB4942 Option") to acquire a 100% interest in one mineral claim (MB4942) in Manitoba. The Company is required to pay \$210,000 cash (\$10,000 paid), issue 600,000 common shares (50,000 shares issued with a value of \$16,000), and spend a total of \$475,000 on exploration on the Claim in stages over four years. The Company decided not to proceed with the MB4942 Option and the total related costs of \$26,000 were written off to operations in 2006.

During fiscal 2004, the Company paid \$9,016 to acquire six additional adjacent mineral claims to form part of the Property.

The Company completed a number of exploration programs between 2004 and 2006, including the drilling of 12 drill holes totaling 2300 m in 2005. Best intercepts include an intersection in hole 05MC-08 of 4.5 g/t Au over 1.0 m in the Mic showing. No high grade mineralization was intersected, but widespread low grade and highly anomalous gold mineralization is developed in prospects and drillholes throughout the property, particularly in auriferous quartz-carbonate veining along the broad, northwest trending Bidou Lake shear zone, indicating that the area remains prospective. The Company owns 100% of the property and, although there are no current drilling plans, it is in the process of determining how best to move forward with this project.

The content of the above property update was reviewed by David Rhys, P. Geo., a director of the Company and a qualified person as defined by National Instrument 43-101.

## Selected Annual Information

The following table sets out selected financial information for the Company which has been derived from the Company's audited financial statements for the fiscal years ended December 31, 2007, 2006 and 2005. These financial statements were prepared in accordance with accounting principles generally accepted in Canada and are in Canadian dollars.

As at December 31,	2007 (\$)	2006 (\$)	2005 (\$)
<b>Income Statement Data</b>			
Revenues	-	-	-
Loss before discontinued operations and extraordinary items	(684,852)	(194,726)	(33,862)
Net loss for the year	(684,852)	(194,726)	(33,862)
<b>Loss per common share outstanding - basic and diluted:</b>			
Loss before discontinued operations and extraordinary items	(0.04)	(0.02)	(0.01)
Net loss for the year	(0.04)	(0.02)	(0.01)
<b>Balance Sheet Data</b>			
Total assets	4,787,575	759,933	732,672
Total long-term liabilities	-	-	-
<b>Dividends</b>			
	-	-	-

### Factors That Affect the Comparability of the Annual Financial Data Disclosed Above

The Company is a resource exploration company. During Fiscal 2004 the Company undertook a significant exploration program on the Beresford Lake Property, including a drilling program that commenced in December 2004. The loss before income tax recovery in Fiscal 2005 was \$246,133, which is comparable to Fiscal 2004's loss of \$233,574. The net loss for Fiscal 2005 of \$33,862 includes an income tax recovery of \$212,271 related to the renouncing of flow-through expenditures to shareholders. The loss before income tax recovery decreased from \$246,133 in Fiscal 2005 to \$194,726 in Fiscal 2006. This decrease in loss reflects the decrease in exploration activity on the Beresford Lake Property. During the Current Year, the Company acquired the Otish Mountain Property, raised \$3,644,686 (net) through the issuance of share capital and commenced significant exploration programs on its properties. As a result, corporate activity increased significantly. Expenses increased from \$170,171 in Fiscal 2006 to \$761,779 in the Current Year.

### Share Capital, Convertible Securities, Options, and Warrants

As at the Report Date, the Company had the following:

#### Share Capital

Authorized Share Capital: Unlimited common shares without par value  
 Issued Share Capital: 19,869,024 common shares with a stated value of \$15,415,594  
 Shares in escrow Nil

#### Convertible securities

None

## Options

Options outstanding were:

Number of Options	Number of Options Exercisable	Exercise Price	Expiry Date
295,000	295,000	\$0.21	September 12, 2008
195,000	195,000	\$0.31	July 14, 2009
440,000	440,000	\$0.15	February 3, 2011
100,000	87,500	\$0.15	September 25, 2011
100,000	62,500	\$0.41	March 3, 2012
200,000	100,000	\$0.90	April 19, 2012
50,000	25,000	\$0.96	April 24, 2012
900,000	337,500	\$0.70	August 7, 2012
2,280,000	1,542,500		

In accordance with the terms of Icon's stock option plan (the "Plan"), incentive stock options vest as to 25% upon TSX Venture Exchange approval and 12.5% per quarter thereafter. Pursuant to the policies of the TSX Venture Exchange, shares issued on exercise of options are restricted from trading during the four month period subsequent to the date of grant.

## Warrants

Warrants outstanding were:

Number of Warrants	Exercise Price	Expiry Date
1,759,448	\$1.25	November 18, 2008
2,603,333	\$0.30	April 13, 2009
4,362,781		

## **Results of Operations**

### Current Quarter

The loss for the three months ended December 31, 2007 (the "Current Quarter") was \$296,806, which is an increase of \$222,058 over the loss of \$74,748 incurred during the three months ended December 31, 2006 (the "Prior Quarter"). This increase reflects the acquisition of a new mineral property and the related increase in corporate activity. Major expenses during the Current Quarter, as compared to the Prior Quarter, occurred in consulting fees (2007 - \$56,454; 2006 - \$Nil), investor relations (2007 - \$36,100; 2006 - \$Nil) and stock-based compensation (2007 - \$122,048; 2006 - \$8,327).

