

# FORM 51-102F1

## ICON INDUSTRIES LIMITED

### MANAGEMENT DISCUSSION & ANALYSIS - MARCH 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 unaudited financial statements and notes thereto for the three months ended March 31, 2007 and the annual audited financial statements and notes thereto for the year ended December 31, 2006. The interim 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 unaudited financial statements for the three month period ended March 31, 2007 and from its audited financial statements for the year ended December 31, 2006.

The following MDA is for the three month period ended March 31, 2007 (the “Current Period”) and includes relevant information up to May 28, 2007 (the “Report Date”).

#### **Overall Performance**

##### **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 that if the Optionors acquired the rights to the Mirage Claim, which is located in close proximity to the Property, the Company would be required to pay \$4,000 and issue an additional 50,000 common shares in order to have that claim included in the Property. During the year ended December 31, 2004, the Company settled a dispute concerning the acquisition of an option on the Mirage Claim by issuing 15,000 common shares valued at \$9,000 to Peter Dunlop and then paid \$4,000 and issued 50,000 common shares valued at \$13,000 to complete the acquisition of the option on the Mirage Claim.

Also during the year ended December 31, 2004 the Company entered into a letter of intent with San Gold Resources Corporation (“San Gold”) to acquire an option (the “MB4942 Option”) on mineral claim #MB4942 (the “Claim”) in Manitoba, paying San Gold \$10,000 and issuing 50,000 common shares with a value of \$16,000. In addition, in order to keep in good standing under the terms of the option and earn a 100% interest in the Claim, the Company was obligated i) to pay a total of \$200,000 and issue a total of 550,000 common shares to San Gold in stages over three years and ii) to spend a total of \$475,000 on exploration of the Claim in stages over four years. The Claim is subject to a 2% NSR in favour of San Gold 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 acquisition of the Claim would allow all of the Company’s claims in the Beresford Lake area to form one contiguous group, as a portion of the Claim is situated between the Company’s Mirage Claim and the remaining claims that make up its Beresford Lake Property. During the current year the MB4942 Option was abandoned and total related costs of \$26,000 were written off to operations.

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

#### Exploration Update

The Company completed a number of exploration programs between 2004 and 2006. No significant areas of meaningful mineralization were intersected in the drilling programs. 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.

### Otish Mountain Uranium Property

The Company entered into an agreement for the assignment of an option to acquire a 100% interest in certain mineral claims in the Otish Mountain area of Quebec. The assignor was issued 500,000 common shares valued at \$105,000 as consideration for the assignment. To earn its 100% interest the Company is required to pay \$250,000 and issue 1,000,000 common shares to the owner of the claims by the second anniversary of the agreement and incur exploration expenditures totaling \$1,000,000 by the third anniversary of the agreement. The claims are subject to a 2% NSR. The Company will have the right to purchase 50% of the NSR for \$1,000,000.

### 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, 2006, 2005, and 2004. These financial statements were prepared in accordance with accounting principles generally accepted in Canada and are in Canadian dollars.

<b>As at December 31,</b>	<b>2006 (\$)</b>	<b>2005 (\$)</b>	<b>2004 (\$)</b>
<b>Income Statement Data</b>			
Revenues	-	-	-
Loss before discontinued operations and extraordinary items	<b>(194,726)</b>	(33,862)	(233,574)
Net loss for the year	<b>(194,726)</b>	(33,862)	(233,574)
<b>Loss per common share outstanding - basic and diluted:</b>			
Loss before discontinued operations and extraordinary items	<b>(0.02)</b>	(0.01)	(0.04)
Net loss for the year	<b>(0.02)</b>	(0.01)	(0.04)
<b>Balance Sheet Data</b>			
Total assets	<b>759,933</b>	732,672	839,521
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 2003, the Company entered into an option agreement entitling it to earn a one hundred percent (100%) interest in certain mining claim units referred to as the Beresford Lake Property as further described herein. 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.

### 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: 18,412,024 common shares with a stated value of \$14,487,060  
 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
220,000	220,000	\$0.31	July 14, 2009
725,000	435,000	\$0.15	February 3, 2011
100,000	50,000	\$0.15	September 25, 2011
100,000	25,000	\$0.41	March 13, 2012
200,000	50,000	\$0.90	April 19, 2012
63,000	15,750	\$0.96	April 24, 2012
1,703,000	1,090,750		

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
750,000	\$0.20	December 30, 2007
3,000,333	\$0.30	April 13, 2009
67,671	\$1.25	November 18, 2007
1,691,777	\$1.25	November 18, 2008
5,509,781		

**Results of Operations**

Current Quarter

The loss for the three months ended March 31, 2007 (the "Current Quarter") was \$43,313, which is comparable to the loss of \$43,208 incurred during the three months ended March 31, 2006 (the "Prior Quarter"). This reflects the relative inactivity on the Company's Beresford Lake Property during both quarters. Major expenses during the Current Quarter, as compared to the Prior Quarter, occurred in management fees (2007 \$15,000; 2006 - \$15,000), transfer agent and regulatory fees (2007 - \$9,637; 2006 - \$8,948) and stock-based compensation (2007 - \$14,122; 2006 - \$12,521).

