

Foran Mining Corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED DECEMBER 31, 2007

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Company's unaudited Consolidated Financial Statements and the notes thereto for the three month period ended December 31, 2007.

This MD&A has been prepared as of February 28, 2008.

Management's discussion and analysis of financial condition and results of operations contains forward-looking statements. By their nature, these statements involve risk and uncertainties, many of which are beyond the Company's control, which could cause actual results to differ materially from those expressed in such forward-looking statements. Readers are cautioned not to place undue reliance on these statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Nature of Business

Foran Mining Corporation ("Foran or Company") was originally incorporated under the laws of British Columbia on June 21, 1989 and continued into Saskatchewan on November 13, 2007. Foran is a reporting issuer in British Columbia, Alberta, Ontario, New Brunswick, Nova Scotia and Newfoundland. The Company's stock is traded on the TSX Venture Exchange under the symbol "FOM". Principle business activities include the acquisition and exploration of mineral properties with the objective of the discovery of economically recoverable mineral reserves for development of a producing mine operation. To date the Company has not generated any revenues.

Additional information regarding the Company, including copies of the Company's continuous disclosure materials is available through the SEDAR website at www.sedar.com

OVERALL PERFORMANCE

During the period ended December 31, 2007 the Company's operations were funded through the proceeds of capital asset dispositions and equity financing.

In October 2007, the Company closed two private placements for aggregate proceeds of \$250,000 in operating funds and \$1,575,000 in flow-through funds.

The Company entered into a Memorandum of Understanding with the Bureau of Geology and Mineral Exploration of Anhui Province P.R.C., China ("the Bureau") during the period ended December 31, 2007. An arrangement to provide financial funding and manpower to assist in the exploration of property claims located in Saskatchewan is anticipated.

MCILVENNA BAY, SASKATCHEWAN

McIlvenna Bay is the Company's main asset and business focus is directed to pursuing several proposals for the aggressive exploration and future development of the property.

In December 2006, the Company published on SEDAR a Technical Report compliant with NI 43-101 on the McIlvenna Bay property, which stated that the property is "a Cu-Zn volcanogenic massive sulphide deposit which is at the advanced exploration stage". The report also available on the Company's web site concluded that "a significant mineral resource had been estimated for the McIlvenna Bay property. Indicated resources total 6,671,000t at a grade of 0.83% Cu, 6.51% Zn and 26.0 g/t Ag. Inferred resources total 6,000,000t at a grade of .83% Cu, 5.89% Zn and 24.8 g/t Ag." As a result of the recommendations outlined in the Scott Wilson Roscoe Postle report, the Company began a drilling program in September 2007, with the specific intention to upgrade the mineral resources from inferred to indicated and to trace their extension down plunge to the northwest.

In December 2007 the Company announced the results of diamond drill hole MB-07-133. Designed to test the down dip and down plunge extension of the existing indicated #2 lens massive sulphide resource, DDH MB-07-133 intersected the near solid sulphide unit at 855.78 meters with a true width of 4.9 meters grading 0.170 g/tonne Au, 17.7 g/tonne Ag, 0.31% Cu and 9.07% Zn. The near solid sulphide is underlain conformably by a chloritic stringer zone, in this instance, a true width of 1.5 meters grading 0.230 g/tonne Au, 18.5 g/tonne Ag, 1.68% Cu and 1.04% Zn. The combined intersection is a true width of 6.4 meters grading 0.65% Cu and 7.08% Zn with minor Au and Ag values.

During the period ended December 31, 2007, \$625,763 has been expended on exploration and drilling will continue throughout 2008 concentrating on additional holes to delineate the extent of this sulphide deposit. Upon completion of this, and subsequent drill program(s), the current mineral resource estimate will be updated and a preliminary assessment/scoping study will be carried out. Contingent on the results of a preliminary assessment, a Phase 2 drilling program will be considered to acquire mineralized material for metallurgical test work.

Exploration activities have been funded through equity financing of flow-through funds. Further exploration is conditional on the Company's ability to raise funds for future operations. There can be no assurance that the Company will be able to do so and if funds are not available or other sources of finance cannot be raised, the Company would be forced to curtail its activities to a level for which funding is available.

SASKATCHEWAN PROJECT

In January, 2007 the Company began a state-of-the-art, high resolution deep penetrating VTEM Time Domain EM survey on 726 line Km's of the Bigstone, Balsam and Hanson Lake properties. These properties are located in close proximity to the McIlvenna Bay VMS deposit near Hanson Lake, Saskatchewan. The survey was conducted as follow up work to EM surveys and drilling that were previously conducted on the three properties.

The data obtained from the surveys was processed by Bob Frazer, Professional Geoscientist of G.R. Frazer Consulting Limited. The report states that "several promising anomalies were located in the Bigstone area. Anomaly locations are known accurately enough to pick drill hole collar locations on the map. In the Hanson Lake/Balsam block the Palaeozoic cover appears to be considerably thicker than in the Bigstone area. Nonetheless, three distinct targets were identified. It is recommended that a Pulse

Electromagnetic (PEM) survey be done in this area so that target depths can be measured prior to drilling.”

The Company plans to develop an exploration program for the highlighted targets during 2008. There are a total of 6 property claim groups included in this project which total approximately 20,538 hectares.

MANITOBA PROJECT

There are 9 property claim groups totalling 9,864 hectares in the Manitoba project. The Company does not have immediate plans for exploration work on these claims. During the period, \$20,045 has been expended to keep these claims in good standing. Certain claims may be approved to lapse once management has determined there is no value in keeping them in the Company land portfolio.

