

AMAZON MINING HOLDING PLC

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

THREE AND SIX MONTHS ENDED 31 OCTOBER 2007

AMAZON MINING HOLDING PLC

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED 31 OCTOBER 2007

The accompanying unaudited consolidated financial statements of Amazon Mining Holding plc ("Amazon", or the "Company") for the three and six months ended 31 October 2007 have been prepared by and are the responsibility of the Company's management. The interim statements of the Company for the three and six months ended 31 October 2007 comprise the Company and its subsidiaries (together referred to as the "Group"). They do not include all of the information and disclosures that would be required by International Financial Reporting Standards for annual audited financial statements. The interim consolidated financial statements should be read in conjunction with the long form Prospectus filed on SEDAR on 12 November 2007 and with the Company's audited financial statements including the notes thereto for the period ended 30 April 2007. The financial information has not been reviewed or audited by the Company's Auditors.

These financial statements have been approved by the Audit Committee and the Board of Directors of the Company.

AMAZON MINING HOLDING PLC
CONSOLIDATED INCOME STATEMENT

(Unaudited)

	3 months ended 31 Oct 2007 £	3 months ended 31 Oct 2006 £	6 months ended 31 Oct 2007 £	6 months ended 31 Oct 2006 £
Administrative expenses	<u>(70,365)</u>	<u>(19,283)</u>	<u>(120,191)</u>	<u>(35,065)</u>
Operating loss before finance income	(70,365)	(19,283)	(120,191)	(35,065)
Finance income	<u>920</u>	<u>248</u>	<u>6,805</u>	<u>346</u>
Loss before taxation	(69,445)	(19,035)	(113,386)	(34,719)
Taxation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss for the period	<u>(69,445)</u>	<u>(19,035)</u>	<u>(113,386)</u>	<u>(34,719)</u>
Basic and diluted loss per ordinary share	<u>(0.49p)</u>	<u>(0.04p)</u>	<u>(0.80p)</u>	<u>(0.07p)</u>

AMAZON MINING HOLDING PLC
CONSOLIDATED BALANCE SHEET

(Unaudited)

	31 Oct 2007	31 Jul 2007 £	(Audited) 30 Apr 2007 £
Intangible exploration assets	676,706	528,701	302,899
Property, plant and equipment	<u>5,030</u>	<u>4,521</u>	<u>2,355</u>
	<u>681,736</u>	<u>533,222</u>	<u>305,254</u>
Other receivables and prepayments	180,218	3,127	657
Cash and cash equivalents	<u>124,735</u>	<u>326,280</u>	<u>587,415</u>
Total current assets	<u>304,953</u>	<u>329,407</u>	<u>588,072</u>
Total assets	<u>986,689</u>	<u>862,629</u>	<u>893,326</u>
Equity			
Issued share capital	3,546,456	3,546,456	3,546,456
Share premium	93,416	199,187	199,187
Translation reserve	33,262	13,433	3,241
Merger reserve	(2,727,227)	(2,727,227)	(2,727,227)
Accumulated losses	<u>(282,987)</u>	<u>(213,542)</u>	<u>(169,601)</u>
	<u>662,920</u>	<u>818,307</u>	<u>852,056</u>
Liabilities			
Trade and other payables	<u>323,769</u>	<u>44,322</u>	<u>41,270</u>
Total liabilities	<u>323,769</u>	<u>44,322</u>	<u>41,270</u>
Total equity and liabilities	<u>986,689</u>	<u>862,629</u>	<u>893,326</u>

