

LINEAR METALS CORPORATION
Management Discussion and Analysis
For the Year Ended October 31, 2007

This Management Discussion and Analysis of Linear Metals Corporation (the "Company") provides analysis of the Company's financial results for the year ended October 31, 2007. The following information should be read in conjunction with the accompanying audited financial statements and the notes to the audited financial statements.

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

1.1 Date of Report

This report is prepared as of January 25, 2008.

1.2 Nature of Business and Overall Performance

Linear Metals is a junior exploration company listed on the TSX Venture Exchange. The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Company owns or controls, under option, an interest in seven properties, including four properties in Mexico through its subsidiary Linear Metal Corp. Mexico, S.A. de C.V. and three properties in Canada. The Company is currently focusing its exploration activities primarily on the Cobre Grande Property in Mexico and the KM61 Property in Canada, where the Company has made significant mineral discoveries.

During the year ended October 31, 2007, the Company completed private placement financings on November 10, 2006 and February 22, 2007 that resulted in the issuance of 9,250,000 units for gross proceeds of \$12.7 million. Subsequent to year-end, on November 6, 2007, the Company completed a brokered private placement of 3,900,000 flow-through common shares at a price of \$1.80 per flow-through share, for gross proceeds of \$7.0 million. The Company is using the proceeds of these financings to increase its level of exploration activities.

During the year ended October 31, 2007, the Company incurred a loss of \$1.1 million, which was a significant increase over the \$0.3 million loss in the previous year, during which time the Company was substantively inactive prior to its spin-off from Linear Gold Corp. ("Linear Gold") on June 26, 2006. The Company continues to have no revenue-producing operations and anticipates its operating losses to be approximately \$1.7 million during Fiscal 2008 as the Company increases its corporate resources to support significantly increased levels of exploration activities. The Company is dependent on future equity financings and/or project financing alternatives, to fund future operations and continue exploration programs.

1.3 Selected Annual Information

Expressed in thousands of Canadian dollars, except per share amounts:

| Fiscal Year | 2007 | 2006 | 2005 |
|------------------------------------|-----------|----------|--------|
| Revenues | \$ 280 | \$ 4 | \$ - |
| Net loss | \$ 1,112 | \$ 249 | \$ - |
| Basic & diluted net loss per share | \$ 0.03 | \$ 0.02 | \$ - |
| Total assets | \$ 13,902 | \$ 2,148 | \$ 946 |
| Cash dividends per common share | N/A | N/A | N/A |

This financial data has been prepared in accordance with Canadian generally accepted accounting principles, and all figures are stated in Canadian dollars.

The Company was incorporated on November 17, 2004 as a wholly-owned subsidiary of Linear Gold and was inactive prior to March 2006. The Company acquired interests in mineral properties from Linear Gold during a corporate reorganization that occurred during the second quarter of Fiscal 2006, and the amounts reported for 2005 represent “carve-out” accounting balances as required under Canadian generally accepted accounting principles.

Since the reorganization and distribution of the Company’s shares by Linear Gold, the Company has been operating as a stand-alone entity. The Company expects to record losses until such time as an economic resource is identified, developed and exploited on one or more of the Company’s properties and is anticipating an operating loss of approximately \$1.7 million during Fiscal 2008. The Company’s Net loss will be significantly affected by any write-down or abandonment of any resource properties in a given period.

1.4 Results of Operations

During the year ended October 31, 2007, the Company incurred a net loss of \$1.1 million. Two financings completed during Fiscal 2007 contributed to significantly higher cash balances during the year and resulted in a \$0.3 million increase in Interest revenue to \$0.3 million. The Company’s operating expenses during the year totalled \$1.2 million, an increase of 386% from the previous year due to the Company’s Fiscal 2006 inactivity prior to the spin-off of the Company from Linear Gold. Significant operating expenses included \$0.5 million in Management salaries and services, including staff recruitment expenses, director insurance premiums, director fees, management bonuses, and a total of \$0.1 million paid to Linear Gold during the current year pursuant to a Management Services Agreement. Investor relations and marketing expenses during the year totalled \$0.2 million; Travel costs were incurred of \$0.1 million; General and administrative costs amounted to \$0.1 million, a significant increase from the prior year due to the opening of a new Toronto office during the third quarter of the year; and Professional fees were incurred of \$34,782. The Company also incurred \$0.1 million in Listing and regulatory costs, primarily related to the two private placements completed during the year. The Company also recorded a non-cash Stock option compensation expense of \$0.2 million attributable to the value of stock options earned during the year ended October 31, 2007 and a non-cash Amortization expense of \$11,090 for the depreciation of the Company’s capital assets. The Company capitalized \$0.1 million of Stock-based compensation expense during the year to Resource Properties, attributable to the value of stock options earned during the year by the Company’s exploration personnel and also capitalized \$3,971 of depreciation expense to Resource Properties during the year.

