

AVION RESOURCES CORP.
(formerly Argent Mining Corp.)

***Management's
Discussion &
Analysis***

***for the year and quarter ended
November 30, 2007***

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year and Quarter Ended November 31, 2007

General

Management's discussion and analysis ("MD&A") has been prepared based on information available to Avion Resources Corp. ("we", "our", "us", "Avion", or the "Company") as of March 26, 2008. The MD&A provides a detailed analysis of the Company's business and compares its financial results with those of the previous year and should be read in conjunction with our Audited Annual Financial Statements and related Notes as at and for the year ended November 30, 2007. The financial statements and related notes of Avion have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Additional information, and press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online under our profile at www.sedar.com.

This MD&A reports our activities through March 26, 2008. All figures are in Canadian dollars unless otherwise indicated.

Forward Looking Statements

This MD&A contains forward-looking statements under Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the Company's proposed acquisitions and strategy, development potential and timetable of the Company's properties; the Company's ability to raise required funds; future mineral prices; mineralization projections; conclusions of economic evaluation; the timing and amount of estimated future exploration and development; costs of development; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of development are based on assumptions previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on extensive research of the Company, recent estimates of construction and mining costs and other factors that are set out herein. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: unexpected events and delays during exploration and development; acquisition risks; regulatory risks; revocation of government approvals; timing and availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of minerals; accidents, labour disputes and other risks of the mining industry. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

OVERVIEW OF THE COMPANY

Avion is a mining exploration company listed on the TSX Venture Exchange ('TSX-V') trading under the symbol AVR. The Company's focus is both Canadian and International with properties in Timmons Ontario Canada, Ethiopia, and most recently we announced that we have executed a binding share purchase agreement that provides for the acquisition of an 80% interest in the Tabakoto and Segala gold projects, (the "Mali Projects") located in Mali, West Africa from Nevsun Africa (Barbados) Ltd., a subsidiary of Nevsun Resources Ltd. The remaining 20% interest in the Mali Projects belongs to the Government of Mali. The Tabakoto project was previously a producing gold mine and has all mining infrastructure and processing facilities in-place. Nevsun previously spent approximately US\$90 million in capital expenditures to construct the mine and currently has a tax pool of over US\$100 million. See the Subsequents Events section.

During the year, the Company brought in new management, changed its name from Argent Mining Corp, to Avion Resources Corp., and consolidated its shares on a 3:1 basis. All common shares, options and warrants and per share amounts have been restated to reflect the 3:1 consolidation that took place on June 21, 2007 and a share consolidation that took place on April 7, 2006.

The Company is a development stage company as defined by the Canadian Institute of Chartered Accountants (the "CICA") Accounting Guideline 11 focused on the exploration and development of mineral properties in Canada and Africa.

The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from the treasury to investors. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

NEW ACCOUNTING PRONOUNCEMENTS

(a) Changes in accounting policies

On December 1, 2006, the Company adopted the Canadian Institute of Chartered Accountant ("CICA") Handbook Sections 1530, *Comprehensive Income*; Section 3251, *Equity*; Section 3855, *Financial Instruments - Recognition and Measurement*; Section 3861, *Financial Instruments - Disclosure and Presentation*; and Section 3865, *Hedges*. These new standards resulted in no changes to amounts previously reported.

(i) Financial Instruments

Under the new standards, financial assets and liabilities, including derivative instruments, are initially recognized and subsequently measured based on their classification as "held-for-trading", "available-for-sale" financial assets, "held-to-maturity", "loans and receivables", or "other" financial liabilities. Held-for-trading financial instruments are measured at their fair value with changes in fair value recognized in net income for the period. Available-for-sale financial assets are measured at their fair value and changes in fair value are included in other comprehensive income until the asset is removed from the balance sheet. Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost

using the effective interest rate method. Derivative instruments, including embedded derivatives, are measured at their fair value with changes in fair value recognized in net income for the period, unless the instrument is a cash flow hedge and hedge accounting applies, in which case changes in fair value are recognized in other comprehensive income.