AMAZON MINING HOLDING PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)	3 months ended 31 Oct 2007 £	3 months ended 31 Oct 2006 £	6 months ended 31 Oct 2007 £	6 months ended 31 Oct 2006 £
Cash flows from operating activities:				
Operating loss	(70,365)	(19,283)	(120,191)	(35,065)
Adjustments for:				
Depreciation	69	-	113	-
Increase in other receivables and prepayments	(177,090)	(23)	(179,561)	(349)
Increase in trade and other payables	<u>189,419</u>	<u>(5,310)</u>	<u>192,471</u>	<u>2,537</u>
Net cash outflow from operating activities	<u>(57,967)</u>	<u>(24,616)</u>	<u>(107,168)</u>	<u>(32,877)</u>
Cash flows from investing activities:				
Interest received	920	248	6,805	346
Acquisition of intangible exploration assets	(129,959)	(99,255)	(343,063)	(138,192)
Acquisition of property, plant and equipment	<u>(473)</u>	<u>-</u>	<u>(2,593)</u>	<u>(924)</u>
Net cash outflow from investing activities	<u>(129,512)</u>	<u>(99,007)</u>	<u>(338,851)</u>	<u>(138,770)</u>
Cash flows from financing activities:				
Issue of share capital	-	167,884	-	167,884
Share issue expenses	<u>(15,744)</u>	<u>-</u>	<u>(15,744)</u>	<u>-</u>
Net cash outflow from financing activities	<u>(15,744)</u>	<u>167,884</u>	<u>(15,744)</u>	<u>167,884</u>
Net increase in cash and cash equivalents	(203,223)	44,261	(461,763)	(3,763)
Cash and cash equivalents at start of period	326,280	2,580	587,415	50,686
Exchange differences	<u>1,678</u>	<u>(-)</u>	<u>(917)</u>	<u>(82)</u>
Cash and cash equivalents at end of period	<u>124,735</u>	<u>46,841</u>	<u>124,735</u>	<u>46,841</u>

AMAZON MINING HOLDING PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

Period to 31 October 2006

	Issued capital	Share premium	Merger reserve	Accumulated losses	Translation reserve	Total
	£	£	£	£	£	£
Opening balance	1	-	-	(22,938)	-	(22,937)
Shares issued during period	2,666,956	49,187	-			2,716,143
Arising on merger in period			(2,727,227)			(2,727,227)
Loss for the period	-	-	-	(34,719)	-	(34,719)
	-	-	-	-	(82)	(82)
Balance at 31 October 2006	<u>2,666,957</u>	<u>49,187</u>	<u>(2,727,227)</u>	<u>(57,657)</u>	<u>(82)</u>	<u>(68,822)</u>

Period to 31 October 2007

	Issued capital	Share premium	Merger reserve	Accumulated losses	Translation reserve	Total
	£	£	£	£	£	£
Opening balance	3,546,456	199,187	(2,727,227)	(169,601)	3,241	852,056
Share issue expenses	-	(105,771)	-	-	-	(105,771)
Loss for period	-	-	-	(113,386)	-	(113,386)
Foreign exchange differences	-	-	-	-	30,021	30,021
Balance at 31 October 2007	<u>3,546,456</u>	<u>93,416</u>	<u>(2,727,227)</u>	<u>(282,987)</u>	<u>33,262</u>	<u>662,920</u>

AMAZON MINING HOLDING PLC

UNAUDITED NOTES TO THE INTERIM STATEMENTS

FOR THE SIX MONTHS ENDED 31 OCTOBER 2007

1. NATURE OF OPERATIONS AND GOING CONCERN

Operations

The Company and its subsidiaries are currently engaged in the exploration of gold and diamond properties in Brazil.

Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of business as they come due.

At 31 October 2007, the Group had working capital of £(18,816).

On 21 November 2007, the Company successfully listed its shares on the TSX Venture Exchange in Canada and raised net proceeds of approximately £7.35 million (see Note 9 – Subsequent Events)

Management believes that the Company has sufficient working capital to ensure ongoing activities for the coming year.

The Company's ability to continue as a going concern, and the recoverability of its mineral properties and property, plant and equipment, is however dependent on the gold price, its ability to fund its development and exploration programs, and to manage and generate positive cash flows from activity in the future. These financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and these adjustments could be material.

In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches. Further funding is raised as and when required. When any of the Group's projects move to the development stage, specific financing will be required.

AMAZON MINING HOLDING PLC

UNAUDITED NOTES TO THE INTERIM STATEMENTS

FOR THE SIX MONTHS ENDED 31 OCTOBER 2007

2. BASIS OF PRESENTATION

These interim unaudited consolidated financial statements for Amazon Mining Holding PLC (“AMH” or the “Company”) have been prepared in accordance with International Financial Reporting Standards (“IFRSs” or “IFRS”). Amazon Mining Holding PLC (the “Company”) is a company domiciled in England and Wales.

