

LINEAR METALS CORPORATION
Management Discussion and Analysis
Quarterly Report - April 30, 2006

This Management Discussion and Analysis of Linear Metals Corporation (the "Corporation") provides analysis of the Corporation's financial results for the three and six-month periods ended April 30, 2006. The following information should be read in conjunction with the accompanying unaudited financial statements and the notes to the unaudited 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 Corporation expects are forward-looking statements. Although the Corporation 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 management discussion and analysis ("MD&A") is prepared as of June 26, 2006.

1.2 Nature of Business and Overall Performance

Linear Metals is a junior exploration company that has applied for a listing on the TSX Venture Exchange ("the Exchange"). The Corporation is about to begin exploring its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The Corporation has no operating assets and did not earn any revenues during the period, nor does it expect to earn any significant revenues for the balance of the year.

On June 6, 2006, the Corporation's parent corporation, Linear Gold Corp. ("Linear Gold"), announced the reorganization and distribution of the Corporation as a dividend-in-kind to Linear Gold's shareholders of record as of June 26, 2006. In connection with the reorganization, the Cobre Grande, La Morena and Tierra Blanca properties located in Mexico, and the Seymour Lake and KM61 properties located in Canada were acquired by the Corporation from Linear Gold during the period ending April 30, 2006. The ownership of the Corporation will be distributed to Linear Gold's shareholders on the basis of one Unit of the Corporation for each share of Linear Gold. Each Unit consists of 0.8 of a common share and one-tenth of a warrant of the Corporation, with each full warrant entitling the holder to purchase one share of the Corporation for \$0.12 for a period of 30 days following distribution of the Units, which is expected to occur on June 30, 2006.

As a result of the transaction, 17,162,224 common shares and 2,145,278 warrants of the Corporation will be distributed to Linear Gold shareholders. The Corporation has arranged for a standby subscription commitment to subscribe for shares equal to the number of warrants that expire unexercised, thereby providing that 2,145,278 common shares will be issued pursuant to the exercise of warrants and the standby subscription commitment. The standby subscription commitment has been provided by managers of Linear Gold and will result in proceeds to the Corporation of \$257,433 from the exercise of warrants and the issuance of shares pursuant to the standby subscription agreement.

The Corporation has appointed a Board of Directors consisting of four individuals, two of whom are independent of Linear Gold. Management of Linear Gold will serve as interim officers of the Corporation until a president is appointed by its board.

The Corporation has also arranged a Private Placement commitment providing for a subscription of 5,000,000 common shares of the Corporation at \$0.15 per share for proceeds of \$750,000. The completion of the Private Placement is conditional on the listing of the Corporation's shares on the Exchange.

During the three and six month periods ended April 30, 2006, the Corporation incurred a loss of \$0.1 million related to the initial listing and distribution of the Corporations shares. The Corporation has no revenue producing operations and is dependent on successfully completing future equity financings to continue as a going concern.

1.3 Selected Annual Information

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

Fiscal Year	2005	2004	2003
Revenues	\$ -	\$ -	N/A
Net Loss	\$ -	\$ -	N/A
Basic & Diluted Net Loss per share	\$ -	\$ -	N/A
Total Assets	\$ -	\$ -	N/A
Total Long-term liabilities	\$ -	\$ -	N/A
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 Corporation was incorporated on November 17, 2004 as a wholly-owned subsidiary of Linear Gold and was inactive prior to March 2006. The Corporation 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 \$175,000 for the year ended October 31, 2006.

1.4 Results of Operations

Three and six months ending April 30, 2006

During the three and six month periods ended April 30, 2006, the Corporation incurred a loss of \$0.1million. Expenses, which primarily related to the initial listing and distribution of the Corporations' shares, included \$60,495 in professional fees and \$32,500 in Listing and regulatory costs during the three and six-month periods. Banking fees totaled \$362 for the quarter and \$405 for the six month period ended April 30, 2006. The Corporation also incurred a currency exchange gain of \$3,700 relating to its foreign transactions. The Company expects to incur operating losses of approximately \$40,000 per quarter going forward.

1.5 Summary of Quarterly Results

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

	Fiscal 2006		Fiscal 2005				Fiscal 2004	
	Q2 Apr-06	Q1 Jan-06	Q4 Oct-05	Q3 Jul-05	Q2 Apr-05	Q1 Jan-05	Q4 Oct-04	Q3 Jul-03
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Net Loss	\$ 90	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Basic & Diluted Net Loss per share	\$0.05	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Total Assets	\$ 1,449	\$ -	\$ -	\$ -	\$ -	\$ -	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.