(ii) Comprehensive Income

Section 1530 establishes standards for reporting and presenting comprehensive income. Comprehensive income, composed of net income and other comprehensive income, is defined as the change in shareholders' equity from transactions and other events from non-owner sources. Other comprehensive income for the Company includes unrealized gains and losses on available-for-sale securities and changes in the fair market value of derivatives designated as cash flow hedges, all net of related income taxes. The components of comprehensive income are disclosed in the statement of operations and comprehensive income. Cumulative changes in other comprehensive income are included in accumulated other comprehensive income ("AOCI") which is presented as a new category in shareholders' equity.

(iii) Hedging

Section 3865 specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. As at and during the year ended November 30, 2007, the Company had no hedges.

At November 30, 2007, there is no effect on the Company's Financial Statements of adopting these standards and therefore no Statement of Comprehensive Income has been included in these Financial Statements.

(b) Future accounting changes

Capital Disclosures

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

Financial Instruments - Disclosures and Presentation

The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments - Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how a company manages those risks. The Company is currently assessing the impact of these new accounting standards on its consolidated financial statements.

International Financial Reporting Standards ("IFRS")

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards ("IFRS") by the end of 2011. The Company continues to monitor and assess the impact of convergence of Canada GAAP and IFRS.

Overall Performance

On January 2nd, 2008, the Company signed an option agreement to acquire a 75% interest in the Dundonald property in Timmins, Ontario (see "Mineral Properties"). As well, the Company signed an agreement to acquire a property in Ethiopia In November 2007, which was closed on January 31, 2008. As discussed in the Overview section of this report the Company has also executed a binding share purchase agreement that provides for the acquisition of an 80% interest in the Tabakoto and Segala gold projects located in Mali, West Africa from Nevsun Africa (Barbados) Ltd., a subsidiary of Nevsun Resources Ltd.

For the year ended November 30, 2007, the Company spent \$258,220 in exploration and \$63,467 in option and claim payments. The Company has decided to focus on its Dundonald, Ethiopia and Mali projects and has consequently written off \$701,052 related to its Iron Lake Project.

Mineral Properties

Dundonald Property, Timmins, Ontario

In November 2007, the Company entered into negotiations to acquire a 75% interest in the Dundonald property in Timmins, Ontario. The agreement was finalized subsequent to November 30, 2007. In order to acquire this interest, the Company assumed an interest in an existing agreement for the payment of \$250,000 and awarding a 2% NSR in favour of the assigning company. The 2% NSR is to be paid solely from the Company's interest in the property. The agreement assumed requires the following option payments and exploration expenditures be made:

Option payments:

- Make a cash payment of \$75,000 and issue 214,285 common shares upon regulatory approval of the agreement;
- Make a cash payment of \$250,000 and issue common shares with a market value of \$250,000 on or before the first anniversary of receiving regulatory approval; and
- Make a cash payment of \$500,000 and issue common shares with a market value of \$500,000 on or before each of the second, third and fourth anniversaries of receiving regulatory approval.

Exploration expenditures:

- \$500,000 in expenditures prior to the first anniversary of receipt of regulatory approval; and
- an additional \$4,000,000 in expenditures prior to the fourth anniversary of receipt of regulatory approval.

The agreement assumed also provides the optioning party with a back in right to retain a 51% interest in the property, as well as an option to sell its remaining 25% interest to the Company for \$5,000,000, under certain conditions.

Ethiopia, Africa

In November 2007, the Company entered into negotiations with Aberdeen International Inc. ("Aberdeen") to acquire Aberdeen's rights, titles, interest and obligations, including a 2% NSR obligation, pursuant to an agreement between Aberdeen and Ethio-Gibe Canada Mining PLC ("Ethio-Gibe"). In order to acquire these rights and interest, the Company will make the following payments to Aberdeen, in either cash or shares of the Company as mutually agreed upon:

- \$250,000 upon receipt of regulatory approval (paid subsequent to November 30, 2007);
- \$750,000 on or before June 30, 2008; and
- \$1,000,000 on or before December 31, 2008

As well, the Company agreed to grant to Aberdeen a 1.5% Royalty and issue Aberdeen 1,500,000 share purchase warrants exercisable at \$0.48 for 18 months. Aberdeen holds more than 10% of the issued and

outstanding shares of the Company and the two companies have certain directors and officers in common.