The Company incurred a currency exchange loss of \$0.1 million during the year ended October 31, 2007 relating to its foreign currency transactions. The Company may continue to incur foreign exchange gains and losses arising from changes in the value of Mexican and U.S. currencies used in the conduct of its business, relative to the Canadian dollar.

The Company experienced a loss of \$0.1 million relating to the write-down of resource properties during the current year. The Company will continue to review its portfolio of resource properties and will write-down the carrying costs of any properties considered to be impaired in value.

1.5 Summary of Quarterly Results

Expressed in thousands of Canadian dollars, except per share amounts:

| | Fiscal 2007 | | | | Fiscal 2006 | | | |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Q4 Oct-07 | Q3 Jul-07 | Q2 Apr-07 | Q1 Jan-07 | Q4 Oct-06 | Q3 Jul-06 | Q2 Apr-06 | Q1 Jan-06 |
| Revenues | \$ 84 | \$ 96 | \$ 82 | \$ 18 | \$ 4 | \$ - | \$ - | \$ - |
| Net loss | \$ 440 | \$ 274 | \$ 252 | \$ 146 | \$ 102 | \$ 53 | \$ 94 | \$ - |
| Basic & diluted net loss per share | \$ 0.01 | \$ 0.01 | \$ 0.01 | \$ 0.01 | \$ 0.00 | \$ 0.00 | \$ 0.05 | \$ - |
| Total assets | \$ 13,902 | \$ 13,917 | \$ 14,259 | \$ 4,488 | \$ 2,148 | \$ 2,557 | \$ 1,449 | \$ 1,137 |

This financial data has been prepared in accordance with Canadian generally accepted accounting principles, and all figures are stated in Canadian dollars.

Prior to Linear Gold's reorganization and distribution of the Company's shares on June 26, 2006, the Company was a wholly-owned subsidiary of Linear Gold, and prior to March 2006, the Company was inactive. As discussed in section 1.3, the Company received its mineral properties during the second quarter of Fiscal 2006. As such, the quarterly asset amounts reported for the first quarter of Fiscal 2006 represent "carve-out" amounts and represent estimates made by management of the "carve-out" assets at that time.

1.6 Liquidity and Capital Resources

As of October 31, 2007, the Company had working capital of \$6.0 million. During the year ended October 31, 2007, the Company used \$0.7 million of its working capital to fund operating expenses. Net cash Resource Property expenditures, including sales taxes recoverable on resource property expenditures, totalled \$5.1 million during the year, which were funded from the Company's working capital.

During the year ended October 31, 2007, financing activities resulted in net cash proceeds of \$12.1 million to the Company. The Company issued a total of 9,552,350 common shares, including 178,450 issued upon the exercise of warrants, and issued 5,204,450 common share purchase and broker warrants during the year. Total financing costs during the year ended October 31, 2007 were approximately \$1.2 million.

During the current year, the Company completed two private placement financings that resulted in the issuance of 9,250,000 units for gross proceeds of \$12.7 million. In connection with these private placement financings, the Company incurred total cash issuance costs of \$0.8 million and non-cash issuance costs of \$0.4 million, of which \$1.0 million was allocated to the cost of issuing the common shares, and \$0.2 million was allocated to the cost of issuing the warrants.

Subsequent to year-end, the Company completed a brokered private placement on November 6, 2007 of 3,900,000 flow-through common shares at a price of \$1.80 per flow-through share, for net cash proceeds of \$6.8 million.

The Company is planning total resource property expenditures of approximately \$10.0 million during Fiscal 2008, which will be funded from working capital. In the future, the Company expects to rely on additional equity financings and/or entering into joint venture arrangements in order to continue exploration on its properties. There can be no assurance that the Company will be able to obtain the required financing, and the failure to do so could result in the loss of its interest in its resource properties.

As of January 25, 2008, the Company's aggregate commitments for its operating lease totalled \$0.6 million. This includes an operating lease commitment on the Company's leased head office in Toronto, Ontario until March 31, 2013.