As of April 30, 2006, the Corporation was a wholly-owned subsidiary of Linear Gold and prior to March 2006 was inactive.

1.6 Liquidity and Capital Resources

As of April 30, 2006, the Corporation had working capital of \$32,936. Linear Gold has provided necessary interim financing to the Corporation in advance of completion of the planned \$750,000 Private Placement and the proceeds of \$257,433 to be received from the exercise of warrants and standby subscription agreement. The Corporation will repay all amounts advanced from Linear Gold upon completion of these financings. As of April 30, \$222,493 had been provided by Linear Gold.

The Corporation plans minimum exploration expenditures of \$370,000 over the next year which will be funded from the proceeds of the Private Placement and exercise of warrants. The Corporation will rely on successfully completing 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 Corporation will be able to obtain the required financing, and the failure to obtain adequate financing could result in the loss of its interest in its properties.

1.7 Off-Balance Sheet Arrangements

At April 30, 2006, the Corporation 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 Corporation.

1.8 Critical Accounting Estimates

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

The Corporation'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 Corporation 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 Corporation to obtain necessary financing to complete the development and future profitable production or the proceeds of disposition thereof.

1.9 Transactions with Related Parties

As described previously, the Corporation has completed a series of Related Party Transactions with Linear Gold, resulting in the acquisition of resource properties located in Mexico and Canada and the initial distribution of the Corporation's shares and warrants.

Linear Gold has also provided necessary interim financing to the Corporation in advance of completion of the planned \$750,000 Private Placement and the proceeds of \$257,433 to be received from the exercise of warrants and standby subscription agreement. The Corporation will repay all amounts advanced from Linear Gold upon completion of these financings. As of April 30, \$222,493 had been provided by Linear Gold.

1.10 Financial Instruments and Other Risks

The Corporation's financial instruments consist of cash, receivables, accounts payable and amounts advanced from related parties. Management does not believe these financial instruments expose the Corporation to any significant interest, currency or credit risks arising from these financial instruments. 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 Corporation relate to explorations 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 Corporation's control. In addition to the normal and usual risks of exploration and mining, the Corporation 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 Corporation'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 Corporation relies on equity financing for its long-term working capital requirements and to fund its exploration programs. The Corporation does not have sufficient funds to put any of its resources interests into production from its own financial resources. There is no assurance that such financing will be available to the Corporation, or that it will be available on acceptable terms.

1.11 Outstanding Share Data

a) Common Shares

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

At April 30 and June 26, 2006, the Corporation has issued and outstanding 17,162,225 common shares with a recorded value of \$1,000,001.

On April 20, 2006, Linear Gold subscribed for 14,443,502 Units of the Corporation for proceeds of \$675,000. On April 24, 2006, the Corporation acquired interests in the Seymour Lake and KM 61 properties located in Ontario, Canada from Linear Gold for the issuance of 7,009,278 Units with a value of \$325,000. Each Unit consists of 0.8 of a common share and one-tenth of a warrant, resulting in the equivalent of 17,162,224 common shares and 2,145,278 warrants of the Corporation being issued during the period.

b) Warrants

At April 30 and June 26, 2006, the Corporation had 2,145,278 warrants issued and outstanding with a recorded value of \$nil. The warrants entitle the holder to purchase one common share at a price of \$0.12 per share and expire 30 days after distribution to shareholders, which is expected to occur on June 30, 2006.

c) Stock Options

At April 30 and June 26, 2006, there were no options outstanding pursuant to the Corporations Stock Option Plan, which provides for up to 10% of the Corporations outstanding shares to be reserved for issuance to eligible participants in accordance with the rules of the plan and the Exchange.

1.12 Deferred Resource Property Expenditures

During the period ended April 30, 2006, the Corporation acquired interests in the Cobre Grande, La Morena and Tierra Blanca 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 Corporation issuing 21,452,780 Units, comprised of 17,162,224 common shares and 2,145,278 warrants of the Corporation, to complete the acquisition of the properties.

The Corporation's acquisition of the Resource Properties did not result in a substantive change in ownership and therefore, in accordance with Canadian generally accepted accounting principles, the assets have been recorded at Linear Gold's carrying value of \$1,169,188.

The Corporation did not conduct exploration activities on these properties during the three or six month periods ending April 30, 2006, but does expect to commence exploration during the third quarter of this fiscal year.

1.13 Other Information

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