The agreement with Ethio-Gibe provides an option to obtain 100% of the exclusive rights granted by the Ministry of Mineral Energy of Ethiopia to Ethio-Gibe on certain Gold-Copper-Zinc exploration concessions in Ethiopia, subject to a 2% net smelter return royalty ("NSR") to be held by Ethio-Gibe. The agreement provided Aberdeen with an option to purchase 50% of the NSR for \$1,000,000 in cash or in shares of the Company.

Under the terms of the agreement, following consideration is to be provided to Ethio-Gibe:

- payment of \$200,000 in cash and issuance of 500,000 shares of the Company on or before April 25, 2007; (paid)
- payment of \$250,000 and issuance of 250,000 shares of the Company on or before each of December 31, 2007, December 31, 2008 and December 31, 2009;
- payment of \$500,000 on each of December 31, 2010 and December 31, 2011, payable in cash or shares of the Company at the Company's option; and
- expend a minimum of \$2,000,000 on property exploration.

Iron lake, British Columbia

The Company held an option from Eastfield Resources Ltd. ("Eastfield") whereby the Company could earn a 55% interest in the Iron Lake Claims in British Columbia.

Subsequent to the November 30, 2007, the Company decided not to pursue this option. Consequently, during 2007, the Company has written off all deferred costs associated with this property, amounting to \$701,052 charged to operations.

Exploration Update

Dundonald Property

The Dundonald Property has been explored by Falconbridge, Hucamp Mines and recently First Nickel Inc. over the past 40 years. This work has resulted in the discovery of 9 zones of nickel mineralization comprising an indicated resource of 115,936 tonnes grading 3.16% Ni (Montgomery, 2006). As well, 4 occurrences of PGE mineralization and 2 zones of Zn-Cu mineralization have been discovered in the property. Opportunity exists to extend the existing Ni zones down plunge and along strike, to discover a Cu-Zn massive sulphide deposit or an economic PGE zone.

In late 2007, Avion completed five holes totaling 1,552 metres to test the Dundonald South G and H zones down-plunge of existing mineralization and one hole to test a new electromagnetic anomaly. This drilling was successful in intersecting Ni mineralization in three holes and intersecting a new zone of Zn mineralization. Avion is reviewing and relogging all holes drilled in 2007 to validate previous interpretations of the Ni-bearing zones. Nickel mineralization intersected in hole AV-07-04 is open at depth and to the east and is to be subject to down-hole geophysics to determine the extent of the mineralization. In addition, the Company plans to evaluate the Dundonald Sill for its PGE potential in 2008. Previous work on the sill has identified zones of PGE enrichment, up to 1.14 g/t Pt+Pd over 9.0 metres, in trenching and this zone remains open in all directions

Significant results from the Avion drilling in 2007 are presented in Table 1

HOLE ID	FROM (m)	TO (m)	WIDTH (DRILLED)	NI (%)	PT (ppb)	PD (ppb)
AV-07-03	309.0	314.0	5.0	0.46	40	51
AV-07-04	221.3	235.0	13.7	0.28	44	49
AV-07-05	224.0	227.8	3.8	0.48	71	71

Ethiopia Properties

The Ethiopian properties consist of three large property groups totalling over 5,700 km² that cover exposed areas of the neo-Proterozoic Nubian-Arabian greenstone belt. Each of the greenstone belts display potential for shear-zone hosted gold and VMS deposits. The Northern properties comprise some 2,674 km² in three blocks that overly a variably sheared mixture of felsic to mafic volcanics, sediments and felsic to ultramafic intrusions. Work on the northern group of the Ethiopia properties continued under the guidance of Aberdeen until year-end. Initial work comprised a heliborne magnetic and radiometric survey and select EM surveys completed in July and acquisition of satellite images. In November and December of 2007 ground follow-up of a select group of airborne electromagnetic anomalies through the installation of sample control grids and the collection of over 950 rock samples was carried out. Assay results from these samples are still outstanding.

The Western properties comprise approximately 3,767 km² of greenstone belt with several known gold and base metal occurrences. Initial property work has consisted of site visits to some of the known occurrences, heliborne magnetic and radiometric surveys and the acquisition of satellite images. A soil sampling program is planned to commence in April along an 8 km long zone of likely auriferous quartz veins, as evidenced by the extensive amount of previous artisanal pits.

Avion's Southern property group lies along strike of Midroc Gold's Lega Dembi mine and their newly announced East Sarkaro deposit. Previous work has identified several gold showings on the property. Compilation work and a site visit will dictate the next steps for these important concessions.