AMH PLC was incorporated on 14 August 2006, and on that date it acquired the issued share capital of Amazon Mining Limited by way of a share-for-share exchange. The latter had one active wholly owned subsidiary, Amazon Pesquisa Mineral e Mineracao Ltda. The consideration for the acquisition was satisfied by the issue of 54,549,920 ordinary shares in AMH PLC to the shareholders of Amazon Mining Limited.

As AMH PLC was a newly incorporated entity which acquired a group by way of issue of shares to the existing shareholders of Amazon Mining Limited, the transaction is not a business combination within the meaning of IFRSs. The transaction has effectively been treated as a group reorganisation and the consolidated financial statements are presented in a way that reflects the continuation of the Amazon Mining Limited Group. Consequently the comparative figures for the period to 31 October 2006 are those of the Amazon Mining Limited Group for the period to 14 August 2006. The interim statements of the Company for the three and six months ended 31 October 2007 comprise the Company and its subsidiaries. The Group is primarily involved in the acquisition and development of mineral resource assets.

The accounting policies and methods of computation used in the preparation of the unaudited consolidated financial information are the same as those described in the Company’s audited consolidated financial statements and notes thereto for the year ended 30 April 2007.

In the opinion of the management, the accompanying interim financial information includes all adjustments considered necessary for fair and consistent presentation of financial statements. These interim consolidated financial statements should be read in conjunction with the Company’s audited financial statements and notes for the year ended 30 April 2007.

AMAZON MINING HOLDING PLC

UNAUDITED NOTES TO THE INTERIM STATEMENTS

FOR THE SIX MONTHS ENDED 31 OCTOBER 2007

3. INTANGIBLE FIXED ASSETS

	31 Oct 2007	31 Jul 2007	30 Apr 2007
	£	£	£
Deferred exploration costs			
Cost			
Balance – beginning of period	528,701	302,899	59,184
Additions	129,959	213,104	243,715
Foreign exchange differences	<u>18,046</u>	<u>12,698</u>	<u>-</u>
Balance - end of period	<u>676,706</u>	<u>528,701</u>	<u>302,899</u>

The deferred exploration costs relate to the following mining projects:

	31 Oct 2007	31 Jul 2007	30 Apr 2007
	£	£	£
Rio Madeira	115,429	102,259	56,723
Lavras	170,664	100,052	-
Tocantins	267,968	262,429	190,860
Terra Branca	107,251	62,458	55,316
Other	<u>15,394</u>	<u>1,503</u>	<u>-</u>
	<u>676,706</u>	<u>528,701</u>	<u>302,899</u>

4. TANGIBLE FIXED ASSETS

	31 Oct 2007	31 Jul 2007	30 Apr 2007
	£	£	£
Property, plant and equipment			
Cost			
Balance – beginning of period	4,571	2,361	-
Additions	473	2,120	2,361
Foreign exchange differences	<u>105</u>	<u>90</u>	<u>-</u>
Balance - end of period	<u>5,149</u>	<u>4,571</u>	<u>2,361</u>
Depreciation			
Balance – beginning of period	50	6	-
Charge for period	63	42	6
Foreign exchange differences	<u>6</u>	<u>2</u>	<u>-</u>
Balance - end of period	<u>119</u>	<u>50</u>	<u>6</u>
Net book value			
At end of period	<u>5,030</u>	<u>4,521</u>	<u>2,355</u>
At start of period	<u>4,521</u>	<u>2,355</u>	<u>-</u>

AMAZON MINING HOLDING PLC

UNAUDITED NOTES TO THE INTERIM STATEMENTS

FOR THE SIX MONTHS ENDED 31 OCTOBER 2007

5. SHARE CAPITAL

	31 Oct 2007 £	31 Jul 2007 £	30 Apr 2007 £
Authorized			
500,000,000 Ordinary shares of £0.25 each	125,000,000	125,000,000	-
100,000,000 Ordinary shares of £0.05 each	-	-	50,000,000
	<u>125,000,000</u>	<u>125,000,000</u>	<u>50,000,000</u>
Allotted, issued and fully paid			
14,185,826 Ordinary shares of £0.25 each	3,546,456	3,456,456	-
70,929,130 Ordinary shares of £0.05 each	-	-	3,456,456
	<u>3,456,456</u>	<u>3,456,456</u>	<u>3,456,456</u>