1.7 Off-Balance Sheet Arrangements

At October 31, 2007, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

1.8 Evaluation of Disclosure Controls

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management to permit timely decisions regarding public disclosure.

Management, including the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of October 31, 2007. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have 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*, are designed effectively 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.

During the process of review and evaluation, it was determined that the Company's disclosure controls and procedures were operating effectively as at October, 31, 2007.

1.9 Design of Internal Controls

The Company evaluated the design of its internal controls and procedures over financial reporting, as defined under Multilateral Instrument 52-109, for the year ended October 31, 2007. This evaluation was performed by the Chief Executive Officer and the Chief Financial Officer, with the assistance of other corporate personnel to the extent necessary or appropriate. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design of these internal controls and procedures over financial reporting was effective.

The Company has very limited administrative staffing and in many instances, the implementation of internal controls relying on segregation of duties is not possible. The Company relies on senior management review and approval to ensure that the controls are as effective as possible.

1.10 Critical Accounting Estimates

Critical accounting estimates used in the preparation of the consolidated financial statements include the value of stock-based compensation and the Company's estimate of recoverable value of its mineral properties and related deferred expenditures. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

The factors affecting stock-based compensation include estimates of when stock options might be exercised and the stock price volatility. The timing for exercise of options is out of the Company's control and will depend upon a variety of factors, including the market value of the Company's shares and the financial objectives of the stock-based instrument holders.

The Company's recoverability of the recorded value of its mineral properties and associated deferred expenses is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company is in an industry that is dependent on a number of factors, including environmental, legal and political risks, the existence of economically recoverable reserves, and the ability of the Company to obtain necessary financing to complete the development and future profitable production or the proceeds of disposition thereof.

1.11 Changes in Accounting Policies Including Initial Adoption

The Company adopted the following five new accounting standards on November 1, 2006: (i) Section 1530, "Comprehensive Income"; (ii) Section 3251, "Equity"; (iii) Section 3855, "Financial Instruments – Recognition and Measurement"; (iv) Section 3861, "Financial Instruments – Disclosure and Presentation"; and (v) Section 3865, "Hedges".

These new standards prescribe how financial instruments are to be recognized depending on their classification. Depending on the classification of the financial instruments, changes in subsequent measurements are recognized in net income or comprehensive income.

The Company applied these new standards effective November 1, 2006 without restatement of prior periods. Upon initial application, there were no adjustments required to the carrying amount of financial assets and liabilities.

1.12 Transactions with Related Parties

There were no transactions with related parties during the year ended October 31, 2007.

1.13 Financial Instruments and Other Risks

The Company's financial instruments consist of cash, receivables and accounts payable. Management does not believe these financial instruments expose the Company to any significant interest, currency or credit risks arising from these financial instruments, with the exception of the sales taxes recoverable. Virtually all of the sales taxes recoverable are with a government in a foreign jurisdiction. The fair market values of these financial instruments approximate their carrying values, unless otherwise noted.

In conducting its business, the principal risks and uncertainties faced by the Company relate to exploration and development success as well as metal prices and market sentiment to a lesser extent.

Exploration for minerals and development of mining operations involve many risks, many of which are outside the Company's control. In addition to the normal and usual risks of exploration and mining, the Company often works in remote locations that lack the benefit of infrastructure and easy access.

The prices of metals fluctuate widely and are affected by many factors outside of the Company's control. The relative prices of metals and future expectations for such prices have a significant impact on the market sentiment for investment in mining and mineral exploration companies. The Company relies on equity financing for its long-term working capital requirements and to fund its exploration programs. The Company does not have sufficient funds to put any of its resource interests into production from its own financial resources. There is no assurance that such financing will be available to the Company, or that it will be available on acceptable terms.

1.14 Outstanding Share Data

a) Common Shares

The Company has authorized an unlimited number of common shares without par value.

At October 31, 2007, the Company had issued and outstanding 33,859,852 common shares with a recorded value of \$12,097,732.

At January 25, 2008, the Company had issued and outstanding 37,982,693 common shares with a recorded value of \$18,830,100 following the flow-through financing completed by the Company subsequent to year-end and the issuance of 75,000 shares pursuant to the exercise of options.