In early February a field review of the northern and western property groups was carried out with a view of planning for the next phase of exploration work. Subsequent to this review a regional silt sampling program was initiated in the north property group and a soil sampling and ground magnetic survey is planned over historic gold showings in the western property group. Compilation of previous exploration and government data will continue over all project concessions.

Results of Operations

For the year ended November 30, 2007

The Company reported a net loss of \$836,118 (\$0.15 per share) for the year ended November 30, 2007 compared to net income of \$15,734 (\$0.01 per share) for the year ended November 30, 2006. A non cash future income tax recovery was recorded in both fiscal years, \$71,564 for the year ended November 30, 2007 and \$160,819 for the year ended November 30, 2006. Eliminating this future income tax recovery, loss before income taxes for the year ended November 30, 2007 was \$907,682 compared to a loss of \$145,085 for the comparative year, for an increased loss of \$762,597.

As discussed in the Overall Results section of this report, during the year ended November 30, 2007, the Company wrote off \$701,052 in deferred exploration expenditures related to the Iron Lake Claims, an option agreement that the Company decided to abandon subsequent to the end of the year. No such write off occurred during the prior comparative year.

Administrative expenses for the year ended November 30, 2007 totalled \$227,611 compared to \$146,782 for the prior year, an increase of \$80,829. This variance can be attributed to increases in consulting and management costs, travel and shareholder costs, offset by decreases in professional fees, office costs and transfer agent and filing fees. During the year, the Company brought in new management, changed

its name from Argent Mining Corp., to Avion Resources Corp., and consolidated its shares on a 3:1 basis. This was done in order to position the Company for aggressive growth. Consulting and management fees increased by \$47,401 during the fiscal year as a result of the change in management. The Company also incurred \$60,901 in travel expenses compared to \$nil during the prior year as a result of costs associated with investigating and negotiating option agreements in Africa. Shareholder communications and investor relations also increased by \$10,640, primarily as a result of investing in a new corporate website.

For the quarter ended November 30, 2007

The Company reported a net loss of \$815,671 (\$0.15 per share) for the quarter ended November 30, 2007 compared to net income of \$115,720 (\$0.03 per share) for the quarter ended November 30, 2006. A non cash future income tax recovery of \$160,819 was recorded in the fourth quarter ending November 30, 2006. Eliminating this future income tax recovery, loss before income taxes for the quarter ended November 30, 2006 was \$45,099, for an increased loss of \$770,572.

During the fourth quarter of 2007, the Company wrote off \$701,052 in deferred exploration expenditures related to the Iron Lake Claims, an option agreement that the Company decided to abandon subsequent to the end of the year as previously discussed.

Administrative expenses for the quarter ended November 30, 2007 totalled \$118,557 compared to \$45,836 for the comparative quarter, an increase of \$72,721. The increases are attributable for the same reasons as discussed in the section above relating to the new management and repositioning of the Company.

Summary of Quarterly Results

The summary of unaudited quarterly results has been prepared in accordance with Canadian GAAP.

	Revenue \$	Income (Loss) \$	Income (Loss) per share \$	Deferred Exploration Expenditures \$
November 30, 2007	-	(815,671)	(0.15)	264,128
August 31, 2007	-	(51,773)	(0.01)	50,016
May 31, 2007	-	49,289	0.01	5,000
February 28, 2007	-	(17,963)	(0.00)	2,543
November 30, 2006	-	115,720	0.03	3,155
August 31, 2006	-	(15,083)	(0.00)	39,872
May 31, 2006	-	(49,109)	(0.01)	126,896
February 28, 2006	-	(35,794)	(0.01)	100,302

Fluctuations in the Company's expenditures reflect the seasonal variations of exploration, the level of corporate activity, and the ability of the Company to raise capital for its projects. It is important to note that the net income in the quarters ending May 31, 2007 and November 30, 2006 is a result of an accounting policy that requires the Company to record a reduction in share capital for the tax effect of expenditures renounced and if available, record a recovery in recognition of previously unrecorded future income tax assets. The Company does not have income from operations.

The large loss during the quarter ending November 30, 2007 is primarily a result of a write off of \$701,052 in exploration expenditures as previously discussed. Deferred exploration expenditures increased during the same quarter as a result of the Company's new option agreements for the Dundonald Property and Ethiopia Properties as already discussed in the Mineral Properties section of this report.