RESULTS OF OPERATIONS

During the quarter ended December 31, 2007, the Company incurred a loss before income taxes of \$91,308 (2006 - \$201,217). The losses recorded for the period include non-cash amortization of \$11,275. Losses recorded in 2006 were a result of interest on a convertible loan, professional fees and property maintenance.

Overall expenses have decreased substantially from 2006 and 2005 which is attributable to the settlement of the Statement of Claim and the Demand for Arbitration. Interest and Bank Charges amounted to \$4,828 (2006 - \$73,229) and has significantly decreased as a result of accumulated interest on the convertible loan being satisfied through the issuance of shares. Repairs and Maintenance \$Nil (2006 - \$22,280) were a result of buildings from the North Star site being removed. Rent \$10,817 (2006 - \$13,362) includes office space and warehouse space required for the gold mill equipment and exploration information storage. Wages and benefits \$51,516 (2006 - \$42,760) reflect administrative salaries. Administration expenses \$21,013 (2006 - \$23,916) include insurance expenses for the company's properties and equipment.

Accounts receivable \$369,512 (2006 - \$122,424) includes Joint Venture minority interest receivable \$322,990 and GST receivable at December 31, 2007. Cash has increased as a result of equity financing completed during the period.

SUMMARY OF QUARTERLY RESULTS

	2007 December 31	2007 September 30	2007 June 30	2007 March 31
Total Revenues – including interest	15,938	27,235	12	1,208
(Loss)Income before extraordinary items	(91,308)	(864,418)	(121,035)	(310,749)
Basic loss per share before extraordinary items	(0.001)	(0.01)	(0.001)	(0.003)
Diluted loss per share before extraordinary items	(0.001)	(0.01)	(0.001)	(0.003)
(Loss)Income for the year	(91,308)	(977,561)	(594,690)	(478,855)
Basic loss per share	(0.001)	(0.01)	(0.01)	(0.004)
Diluted loss per share	(0.001)	(0.01)	(0.01)	(0.01)

	2006 December 31	2006 September 30	2006 June 30	2006 March 31
Total Revenues	747	24,063	-	-
(Loss)Income before extraordinary items	(201,217)	(1,508,810)	(269,088)	(362,219)
Basic loss per share before extraordinary items	(0.001)	(0.02)	(0.02)	(0.01)
Diluted loss per share before extraordinary items	(0.001)	(0.02)	(0.02)	(0.01)
(Loss)Income for the year	(193,873)	(1,488,985)	(931,632)	(662,544)
Basic loss per share	(0.001)	(0.02)	(0.02)	(0.01)
Diluted loss per share	(0.001)	(0.02)	(0.02)	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations. The Company's activities have been funded through equity financing and a short term loan debenture. Further exploration is conditional on the Company's ability to raise funds through equity financing. There can be no assurance that the Company will be able to do so and if funds are not available or other sources of finance cannot be raised, the Company would be forced to curtail its activities.

Cash on hand at February 28, 2008 totalled approximately \$635,824.

There are no present cash commitments under the Joint Venture Agreement and the Company is aware of its cash requirements for its various property claims that will come due in the next year. Additional financing is anticipated through the issuance of share capital to satisfy its future commitments' and planned expenditures.

RELATED PARTY TRANSACTIONS

During the period the Company paid an aggregate \$1,590 (2006 - \$6,313) for rent to a company controlled by a director. During the year the Company paid an aggregate \$4,630 (2006 - \$Nil) to the same company for two vehicle leases.

The above transactions are considered to be in the normal course of operations and are measured at an exchange amount which approximates fair value and is the amount of consideration established and agreed to by the related parties.

OUTLOOK

Going forward, the Company will continue to carry out the current drill program for the McIlvenna Bay property and anticipates the implementation of a two year feasibility schedule for the property.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include stock based compensation expenses; impairment of mineral properties; impairment of capital assets; useful lives for amortization of capital assets; reclamation and environmental obligations; and contingencies reported in the notes to the financial statements. Financial results as determined by actual events could differ from those estimates.

SIGNIFICANT ACCOUNTING POLICIES

The Company has evaluated the impact of the new standards required by CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement, Section 1530, Comprehensive Income and Section 3865, Hedges. These sections provide guidance on the recognition and valuation of certain types of financial instruments.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, accounts payable, long and short term loans and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

MANAGEMENT CERTIFICATIONS – INTERNAL CONTROL OVER FINANCIAL REPORTING

Recent changes in securities laws no longer require the CEO and CFO of TSX Venture Exchange listed companies such as Foran to certify they have designed internal control over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. Instead, an optional form of certification has been made available to TSX Venture Exchange listed companies and has been used by Foran's certifying officers for the December 31, 2007 quarterly filings. The new certification reflects what the Company considers to be a more appropriate level of CEO and CFO certification given the size and nature of the Company's operations. This certification requires that the certifying officer's state:

- i) they have reviewed the interim MD&A and financial statements;
- ii) they have determine there is no untrue statement of a material fact, or any omission of material fact required to be stated which would make any statement not misleading in light of the circumstances under which it was made within the interim MD&A and financial statements;

- iii) that based upon their knowledge, the interim filings, together with the other financial information included in the interim filings, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of the date and for the periods presented in the filings.

For purposes of this certification, management believes fair presentation in accordance with Canadian GAAP constitutes fair presentation under securities laws