## Summary of Quarterly Results

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

	For the Three Months Ending							
	Fiscal 2007	Fiscal 2006				Fiscal 2005		
	Mar. 31	Dec. 31	Sept 30	June 30	Mar. 31	Dec. 31	Sep. 30	June 30
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Income Statement Data<sup>(1)</sup></b>								
Total revenues	-	-	-	-	-	-	-	-
Loss before discontinued operations and extraordinary items	(43,313)	(74,748)	(17,798)	(58,972)	(43,208)	(28,903)	(33,266)	(80,198)
Net loss	(43,313)	(74,748)	(17,798)	(58,972)	(43,208)	(28,903)	(33,266)	(80,198)
<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 September 30, 2005 through September 30, 2006 were down as activity on the Beresford Lake Property was down. 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.

### Liquidity and Capital Resources

As at March 31, 2007, the Company had a cash balance of \$40,591 compared to \$342 as at December 31, 2006. The Company had a working capital deficiency as at March 31, 2007 of \$117,960, compared to a working capital deficiency of \$205,928 as at December 31, 2006.

#### Current Quarter

The Company's cash balance increased by \$40,249 during the Current Quarter as compared to an increase in cash of \$5,388 during the Prior Quarter. The increase in cash balances during the Current Quarter reflects advances from a related party of \$18,000 and issuances of common shares for \$35,550. Cash used in operating activities was \$13,301.

### 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 Current Quarter not elsewhere disclosed herein are as follows:

Type of transaction	Nature of relationship to the Company	2007	2006
Legal fees expensed	To Gordon J. Fretwell Law Corporation, a law firm controlled by a director	\$ 3,047	\$ 1,000
Management fees	To TBC Investments Ltd., a company controlled by T. Barry Coughlan, an officer and director	15,000	15,000

Included in accounts payable and accrued liabilities as at March 31, 2007 is \$113,371 (December 31, 2006 - \$162,831) owing to related parties as follows:

Owed to:	Nature of relationship	March 31, 2007	December 31, 2006
TBC Investments Ltd.	A company controlled by T. Barry Coughlan, an officer and director	\$ 85,288	\$ 150,725
William Harper	A director		2,675
Orequest Consultants Ltd.	A company controlled by George Cavey, a director	-	159
Tri-Gold Resources Corp.	A public company with directors in common	24,408	6,308
Gordon J. Fretwell Law Corporation	A law firm controlled by an officer and director	1,000	2,964
		\$ 113,371	\$ 162,831

Amounts owing to related parties are non-interest bearing and have no specific terms of repayment.

Included in receivables at March 31, 2007 is \$Nil (December 31, 2006 - \$174) due from companies with common directors.

## Financial instruments

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. The fair value of cash, receivables, deposits, 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 2007. 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

Subsequent to March 31, 2007:

- Pursuant to a private placement, the Company issued 2,000,333 units and 1,000,000 flow through units at \$0.15 per unit for total proceeds of \$450,050. Each unit consists of one common share or flow through share and one share purchase warrant exercisable into one common share at \$0.30 for two years.
- The Company granted 200,000 incentive stock options exercisable at a price of \$0.90 per share for a period of five years.
- Pursuant to a private placement, the Company issued 3,383,554 units at \$0.90 per unit for total proceeds of \$3,045,199. Each unit consists of one common share and one half of one share purchase warrant. One whole warrant is exercisable into a common share at \$1.25 for an eighteen month period. A finder's fee consisting of 135,342 units and cash equal to 6% of the gross proceeds was paid.

- d) The Company entered into an option agreement to earn up to a 55% interest in the Eloro claims in Quebec, which are contiguous to the Company's Otish Mountain Uranium Property. To earn a 50% interest, the Company issued 300,000 common shares and is required to incur exploration expenditures totaling \$1,000,000 over a three year period. Upon completion of these requirements, an additional 5% interest can be acquired for \$500,000. The claims are subject to a 2% net smelter returns royalty, 1% of which can be purchased by the Company for \$1,000,000.

**Other (Cont'd...)**

Subsequent events (Cont'd...)

- e) The Company issued 165,000 common shares for total proceeds of \$30,750 pursuant to the exercise of options.
- f) The Company issued 350,000 common shares for total proceeds of \$70,000 pursuant to the exercise of share purchase warrants.
- g) The Company granted 63,000 incentive stock options exercisable at \$0.96 per share for a period of five years.

Investor relations

The Company handles its investor relations activities internally by assigning various duties to its officers and directors.

**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 comparative financial statements for the year ended December 31, 2005. 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  
William S. Harper  
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*