Annual information

The annual results have been as follows:

	2007	2006	2005
Net income (loss)	(836,118)	15,734	(1,324,038)
Income (loss) per share, basic and fully diluted	(0.15)	0.01	(0.15)
Total assets	2,080,603	807,408	471,705
Total long term liabilities	-	-	-

The large losses during 2007 and 2005 can be largely attributable to write offs of exploration expenditures of \$701,052 and \$1,200,919 respectively during those years. The income generated during 2006 is a result of a future tax recovery of \$160,819. Administrative expenses totalled \$224,670 during 2005, \$146,782 during 2006 and \$227,611 during 2007. The dip in administrative expenses during 2006 is a result of decreased activity which led to the change in management during 2007. Administrative expenditures are expected to continue to increase as the Company continues to strengthen its management team and strengthen its portfolio of exploration projects.

Liquidity and Capital Resources and Cash Flows

Financing of operations is achieved primarily by issuing share capital. At November 30, 2007, the Company had \$1,518,861 in cash and a working capital surplus of \$1,225,810.

During the fourth quarter of 2007, the Company completed a private placement financing. The Company raised \$2,200,000 in gross proceeds through the issuance of 9,999,996 units at a price of \$0.22 per unit. Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.29 per share until October 15, 2008. Issue costs related to this private placement amounted to \$728,765, which includes the accrual of a non cash stock based compensation charge incurred from the issue of 1,450,000 stock options related to the private placement. The value of these options was estimated using the Black-Scholes option pricing model under the following assumptions: expected dividend yield – 0%; expected life – 5 years; expected volatility – 82%; and risk-free interest rate – 3.8%. These options were granted subsequent to the end of the year.

Subsequent to the end of the year, the Company completed a second private placement financing. The Company raised \$300,000 in gross proceeds through the issuance of 1,111,111 units of the Company at a price of \$0.27 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.36 per share until December 19, 2009.

During the year ended November 30, 2007, the Company used \$230,521 compared to \$123,795 during the prior year ended November 30, 2006. Non cash working capital for the current year used \$23,891 compared to providing \$20,970 during the prior year. The Company is currently in a transitional phase as a new management team is being recruited and implemented resulting in increased cash expenditures.

Cash from investing activities used \$261,283 during the year ended November 30, 2007 compared to \$263,537 during the year ended November 30, 2006. Expenditures on the Company's mineral properties used \$321,687 during the current year compared to \$282,881 used during the prior year. Prepaid exploration expenditures increased by \$150,000 during the current year compared to \$nil during the prior year as a result of a drilling deposit. The increase in accounts payable related to exploration expenditures generated \$210,404 compared to an increase of \$12,344 during the prior year. Fluctuations in investing activities are a function of available working capital and exploration results. The exploration activities and results are described in the Exploration update section of this report

Financing activities from private placements generated \$1,961,334 net of issue costs during the current year compared to \$443,246 during the prior year. Also during the prior year, amounts due to related parties decreased by \$16,794 as the related parties were paid amounts owed to them.

Transactions with Related Parties

The Company was charged \$80,500 for the year ended November 30, 2007 (2006: \$42,199) for administrative and consulting fees by directors or by companies controlled by directors of the Company. During 2006, the Company was charged \$62,985 for deferred exploration costs by a company controlled by a new former director of the Company.

The Company shares its premises with other companies that have common directors and officers, and the Company reimburses the related companies for their proportional share of the expenses. Included in accounts payable and accrued liabilities at November 30, 2007 is \$11,408 (2006: \$nil) owing to such companies.

Also during the year, the Company was advanced \$200,000 by a director of the Company and an individual related to a director of the Company as short term, non interest bearing loans. The loans were repaid in October 2007.

Directors and officers subscribed for 4,969,486 units of the Company during the October 2007 private placement for gross proceeds of \$1,093,287, of which approximately \$430,000 is included in subscription receivable at November 30, 2007.

The Company acquired Aberdeen's rights to a property in Ethiopia, Africa. Aberdeen holds more than 10% of the issued and outstanding shares of the Company and the two companies have certain directors and officers in common. The Ethiopia agreement is also described under the Mineral Properties section of this report

In July 2006, the Company issued 214,037 shares (71,346 post 2007 consolidation) at \$0.165 per share to settle outstanding debt in the amount of \$35,316 to a director and a company controlled by a director.