At an Extraordinary General Meeting on 17 May 2007, the following resolution was passed as a Special Resolution:

- (A) 1,000,000,000 ordinary shares of 5p each in the capital of the Company, issued and unissued, be and are hereby consolidated so as to become 200,000,000 ordinary shares of 25p each.
- (B) The authorised share capital of the Company be increased from £50,000,000 to £125,000,000 by the creation of 300,000,000 ordinary shares of 25p each to rank pari passu and form one class with the ordinary shares of 25p in the capital of the Company arising from the consolidation effected pursuant to paragraph (A) above.
- (C) The Directors be and are hereby generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Companies Act 1985 ("the Act") to exercise for a period from the date of the passing of this Resolution until the fifth anniversary thereof all the powers of the Company to allot relevant securities up to an aggregate nominal value of £107,267,717.50 and to make offers or agreements which would or might require relevant securities to be allotted after the expiry of the said period provided that such allotments will fall within the limit aforesaid if made during the said period; and for the purposes of this Resolution words and expressions defined in or for the purposes of the said Section 80 shall bear the same meaning herein.

6. RELATED PARTY TRANSACTIONS

At 31 October 2007 Amazon Mining Holding Plc was owed £996,671 by Amazon Mining Limited (31 July 2007: £996,671, 30 April 2007: £996,671).

AMAZON MINING HOLDING PLC

UNAUDITED NOTES TO THE INTERIM STATEMENTS

FOR THE SIX MONTHS ENDED 31 OCTOBER 2007

7. SEGMENTED INFORMATION

The Company has one operating segment consisting of an exploration operations located in Brazil. During the periods ended 31 October 2007 and 31 October 2006 all of the Company's capital assets and activities were in Brazil.

8. FINANCIAL INSTRUMENTS

The Group uses financial instruments comprising cash, liquid resources and items such as short-term debtors and creditors that arise from its activities. These financial instruments are the sole source of finance for the Group's activities. The principal risks relate to currency exposure and liquidity. Short term debtors and creditors have been excluded from the following disclosures:

Currency rate risk

The majority of the Group's expenses are incurred in Brazilian Reais. The Group's principal exchange rate exposure is therefore related to movements between the Brazilian Reais and Sterling.

The Group's cash resources are held in Sterling and Brazilian Reais. The Group has a downside exposure to any strengthening of the Brazilian Reais as this would increase expenses in Sterling terms and accelerate the depletion of the Group's cash resources. Any weakening of the Brazilian Reais would however result in the reduction of the expenses in Sterling terms and preserve the Group's cash resources. In addition, any such movements would affect the Consolidated Balance Sheet when the net assets of the Brazilian subsidiaries are translated into Sterling.

The holding of significant cash balances in Brazilian Reais is kept under constant review.

Liquidity risk

To date the Group has relied on shareholder funding to finance its activities. As the Group has finite cash resources and no material income, the liquidity risk is significant and is managed by controls over expenditure.

Interest rate risk

The Group's policy is to retain its surplus funds on the most advantageous term of deposit available up to twelve month's maximum duration. There are no fixed, floating rate or interest free financial liabilities by way of borrowing.

AMAZON MINING HOLDING PLC
UNAUDITED NOTES TO THE INTERIM STATEMENTS
FOR THE SIX MONTHS ENDED 31 OCTOBER 2007

8. FINANCIAL INSTRUMENTS (continued)

Financial assets

The Group's financial assets comprise floating rate assets comprising interest earning bank deposits at rates set by reference to the prevailing LIBOR or equivalent to the relevant country. The Group has no fixed rate financial assets at 31 October 2007.

Fair value of financial assets

There is no material difference between fair value and book value

9. Subsequent Events

Initial Public Offering ("IPO")

On 21 November 2007, the Company completed an IPO of 13,333,333 Units at a price of C\$1.20 per Unit, for gross proceeds of approximately C\$16,000,000. Each Unit consists of one ordinary share of the Company and one-half of one ordinary share purchase warrant, with each whole warrant entitling the holder to acquire an additional ordinary share at a price of C\$1.55 per share expiring on November 21, 2009. The Company's shares commenced trading on the TSX Venture Exchange under the symbol "AMZ".