The Company completed a non-brokered private placement on November 10, 2006 of 3,500,000 units at a price of \$0.75 per unit, for gross proceeds of \$2,625,000. Each unit consisted of one common share and one-half warrant, and each whole warrant entitles the holder to purchase an additional common share at a price of \$1.00 per share until November 10, 2008. The Company allocated gross proceeds of \$2,187,500 to the common shares issued. Common share issuance costs associated with the financing totalled \$143,401 and included cash of \$55,535, the issuance of 123,900 common shares valued at \$77,438 and professional fees of \$10,428. Gross proceeds of \$437,500 were allocated to the value of the warrants. Warrant issue costs totalled \$26,224 and included \$9,040 cash, the issuance of 61,950 warrants valued at \$15,487 and professional fees of \$1,697.

On February 22, 2007, the Company completed a private placement financing that resulted in the issuance of 5,750,000 units at a price of \$1.75 per unit for gross proceeds of \$10,062,500. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire a common share at a price of \$2.25 for a period of up to 24 months. The Company allocated a value of \$8,653,750 to the common shares issued and \$1,408,750 to the value of the warrants. Costs associated with the financing totalled \$1,034,913 and included a cash commission paid to the underwriters of \$603,750 and \$129,288 in additional legal and regulatory fees. In addition, the underwriters were granted broker warrants exercisable for 345,000 units of the Company at an exercise price of \$1.75 per unit, which have been valued at \$301,875. The Company allocated \$886,473 to the cost of issuing the common shares and \$148,440 to the cost of issuing the warrants. The Company will use proceeds of the financing to continue funding its exploration activities in Fiscal 2008.

On November 6, 2007, the Company completed a brokered private placement of 3,900,000 flow-through common shares at a price of \$1.80 per flow-through share, for gross proceeds of \$7,020,000. In connection with the financing, the agents were granted compensation options to purchase 234,000 common shares, exercisable at \$1.80 per compensation option until May 6, 2009. As additional consideration, the agents received a commission of 5.5% of the gross proceeds, of which one of the agents elected to receive its portion in 147,841 non flow-through common shares of the Company. The proceeds of this financing will be used to fund Canadian exploration expenditures prior to December 31, 2008.

b) Warrants

At October 31, 2007 and January 25, 2008, the Company had 5,026,000 warrants outstanding with a value of \$1,944,336, with each warrant entitling the holder to purchase a common share at an average exercise price of \$1.81 per share.

c) Stock Options

At October 31, 2007, the Company had 3,242,500 stock options outstanding exercisable into common shares of the Company at an average exercise price of \$1.07 per share.

At January 25, 2008, the Company had 2,762,500 stock options outstanding exercisable into common shares of the Company at an average exercise price of \$1.05 per share based upon the exercise and cancellation of stock options subsequent to year-end.

1.15 Deferred Resource Property Expenditures

Details of the Company's Deferred Resource Property Expenditures during the years ended October 31, 2007 and 2006 are included in Schedules "A" and "B" respectively.

During Fiscal 2006, the Company acquired interests in the Cobre Grande and the La Morena properties, located in Mexico, and the Seymour Lake and KM61 properties, located in Canada, through a series of reorganization transactions with Linear Gold. The series of transactions resulted in the Company issuing 21,452,780 units, comprised of 17,162,223 common shares and 2,145,278 warrants of the Company, and cash of \$14,099 to complete the Reorganization.

The transfer of interests in these Resource Properties to the Company through the reorganization transactions with Linear Gold did not result in a substantive change in ownership and therefore, in accordance with Canadian generally accepted accounting principles, the assets were recorded at Linear Gold's carrying value of \$1,100,017, comprised of \$494,721 related to the Company's La Morena property and \$565,183 related to Seymour Lake and KM61 ("Carve-out Carrying Value). The Company is earning an 80% interest in the Cobre Grande purchase option agreement from Linear Gold, and Linear Gold has retained a 20% interest in the purchase option agreement which the Company can acquire for US\$1.2 million prior to December 31, 2008. Accordingly, the Company's expenditures on the Cobre Grande project reflect the actual expenditures by the Company and there are no related Carve-out Carrying Values for the property.

During the year ended October 31, 2007, the Company incurred net Deferred exploration expenditures of \$5.2 million, 77% of which were incurred in Mexico, with 68% of the total related to the Cobre Grande Project and 8% related to the Ecatepec Project. The Company incurred \$1.2 million, or 22% of its total net exploration expenditures, on the KM61 Project in Ontario, Canada. Net geology and drilling expenditures on all properties totalled approximately \$3.8 million, representing over 72% of the total resource property expenditures incurred during the year.

The Company plans to increase its level of exploration activities in Fiscal 2008, with a continued focus on its most advanced properties, Cobre Grande and KM61. The Company is planning total project expenditures of \$10.0 million during Fiscal 2008.