All of the above transactions are in the normal course of operations and are measured at the exchange amount established and agreed to by the related parties.

Directors and Officers Compensation

During year ended November 30, 2007 the Company paid \$230,000 to directors of the Company and \$17,500 to officers of the Company. No stock options were granted during the current or comparative periods.

Share Data

The authorized capital of the Company consists of an unlimited number of common shares of which 15,489,954 were issued and outstanding as of the date of this report.

Pursuant to the Company's Stock Option Plan, the number of common shares reserved for issuance under the Plan in aggregate shall not exceed 10% of the total number of issued and outstanding common shares on a non-diluted basis. As at the date of this report, 1,450,000 stock options are outstanding at an exercise price of \$0.50 expiring January 10, 2013.

The following table sets out all the outstanding share purchase warrants in Avion as at the date of this report:

Number of Warrants to Purchase Common Shares	Exercise Price	Expiry Date
202,020	\$0.63	June 20, 2008
310,555	\$0.525	July 25, 2008
9,999,996	\$0.29	October 12, 2009
1,111,111	\$0.36	December 19, 2009
1,500,000	\$0.48	July 31, 2009
<hr/> 13,123,682	<hr/> \$0.33	

Avion has no performance shares or escrow shares.

All common shares, options and warrants and per share amounts have been restated to reflect the 3:1 consolidation that took place on June 21, 2007 and a 3:1 consolidation that took place on April 7, 2006.

Risks and Uncertainties

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical risks.

The Company has no significant source of operating cash flow and no revenues from operations. The Company has not yet determined whether its mineral properties contain mineral reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves.

The property interests in which the Company has an option to earn an interest are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Company's mineral properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

Commitments

The Company entered into flow-through share subscription agreements during the previous fiscal year whereby it is committed to incur on or before December 31, 2007 a total of \$198,788 of qualifying Canadian Exploration Expenses as described in the Income Tax Act of Canada. These flow through shares were renounced on March 1, 2007 which generated a future income tax recovery of \$71,564. As at the end of the fiscal year, \$193,917 in expenditures have been incurred, leaving a balance of \$4,871 to be incurred on or before December 31, 2007. The Company has met its flow through expenditure commitment by December 31, 2007.

Management Changes

On March 14, 2007, the Company announced the appointment of Mr. Rene Bharti to its Board of Directors. Mr. R. Bharti has also been appointed President and Chief Executive Officer of the Company. Over the past decade Rene Bharti has held senior management roles in several public and private companies, including those in the resource, technology, and entertainment sectors. Previously, Mr. Bharti also served as Vice President of Business Development for a publicly listed resource company with gold assets in the former Soviet Union. Mr. Bharti holds a Bachelor of Commerce (Honours) degree from Queen's University.

Concurrently, the Company accepted the resignation of Eugene Beukman as President, Chief Executive Officer and Director of the Company and wishes him success in his other endeavours.

Also, in June 2007, Mr. Stan Bharti was appointed Chairman of the Board of Directors, and Mr. David Meyer and Mr. Scott Moore were appointed to the Board of Directors replacing the current board members.

Subsequent to the end of the year the Company announced the addition of Don Dudek and Peter MacLean to the Avion management team. Mr. Dudek has joined the Company as Senior Vice President of Exploration. He has held various roles with junior and senior exploration and mining companies over companies over the past 25 years. Most recently Mr. Dudek served as Exploration Manager for Aur Resources Inc. During his career Mr. Dudek was part of the team that discovered new VMS deposits in the Northwest Territories, Manitoba and Saskatchewan, a shear zone Gold deposit in Manitoba that was mined and a sediment-hosted Copper zone in Saskatchewan. He also supervised work at Aur's high profile La Verde Copper-porphyry deposit in Mexico. Mr. Dudek holds a B.Sc. Geology (honors) from the University of Saskatchewan

Dr. Peter MacLean has joined the Company as Exploration Manager. During his 20-year career, he has focused on Mexico and Venezuela for Monarch Resources, and as a consultant for a group of companies including Newmont, Apex Silver and Hecla Mining. In 2003, Dr. MacLean joined Aur Resources Inc. and held a position of Regional Exploration Manager, Mexico until December 2007. With Aur, Peter was instrumental in the acquisition and evaluation of the La Verde Copper-porphyry deposit and the discovery of the San Agustin Gold-Silver-Zinc deposit, both in Mexico. Dr. MacLean acquired his Ph.D at the University of Western Ontario.