Option Grant

On 14 December 2007, the Directors resolved to grant an aggregate of 1,595,000 stock options exercisable at a price C\$1.20 to its Directors, Officers and Employees, The grant is subject to regulatory approval.

AMAZON MINING HOLDING PLC

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE SECOND QUARTER ENDED 31 OCTOBER 2007

The following management's discussion and analysis ("MD&A") of Amazon Mining Holding PLC (the "Amazon" or the "Parent Company") and its subsidiaries (the "Group") contains forward-looking statements that involve numerous risks and uncertainties. Actual results could differ materially from those discussed in such forward-looking statements as a result of these risks and uncertainties, including those set forth in this MD&A.

The following discussion provides information that management believes is relevant to an assessment and understanding of our consolidated results of operations and financial condition for the three and six months ended 31 October 2007. This discussion should be read in conjunction with the long form Prospectus filed on SEDAR on 12 November 2007, and with the audited financial statements for the year ended 30 April 2007 and related notes thereto. These consolidated statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

This MD&A, which has been prepared as of 19 December 2007, is intended to supplement and complement audited consolidated financial statements and notes thereto for the year ended 30 April 2007 prepared in accordance with International Financial Reporting Standards (IFRS). Unless otherwise stated, all reported amounts are stated in British Pounds.

BUSINESS & OPERATIONS OVERVIEW

The Parent Company was incorporated on 14 August 2006. The Parent Company's Ordinary Shares were admitted for trading on the Canadian TSX Venture Exchange on 21 November 2007 under the symbol "AMZ".

The principal activity of the Group is that of a mineral exploration company engaged in acquisition and development of gold exploration properties in Brazil. The Group's strategic focus is to acquire projects with demonstrated potential for hosting gold deposits and to define resources through exploration and drilling campaigns. Amazon's activities are currently focused on the Tocantins Gold Project, located in the state of Tocantins in Central Brazil, on the Madeira Gold Project, located in the states of Rondonia and Amazonas in north-western Brazil, and on Lavras Gold Project, located in the state of Minas Gerais in Central Brazil.

The Tocantins Gold Project, the Madeira Gold Project and the Lavras Gold Project are each considered to be in the early or pre-exploration stages and the Group has not yet commenced appreciable mining operations on either of such projects. Accordingly, the Group does not currently have any revenues and does not expect to have any revenues until the completion of the recommended exploration programmes on Group projects, receipt of mineral licences and permits for mining of one or more commercial ore bodies located thereon, and the mining and shipment of ore.

The Group holds an option to acquire up to 100% interest in the Terra Branca Diamond Project and has also entered into a non-binding letter of intent to acquire up to 100% interest in the Castelo dos Sonhos Gold Property. Each of the Terra Branca Diamond Project and the Castelo dos Sonhos exploration assets are also considered to be in the early or pre-exploration stages.

SELECTED FINANCIAL INFORMATION

The following selected financial information has been derived from the consolidated financial statements of the Group for the periods indicated and should be read in conjunction with such statements and notes thereto.

Selected Financial Information All amounts in £, except shares and per share figures	3 months ended 31 October 2007	3 months ended 31 October 2006	6 months ended 31 October 2007	6 months ended 31 October 2006
Revenue	-	-	-	-
Administrative Expenses	70,365	19,283	120,191	(35,065)
Bank Interest Receivable	920	248	6,805	346
Net (loss)	(69,445)	(19,035)	(113,386)	(34,719)
Loss per share in pence (basic and diluted)	(0.49p)	(0.04p)	(0.80p)	(0,07p)
Cash Flow (used) for operating activities	(57,967)	(24,616)	(107,168)	(32,877)
Cash Flow (used) for investing activities	(129,512)	(99,007)	(338,851)	(138,770)
Cash Flow (used) for financing activities	(15,744)	167,884	(15,744)	167,884
Net (decrease) in cash	(203,223)	44,261	(461,763)	(3,763)
Cash & Cash Equivalents at end of period	124,735	46,841	124,735	46,841
Total Assets	986,689	321,233	986,689	321,233
Total Liabilities	323,769	390,057	3323,769	390,057
Working Capital	(18,816)	(291,744)	(18,816)	(291,744)
Weighted average number of shares outstanding	14,185,826	53,339,137	14,185,826	53,339,137

Review of quarter ending 31 October 2007

The Group's only source of income since incorporation has been bank deposit interest.