Cobre Grande

During the year, the Company's exploration activities focused on the Cobre Grande Project in Oaxaca, Mexico. The Company completed 19 holes and 6,400 metres of drilling during the quarter, bringing the total for the year ended October 31, 2007 to 10,400 metres in 32 holes.

A 1,078 line kilometre airborne EM and magnetic survey was completed during the third quarter of the year, and target definition on anomalies identified began during the fourth quarter. The Company began a 6,000 metre drilling program on the Project during the fourth quarter, with results that were consistent with previous drilling programs on the Project. An updated 43-101 report on the Cobre Grande Project was released in September 2007, and the Company plans to produce a 43-101 compliant resource calculation during the second quarter of Fiscal 2008. The updated 43-101 report is available on SEDAR and the Company's website.

The Company fulfilled its work commitments on the property during the current year but will be required to make payments of US \$90,000 in each of March 2008 and 2009 in order to earn its 80% interest in the Cobre Grande purchase option. The Purchase Option entitles the holder(s) to acquire the property from the Community of San Baltazar Guelavila (the "Community"), the underlying owner of the concessions. The final purchase payment will be determined by the Community, which can choose between a US \$12.0 million buyout, a 2% net smelter return ("NSR") royalty, or a 15% carried joint venture interest in any future mining projects from the concession. The Company also holds an option to acquire the remaining 20% interest in the Purchase Option from Linear Gold at any time prior to December 31, 2008, for US\$1.2 million.

KM61

The Company initiated work on the KM61 molybdenum project, located near Armstrong, Ontario, during the third quarter of the current year. Work began with a 700 metre trenching program and the sampling of 1,294 metres of core from sections of old holes left unsampled by Falconbridge and Noranda. The trenching and core sampling program successfully expanded the area with superior grade molybdenum-copper-silver mineralization. A 4,000 metre Phase I drill program began on the property during the third quarter and was completed by the end of the current year, with 16 holes and 4,000 metres drilled, including 13 holes and 3,400 metres completed during the fourth quarter. The Company initiated a 25,000 metre drill program during the first quarter of Fiscal 2008 with the intention of advancing the property towards a 43-101 compliant resource calculation during calendar 2008.

During the first quarter of Fiscal 2007, the Company received notice from Falconbridge that it would not maintain its interest in the KM61 property and accordingly, the Company regained a 100% interest in the property, subject to a 0.5% NSR over the majority of the property, with the balance subject to a 3% NSR. The Company can repurchase 50% of the 0.5% NSR for \$250,000 and/or 50% of the 3% NSR for \$1,000,000.

Other

During the first quarter of the year, the Company acquired two new projects in Mexico by entering into individual option agreements with the community of Santa Maria de Ecatepec, in the state of Oaxaca, and with the individual concession holder of the La Lupita base metal-silver project in Sonora. During the current year, work progressed at Ecatepec, with mapping, soil sampling and a 22 line kilometre IP survey completed. Drilling of certain geochemical and IP anomalies was postponed until a claim interior to the one optioned from Santa Maria de Ecatepec was also acquired from the Community. A 1,000 metre reverse circulation drill program at Ecatepec is expected to commence during the first quarter of Fiscal 2008. At La Lupita, initial geologic work resulted in a downgrade to the project, and a decision was made to terminate the agreement during the current year.

Subsequent to year-end, in December 2007, the Company acquired the Stenlund Property near Armstong, Ontario, Canada pursuant to an option agreement. Management expects exploration activities, including mapping, prospecting, soil sampling, and an IP survey, to begin on the property during the second quarter of Fiscal 2008.

1.16 Management Changes

In January 2007, the Company announced the appointments of Dr. Robert Page as Vice-President – Exploration and Mr. Philip Pyle as Vice-President – Business and Corporate Development. Dr. Page joined the Company with 30 years of International exploration experience, most recently as Chief Geologist – Copper for Noranda Inc./Falconbridge Limited. Mr. Pyle will be responsible for identifying and acquiring new project opportunities and for the development and advancement of strategic relationships. Since October 2003, Mr. Pyle has served as a Vice-President of Linear Gold.

In December 2007, the Company announced the appointments of Mr. Brian MacEachen as President and Chief Operating Officer and Mr. Keith Abriel as Vice-President and Chief Financial Officer of the Company. Mr. MacEachen has served as the Vice-President and Chief Financial Officer of Linear Gold Corp. and the Company since January 2004 and June 2006, respectively, and is an experienced mining executive with over 18 years of industry experience. Mr. Abriel is a Chartered Accountant and Certified Financial Analyst who brings over 12 years of financial experience in a broad range of sectors to the Company.