The Company intends to continue to build on its experienced technical team by adding Andrew Bradfield as Chief Operating Officer and intends to nominate Bruce Humphrey, Peter Tagliamonte and John Begeman for election to the Corporation's Board of Directors, subject to regulatory approval. Subject to their election, the board and management of Avion will be comprised of the people listed below.

Stan Bharti is the Chairman of Avion and is a professional engineer. He is currently the President and Chief Executive Officer of Forbes & Manhattan, Inc., a private merchant bank operating in Canada, the United States and Western Europe. From February 2002 to April 2006, he was Chairman and a director of Desert Sun Mining Corp., a Toronto Stock Exchange-listed mining company which was acquired by Yamana Gold Inc. He has over 25 years of experience in operations, public markets and finance. Mr. Bharti is also a director of several public and private companies.

Rene Bharti is the President, CEO and Director of Avion. Mr. Bharti has held roles in several public and private companies, including those in the resource, technology, and entertainment sectors. Previously, Mr. Bharti also served as Vice President of Business Development for a publicly listed resource company with gold assets in the former Soviet Union. Mr. Bharti holds a Bachelor of Commerce (Honors) degree from Queen's University.

Bruce Humphrey brings a lifetime of mining industry experience, including having served as a former Chief Operating Officer at Goldcorp Inc. and most recently as President and Chief Executive Officer of Desert Sun Mining Corp. prior to its sale to Yamana Gold Inc.

Peter Tagliamonte was previously Vice President Operations and Chief Operating Officer of Desert Sun Mining Corp. He was responsible for developing the Jacobina Mine in Brazil into a 4,200-tonne-per-day mining operation. Mr. Tagliamonte has more than 20 years of progressive managerial experience in the mining industry. A professional mining engineer, he also holds an MBA from the Richard Ivey School of Business at the University of Western Ontario. He was recognized for his work in 2005 by receiving the Mining Journal's "Mine Manager of the Year" award

John Begeman is a mining engineer with over 30 years of mining experience. He is currently the Chief Operating Officer of Zinifex Canada Inc. (formerly Wolfden Resources Inc.). He has previously served as Vice President, Western Operations of Goldcorp Inc.

Scott Moore is an experienced business executive with over 20 years in the resources and durable goods sector with Weyerhaeuser and several privately held firms. He holds a B.A. from the University of Toronto and an MBA from the Kellogg School of Management. Mr. Moore is currently VP Corporate Development for Aberdeen International Inc.

Andrew Bradfield is joining Avion as its Chief Operating Officer. He has over 24 years of operations, technical, and management experience in the mineral resource industry. He has held positions at mines in Australia, Canada, China, Ethiopia, South Africa and Sweden. His experience includes start-up, development, operations, as well as technical and financial evaluations. Mr. Bradfield was most recently VP, Operations for TVI Resources. Prior to joining TVI, he was the Chief Operating Officer for a mining and exploration company, which operates a diamond mine, and explores for diamonds and gold in China. He holds a Bachelor of Science (B.Sc. with honours) in Mining Engineering from Queen's University, Canada

Nejib Abba Biya is the Vice President Corporate Development for Avion. He has strategic connections across Africa, and is one of the founders of the African New Comers Association, as well as the founder and Chairperson of the African Training Employment Centre. Mr. Abba Biya has founded, ran and sold several technology companies over the past two decades. Mr. Abba Biya was born in Ethiopia, and holds a Bachelor of Commerce in Finance from the University of Toronto.

Deborah Battiston is the Chief Financial officer. Ms Battiston has over 25 years of financial management experience. She holds a B.A. in Economics from the University of Guelph and is a C.G.A and has broad international and mining experience. Ms Battiston sits on the Board of several Junior mining companies.