Compared to the quarter ending 31 October 2006, net losses increased £50,410 to £69,445 and the loss per share increased from 0.04p to 0.49p. Losses were higher as administration expenses increased £51,082 to £70,365. This significant increase in expenses is due to the increased working capital costs the Group has incurred in advancing the Parent Company toward its initial public offering .

Cash flows used for operating activities increased by £33,351 substantially as a result of increased operating losses. Cash flows used for investing activities also increased by £30,505 primarily as a result of acquiring additional projects.

Total assets, which include accumulated deferred exploration expenditures, increased £493,577 to £814,810 due to the acquisition of various mining rights and the exploratory costs related thereon. This increase was substantially funded from pre-IPO financing and cash deposits.

SUMMARY OF QUARTERLY RESULTS

As only the quarterly financial statements for the quarter ending 31 July 2007 were prepared by the Group prior to the Parent Company becoming a reporting issuer in each of the provinces of Canada with the exception of Quebec, the Company is not presently required under applicable Canadian securities law to provide any additional quarterly results other than as provided below.

Quarterly Results (all amounts in British Pounds except per share figures)

	October 31	July 31
<u>Fiscal 2008</u>		
Revenue		-
Net Loss	(69,445)	(43,941)
Loss per share Basic & diluted (in pence)	(0.49)	(0.31)
<u>Fiscal 2007</u>		
Revenue	-	-
Net Loss	(19,035)	(15,684)
Loss per share-Basic & diluted (in pence)	(0.04)	(0.03)

SUBSEQUENT EVENTS

On 21 November 2007 the company successfully completed an initial public offering (the "IPO") raising net proceeds of approximately £7.35 million and listed on the TSX Venture Exchange under the symbol AMZ.

On 7 December 2007, and 14 December 2007, Amazon hired Boart Longyear in Brazil to work on an initial drill campaign in the Tocantins Project and Lavras Project respectively. The initial drilling work (1,500m) in the Tocantins Project started on 19 December 2007, and the initial drilling work (1,500m) in the Lavras Project is expected to start in January 2008.

On 14 December 2007, the Directors resolved to grant an aggregate of 1,595,000 stock options exercisable at a price C\$1.20 to its Directors, Officers and Employees, The grant is subject to regulatory approval.

OUTLOOK

Following the successful outcome of the IPO on 21 November 2007, the Group will be able to fulfil its payment and other obligations under the Tocantins and Lavras agreements and to complete the recommended exploration programmes at the Tocantins Gold Project, the Madeira Gold Project, and the Lavras Gold Project. In this regard the Group notes that a total of £4.4 million of the proceeds from the offering has been allocated to fund exploration programmes on those mineral projects. An additional £1 million has been allocated for the acquisition of future acquisition of mining claims/concessions. The balance of the funds raised are allocated for general working capital purposes.

LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION

To date, the Group has relied on shareholder funding to finance its operations. With finite cash resources and no material income, the liquidity risk is significant and is managed by controls over expenditure. Success will depend largely upon the outcome of ongoing and future exploration and evaluation programmes.

The majority of the Group's expenses are incurred in the Brazilian Real or US dollars, and a substantial amount of its cash is kept in Canadian dollars. The Group's principal exchange rate exposure is therefore related to movements between the Brazilian Real, US Dollars, Canadian Dollars and GB Pounds.

The Group's cash resources are held in GB Pounds, Canadian Dollars, and Brazilian Real. The Group has a downside exposure to any strengthening of the Brazilian Real as this would increase expenses in GB Pound terms. This risk is mitigated by reviewing the holding of cash balances in Brazilian Real. Any weakening of the Brazilian Real would however result in the reduction of the expenses in GB Pound terms and preserve the Group's cash resources. In addition, any such movements would affect the Consolidated Balance Sheet when the net assets of the Brazilian Subsidiaries are translated into GB Pounds.

Cash balances in Brazilian Real are kept under constant review and surplus funds are held on deposit on the most advantageous terms of deposit available up to three month's maximum duration.

At 31 October 2007 the Group held cash of £124,735. The Group held no fixed rate deposits at 31 October 2007.