1.17 Other Information

Additional information regarding the Company is available on SEDAR at www.sedar.com.

LINEAR METALS CORPORATIONSchedule of Resource Properties
for the year ended October 31, 2007

Schedule "A"

Details of Resource Properties

| | Cobre Grande Mexico | La Morena Mexico | Ecatepec Mexico | Mexico Other | KM61 | Seymour Lake and Other | Total 2007 |
|---|------------------------|---------------------|--------------------|-------------------|---------------------|---------------------------|---------------------|
| Mineral Properties | | | | | | | |
| Balance, beginning of year | \$ - | \$ 201,757 | \$ - | \$ - | \$ - | \$ 59,107 | \$ 260,864 |
| Expenditures during year | 102,989 | 1,484 | 123,140 | 34,461 | 22,297 | - | 284,371 |
| Balance, end of year | 102,989 | 203,241 | 123,140 | 34,461 | 22,297 | 59,107 | 545,235 |
| Deferred Exploration expenditures: | | | | | | | |
| Drilling | 2,100,839 | 35,928 | 2,449 | - | 640,149 | - | 2,779,365 |
| Geochemistry | 11,205 | - | - | - | 9,834 | - | 21,039 |
| Geology | 589,395 | 7,504 | 27,817 | 8,061 | 311,426 | 40,048 | 984,251 |
| Geophysics | 213,073 | 550 | 40,102 | - | 92,875 | - | 346,600 |
| Property evaluation | 263,618 | 1,886 | 51,327 | - | - | 4,149 | 320,980 |
| Road Construction | 99,965 | - | - | - | 2,400 | - | 102,365 |
| Supervision | 144,243 | 3,710 | 165,439 | 7,948 | 11,208 | 32,641 | 365,189 |
| Surveying | 20,953 | - | 46 | - | 543 | 459 | 22,001 |
| Trenching | - | - | - | - | 77,059 | - | 77,059 |
| | 3,443,291 | 49,578 | 287,180 | 16,009 | 1,145,494 | 77,297 | 5,018,849 |
| Balance, beginning of year | 85,171 | 799,681 | 58,465 | 132,097 | - | 506,076 | 1,581,490 |
| | 3,528,462 | 849,259 | 345,645 | 148,106 | 1,145,494 | 583,373 | 6,600,339 |
| Costs written off | - | - | - | (43,666) | - | (63,493) | (107,159) |
| Balance, end of year | 3,528,462 | 849,259 | 345,645 | 104,440 | 1,145,494 | 519,880 | 6,493,179 |
| Mineral properties and deferred exploration expenditures | \$ 3,631,451 | \$ 1,052,500 | \$ 468,785 | \$ 138,901 | \$ 1,167,791 | \$ 578,987 | \$ 7,038,415 |

LINEAR METALS CORPORATIONSchedule of Resource Properties
for the year ended October 31, 2006

Schedule "B"

Details of Resource Properties

| | <u>Cobre Grande Mexico</u> | <u>La Morena Mexico</u> | <u>Tierra Blanca Mexico</u> | <u>Ecatepec Mexico</u> | <u>Mexico Other</u> | <u>Seymour Lake</u> | <u>Total 2006</u> |
|---|--------------------------------|-----------------------------|---------------------------------|----------------------------|-------------------------|-------------------------|-----------------------|
| Carve-out carrying value ** | - | 494,721 | 40,113 | - | - | 565,183 | 1,100,017 |
| Deferred exploration expenditures | 85,171 | 506,717 | 50,251 | 58,465 | 132,097 | - | 832,701 |
| Proceeds from option payments | - | - | (84,090) | - | - | - | (84,090) |
| Costs written off | - | - | (6,274) | - | - | - | (6,274) |
| Mineral properties and deferred exploration expenditures | <u>\$ 85,171</u> | <u>\$ 1,001,438</u> | <u>\$ -</u> | <u>\$ 58,465</u> | <u>\$ 132,097</u> | <u>\$ 565,183</u> | <u>\$ 1,842,354</u> |

***The transfer of Resource Properties from Linear Gold to the Corporation did not result in a substantive change in ownership and therefore, in accordance with Canadian generally accepted accounting principles, the assets were recorded at Linear Gold's carrying value of \$1,100,017.*