Keith Boyle, P.Eng., is a Special Consultant to the Company and has over 22 years experience in the mining industry with a number of major mining companies such as Sherritt International, Dynatec Corporation, Inco Ltd, Placer Dome, Aur Resources and Cominco. Mr. Boyle has experience with building and operating narrow vein and bulk underground mines as well as open pit mines with a strong focus on efficiency and cost control. He was also recognized by the mining industry with a second J.T. Ryan trophy for the Stobie Mine being the safest mine in Ontario. Mr. Boyle obtained a BSc. Mining Engineering and MBA from the University of Alberta in 1984 and 1985 respectively.

Subsequent Events

In December 2007, the Company completed a private placement financing of 1,111,111 units priced at \$0.27 per unit for gross proceeds of \$300,000. Each unit is comprised of one common share and one common share purchase warrant. Each purchase warrant will be exercisable at a price of \$0.36 per share until December 19, 2009.

In January 2008, the Company signed an option agreement to acquire the Dundonald Property in Timmins, and closed on the option agreement to acquire properties in Ethiopia, as described in the Mineral Properties section of this report. As well, the Company opted to no longer pursue the Iron Lake Claims as discussed.

In January 2008, 1,450,000 stock options were granted to directors, officers and consultants of the Company at an exercise price of \$0.50 expiring on January 10, 2013. The value of these options was accrued during the current year and charged to cost of issue related to the private placement financing of October 2007.

In March 2008, the Company announced that it has executed a binding share purchase agreement for the acquisition of an 80% interest in the Tabakoto and Segala gold projects located in Mali, West Africa, the "Mali Projects". The Tabakoto project was previously a producing gold mine and has all mining infrastructure and processing facilities in place. As consideration, the Company will pay US\$20 million for the purchase of an 80% interest, as well as a 1% net smelter return royalty. The Company will have the option to buy out the net smelter return royalty for US\$2 million during the five years following the date of closing. The Company intends to complete an equity offering to finance the cash portion of the purchase price of the acquisition. This acquisition is scheduled to close on or before May 23, 2008.

The Company has agreed to a US\$1 million break fee if the transaction does not close before May 23. To post the break fee, the Company has borrowed US\$1 million from Aberdeen International Inc., a company that owns more than 10% of the Company's issued and outstanding common shares, and has common directors and officers. This loan matures on September 30, 2008, will incur a 10% per annum interest rate, and shall be secured against the assets of the Company.

Multilateral Instrument 52-109 Disclosure

Evaluation of disclosure controls and procedures

We have evaluated the effectiveness of our disclosure controls and procedures and have concluded, based on our evaluation that they are sufficiently effective to provide reasonable assurance that material information relating to the Company is made known to management and disclosed in accordance with applicable securities regulations.

Internal controls over financial reporting

The Chief Executive Officer and Chief Financial Officer, together with other members of management, after having designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reporting in accordance with the issuer's GAAP as of November 30, 2007 have not identified any changes to the Company's internal control over financial reporting which would materially affect, or is reasonably likely to materially affect the Company's internal control over financial reporting.

Critical Accounting Estimates

The preparation of the Company's Consolidated Financial Statements in conformity with Canadian GAAP 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 Consolidated Financial Statements and reported amounts of revenues and expenses during the reported period. Such estimates and assumptions affect the carrying value of assets, impact decisions as to when exploration and development costs should be capitalized or expensed, and estimates for asset retirement obligations and reclamation costs. Other significant estimates made by the Company include factors affecting valuations of stock based compensation and the valuation of income tax accounts. The Company regularly reviews its estimates and assumptions, however, actual results could differ from these estimates and these differences could be material

Financial Instruments

Fair value:

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying value of amounts receivable, reclamation bond and accounts payable and accrued liabilities in the balance sheet approximate fair value because of the limited term of these instruments.

The value of the investments approximates fair value because of the terms agreed upon in acquiring those shares.

Commodity Price Risk:

The ability of the Company to develop its properties and the future profitability of the Company are directly related to the market price of certain minerals.

Foreign exchange risk

The Company is subject to foreign exchange risk as some of its operating, financing and investing activities are transacted in currencies other than the Canadian dollar. The Company is therefore subject to gains and losses due to fluctuations in these currencies relative to the Canadian dollar.

Off Balance Sheet items

The Company does not have any off balance sheet items

Other

Additional information relating to the Company's operations and activities can be found by visiting the Company's website as. You may also access the Company's disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.