The Group utilised £67,759 (2006: £24,616) to finance operating cash flows during the quarter. This material increase was primarily a result of increased operating losses on higher costs discussed above.

Cash outflows from investing activities increased to £119,720 (2006: £99,007) mainly as a result of a £20,912 increase in evaluation and exploration activities.

At 19 December 2007, following the IPO, the Company has £7.2 million in cash.

Commitments

At 31 October 2007 the Group had capital commitments in respect of deferred exploration expenditures of US\$1,120,000.

Financial Instruments

The board of directors determines, as required, the degree to which it is appropriate to use financial instruments and hedging techniques to mitigate risks. The main risks for which such instruments may be appropriate are foreign exchange risk, interest rate risk and liquidity risk. There are no perceived credit risks as the Group has no trade receivables and there were no derivative instruments outstanding at 31 October 2007.

Related Party Transactions

During the quarter ended 31 October 2007, the Group entered into an executive services agreement with Manoel Cerqueira, the Chief Financial Officer and Country Manager (Brazil) of the Group, and a consulting agreement with Setegeo Serviços Técnicos de Geologia Ltda, a

Brazilian Company of which Dr João Batista G. Teixeira, the Chief Geoscientist of the Group, is a principal.

Going Concern

The Group's ability to continue as a going concern, and the recoverability of its mineral properties, is dependent on the gold price, its ability to fund its development and exploration programmes, and to manage and generate positive cash flows from operations in the future. These financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary should the going concern assumption be inappropriate, and these adjustments could be material.

In common with many exploration companies, the Group raises finance for its exploration and appraisal activities in discrete tranches. Following the successful outcome of the IPO on 21 November 2007, the Group will be able to fulfil its payment and other obligations under the Tocantins Agreement and to complete the recommended exploration programmes at the Tocantins Gold Project and the Madeira Gold Project. In this regard the Group notes that a total of £4.4 million of the proceeds from the offering has been allocated to fund exploration programmes on those mineral projects.

Impairment Assessments of Development Projects and Exploration Properties

The carrying value of assets are reviewed and tested when events or changes in circumstances suggest that the carrying amount may not be recoverable. A comparison of the carrying value of the assets of the mine or project is compared to the expected future cash flows associated with the project. Expected future cash flows are based on a probability-weighted approach applied to potential outcomes and a reduction of assets is made to fair value as a charge to earnings if the discounted expected future cash flows are less than the carrying amount. Fair value is estimated by discounting the expected future cash flows using a discount factor that reflects the risk free rate of interest for a term consistent with the period of expected cash flows.

MI 52-109 COMPLIANCE

Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the Group's disclosure controls and procedures as at the financial year ended 31 October 2007. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design of these disclosure controls and procedures were effective as at 31 October 2007 to provide reasonable assurance that material information relating to the Group would be made known to them by others within the Group.

Internal controls over financial reporting

As at 31 October 2007, the Chief Executive Officer and Chief Financial Officer evaluated the design of the Group's internal controls over financial reporting. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design of internal control over financial reporting was effective as at 31 October 2007 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

International Financial Reporting Standards that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 April 2007:

IFRS /Amendment	Title	Application date of standard	Application date for Group
IFRS 7	Financial instruments: disclosures	1 January 2007	1 May 2007
IFRS 8	Operating segments	1 January 2009	1 May 2009
IAS 23 amendment	Borrowing costs	1 January 2009	1 May 2009
IFRIC 9	Reassessment of embedded derivatives	1 June 2006	1 May 2007
IFRIC 10	Interim financial reporting and impairment	1 November 2006	1 May 2007
IFRIC 11	IFRS2 - Group and treasury share transactions	1 March 2007	1 May 2007
IFRIC 12	Service concession arrangements	1 January 2008	1 May 2008

Management have reviewed the impact of the above standards and have determined that they do not result in any changes to accounting policies.

OUTSTANDING SHARE DATA

As at the date of this MD&A the following securities are outstanding:

Ordinary Shares	27,519,159
Warrants	7,650,000
Compensation options	800,000
Employee Stock Options	<u>1,595,000</u>
Total	<u>37,564,159</u>

Further information

Additional information relating to the Group can be found on SEDAR at www.sedar.com and on the Group's web site at www.amazonmining.com.