

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (“MD&A”) should be read in conjunction with the unaudited consolidated financial statements of International PBX Ventures Ltd. as at June 30, 2005 and the related notes thereto. The Company’s reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars unless otherwise stated. The Company reports its financial position, results of operations and cash flows in accordance with Canadian generally accepted accounting principles (“GAAP”). This MD&A is made as of August 19, 2005. Additional information relating to the Company is available on SEDAR at www.sedar.com.

International PBX Ventures Ltd. is a resource exploration company involved in exploring in Chile for gold, copper and molybdenum on its various properties through its wholly owned subsidiary in Chile, Minera IPBX Limitada.

ACTIVITIES

COPAQUIRE: On May 9, 2005 the Company reported in a news release that assays had been received from the first seven holes drilled at its Copaquire moly-copper porphyry project in northern Chile. Six holes were drilled at the Cerro Moly zone and one at the Sulfato target 3 km. north of Cerro Moly. All the holes contained significant intercepts of moly and or copper-moly occurring in well developed stockwork and disseminated porphyry style mineralization.

The six widely spaced holes completed at Cerro Moly were drilled with the objectives of confirming the assays and grade distribution in the area of the 1977 Placer diamond drill holes. The six IPBX holes and the nine Placer holes indicate that a concentrically zoned molybdenum–copper system is present at Cerro Moly which grades outwards from a moly-rich core through an intermediate copper–moly zone to an outer copper zone. The drilling has confirmed the molybdenum core on average grades in the order of 0.08% Mo. (1.76lb per tonne). Taken in total, these fifteen holes probe a north-easterly trending mineralized area of about 300,000 square meters and to a vertical depth of 600m. This represents only 30% of the Cerro Moly target and is open to expansion in all directions. The IPBX and the historic Placer drill holes can now be incorporated to produce a deposit model for Cerro Moly which can then be used to plan and direct future work programs with the objective of developing a pre-feasibility study by year end.

Hole 5 was drilled 3 km north at the Sulfato target and appears to have cut both the outer copper and the intermediate copper-molybdenum zones. This hole and several other prior holes drilled by Cominco in 1992 indicates that Sulfato and Cerro Moly are in fact parts of the same much larger system with a surface expression of about 3.5 square kilometers with a total target in the range of 3 to 5 billion tonnes. By August 10, 2005 the Company had drilled and assayed three additional holes at the Sulfato zone. The four IPBX and six of the prior Cominco holes drilled to date in the Sulfato zone indicate that a large leachable secondary copper sulphide body underlies this sector.

Recent prospecting and sampling by IPBX personnel west of Cerro Moly has discovered a second copper-molybdenum bearing system, which includes the high grade copper-molybdenum vein workings at the Marta Mine. Highly anomalous values in silt and talus samples of up to 2000 ppm Mo and 840 ppm Cu and copper and molybdenum mineralization in altered intrusive were encountered for several kilometres west and south of the mine. This work suggests that the 'Marta' system may have a surface expression at least as big as the currently known surface expression of the Cerro Moly zone. The Company views the Copaquire results to date to be extremely positive and during the next six months plans to complete a more extensive and systematic 25,000m drill program in the Copaquire system along with preliminary metallurgical, mining and environmental studies with the objective of establishing an indicated resource for independent evaluation. In addition geological, geochemical and geophysical surveys and reconnaissance drilling are planned for the newly discovered Marta system.

On July 14, 2005 the Company announced the closing of a private placement of 2,500,000 units at \$0.45 per unit for total proceeds of \$1,125,000.

On July 20, 2005 the Company welcomed Mr. Peter Hooper to the Board of Directors and Mr. Joseph Duggan as Chairman of the Financial Advisory Committee. Mr. Hooper brings to the Company extensive experience in exploration, production and corporate affairs as a senior mining executive. Mr. Duggan has worked in corporate finance for the past 25 years and has been a senior officer of both investment and commercial banking companies and will bring his corporate finance skills and global institutional relationships to the Company.

FINANCIAL

Administration of Funds:

At the end of June 2005, the company was well-funded with \$792,005 cash on hand and accounts payable of \$17,621.

During the six months ended June 30, 2005, the Company received cash proceeds from the exercise of 213,000 warrants and \$100,000 for the exercise of 250,000 stock options.

Included in office, telephone, rent and secretarial are:

	June 2005	June 2004
Office and miscellaneous	11,826	7,966
Rent	12,833	5,733
Telephone	1,775	1,379
Total	26,434	15,079

A move to a larger office increased the rent.