## Summary of Quarterly Results

Results for the eight most recent quarters ending with the last quarter for the three months ending on December 31, 2007 are:

	For the Three Months Ending							
	Fiscal 2007				Fiscal 2006			
	Dec. 31	Sept 30	June. 30	Mar. 31	Dec. 31	Sept 30	June. 30	Mar. 31
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Income Statement Data<sup>(1)</sup></b>								
Total revenues	-	-	-	-	-	-	-	-
Loss before discontinued operations and extraordinary items	(296,806)	(242,787)	(101,946)	(43,313)	(74,748)	(17,798)	(58,972)	(43,208)
Net loss	(296,806)	(242,787)	(101,946)	(43,313)	(74,748)	(17,798)	(58,972)	(43,208)
<b>Loss per common share outstanding – basic<sup>(1)</sup></b>								
Loss before discontinued operations and extraordinary items	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Loss per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
<b>Loss per common share outstanding – diluted<sup>(1)</sup></b>								
Loss before discontinued operations and extraordinary items	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Loss per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

(1) The financial data presented above is derived from the Company's financial statements, which are prepared in accordance with accounting principles generally accepted in Canada and in Canadian dollars.

### Factors That Affect the Comparability of the Quarterly Financial Data Disclosed Above

The losses for the quarters ended March 31, 2006 through September 30, 2006 were small as activity on the Beresford Lake Property was minimal. The loss for the quarter ended December 31, 2006 increased due to a write-down of mineral property of \$26,000. The small loss for the quarter ended March 31, 2007 reflects no exploration activity taking place. The increased loss for the quarters ended June 30, September 30 and December 31, 2007 reflects the acquisition of new mineral properties and the granting of stock options.

### Liquidity and Capital Resources

As at December 31, 2007, the Company had a cash and equivalents balance of \$2,919,127 compared to \$342 as at December 31, 2006. The Company had working capital of \$2,850,758 as at December 31, 2007 compared to a working capital deficiency of \$205,928 as at December 31, 2006.

#### Current Quarter

The Company's cash balance increased by \$291,288 during the Current Quarter. The increase in cash balances during the Current Quarter reflects cash provided by the issuance of share capital in excess of cash used in operating activities and cash used for acquisition and exploration costs on the Otish Mountain Uranium Property.

### Requirement for Additional Financing

The Company is in the mineral exploration and development business and has incurred losses since its inception. The Company has no revenue generating operations and has funded its operations primarily through the issue of capital stock. The Company may be required to raise additional funds in the future in order to explore and develop its mineral properties, to acquire additional exploration properties, or to acquire and develop other business opportunities. However, there can be no assurances that the Company will be able to secure acceptable financing to conduct such activities.

## Related Party Transactions

Transactions with related parties during the years ended December 31, 2007 and 2006 not elsewhere disclosed herein are as follows:

	2007	2006
Consulting fees to a company controlled by a director	\$ 30,000	\$ -
Geological fees to companies controlled by directors of the Company	53,716	150
Legal fees expenses to a law firm controlled by a director of the Company	29,176	1,949
Management fees to a company controlled by a director	60,000	60,000
Rent and office services to a company with directors in common with the Company	24,681	-

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Included in accounts payable and accrued liabilities at December 31, 2007 is \$92,126 (2006 - \$162,831) owing to related parties for services rendered to the Company.

Included in receivables at December 31, 2007 is \$Nil (2006 - \$174) owing from a company controlled by a director.

During fiscal 2007 the Company issued 467,246 common shares to settle accounts payable at \$70,087 owed to a former director and a company controlled by a director.

## Financial instruments

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. The fair value of cash, receivables, and accounts payable and accrued liabilities are assumed to approximate their carrying amounts because of their short term to maturity. The Company is exposed to credit risk to the extent that its debtors may be unable to repay amounts owing to the Company.

## Outlook

The Company is planning an exploration program on the Otish Mountain Uranium Property during Fiscal 2008. The Company is also looking to acquire additional mineral exploration properties. As a result of the acquisition of the Otish Property and the potential acquisition of other properties, the Company's general and administration cost are expected to increase in line with the increased activity in the Company.

## Other

### Subsequent events

None.

### Investor relations

The Company handles its investor relations through 314 Finance Limited, an outside investor relations consulting company.

## Additional Information

Additional information is available concerning the Company and its operations on SEDAR at [www.sedar.com](http://www.sedar.com). Additional financial information concerning the Company is provided in its audited financial statements for the years ended December 31, 2007 and 2006. Copies of this information are available by contacting the Company at its offices located at 1030-789 West Pender Street., Vancouver, BC, V6C 1H2; phone 604-685-8666; fax 604-685-8677.

## **Directors and Officers**

The Company's directors and officers as at the Report Date are:

### Directors:

T. Barry Coughlan  
T.R. Wilson  
George Cavey  
David Rhys  
Gordon J. Fretwell

### Officers:

T. Barry Coughlan – President & Chief Executive Officer  
T. R. Wilson - CFO  
Tracy Hansen - Secretary

## **Board Approval**

The contents of this management discussion and analysis have been approved and its mailing has been authorized by the board of directors of the Company.

*ON BEHALF OF THE BOARD OF DIRECTORS*

*“T. Barry Coughlan”*

*T. BARRY COUGHLAN, PRESIDENT*