Included in Investor Relations are the following:

	June 2005	June 2004
Advertising	38,236	47,606
Consulting	44,876	79,250
Investors Communications	1,982	10,492
Market Quotation	342	-
	85,436	137,348

Related Party transactions

	June 2005	June 2004
Administration fee paid to a company controlled by a director	16,500	15,500
Management fee paid to a company controlled by a director	45,000	60,000
Exploration project management fees and administration fees paid to a director	92,214	94,676
Accounting fee paid to a company controlled by an officer	3,580	2,320
Mapping fee paid to a director of the Company	16,000	13,213
Consulting fee paid to an officer of the company	22,000	-

Balance of funds on hand as of August 19, 2005:

CDN\$ 512,214

US\$ 65,308

INVESTOR RELATIONS

Robert A Young and Associates has been retained until June 30, 2006 at a rate of \$5,000 per month.

SUBSEQUENT EVENTS

Subsequent to June 30, 2005:

- a) The Company granted 750,000 stock options to directors and consultants. 550,000 options were granted at an exercise price of \$0.51 and 200,000 options at an exercise price of \$0.68. Each option entitles the holder to purchase one common share of the Company for a period of eighteen months, expiring January 5, 2007 and January 20, 2007 respectively.

- b) The Company entered into a twelve months contractual obligation with a consultant to obtain services as Chairman of the Company's Financial Advisory Committee for a monthly commitment of \$5,000.
- c) The Company entered into a twelve months contractual obligation with a consultant to obtain financial consulting and advisory services for a monthly commitment of \$2,500.
- d) On July 20, 2005, Peter Hooper was appointed Director.
- e) The Company closed its 2,500,000 private placement after receiving the remaining and outstanding funds of \$163,875 and issued 364,167 units. Each unit consists of one common share and one non-transferable share purchase warrant exercisable for a period of eight month at a price of \$0.60 per share, expiring March 7, 2006 (Note 6 [d]).
- f) The Company issued 2,090,000 warrants and 35,717 broker warrants related to the second tranche of the private placement totaling 2,500,000 units. Each unit consists of one common share and one non-transferable share purchase warrant exercisable for a period of eight month at a price of \$0.60 per share, expiring March 7, 2006.
- g) On August 2, 2005 the Company cancelled 76,616 broker warrants exercisable at a price of \$0.60 and reissued 76,616 warrants at an exercise price of \$0.45 per share purchase warrant.
- h) The Company received \$25,000 for the exercise of 50,000 warrants.
- i) On July 15, 2005, the Company has paid its first installment of US\$ 100,000 in regards to the Tabaco prospect (Note 5(c)[i]).
- j) On July 15, 2005, the Company paid US\$25,000 in accordance with the Copaquire Option Purchase Agreement with Compania Minera Huatacondo S.C.M. (Note 5 [h]).

DIRECTORS

Gary Medford
Terence Walker
Verna Wilson
Michael Waskett-Myers

OFFICERS

William Koble, President
Peter Kohl, Secretary

SELECTED ANNUAL INFORMATION

	2004	2003	2002
Total Revenues	-	-	-
Loss Before Discontinued Operations	(785,296)	(528,927)	(81,248)
Loss Per Share	(0.03)	(0.02)	(0.01)
Total Net Loss	(785,296)	(528,927)	(81,248)
Total Net Loss Per Share	(0.03)	(0.02)	(0.01)
Total Assets	4,336,152	3,622,995	1,922,120
Total Long-Term Financial Liabilities	-	-	-
Cash dividends declared per-share	-	-	-

SUMMARY OF QUARTERLY RESULTS

	2005	2005	2004	2004	2004	2004	2003	2003
	June 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sept 30
Total Revenues	-	-	-	-	-	-	-	-
Loss Before Discontinued Operations	(252,673)	(173,994)	(368,810)	(91,304)	(132,650)	(192,532)	(240,572)	(81,262)
Loss Per Share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Total Net Loss	(252,673)	(173,994)	(368,810)	(91,304)	(132,650)	(192,532)	(240,572)	(81,262)
Total Net Loss Per Share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

The loss for the quarter ended June 30, 2005 includes foreign exchange loss incurred as a result of increased exploration costs in Chile, finders fees and transfer agent costs on two private placements during the period and travel and promotion costs attending mining shows. Director's liability insurance was also paid during the six month period but was paid in the latter six month period in 2004.

DISCUSSION

The company has on hand monies sufficient to complete the drill program on Copaquire, maintain its portfolio of properties in good standing, and continue the operations of the company for the next quarter. Exercise of \$.50 warrants is expected to raise \$1.25 million as well as \$176,000 from the exercise of options.

Work is continuing on Copaquire because of good results and it is expected that further drilling of Tabaco will be initiated soon. The Company is pursuing major financing opportunities to move ahead on Copaquire, Tabaco, and Tierra de Oro.

On Behalf of the Board,
Gary Medford
Director
August 19, 2005