MANAGEMENT DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") supplements the audited financial statements of the Company and the notes thereto for the three month period ended March 31, 2006; it does not form a part of the financial statements and therefore should be read in conjunction with the attached Financial Statements report for the period January 1, 2006 to March 31, 2006 which discusses and analyses the financial condition and results of operations of the International PBX Ventures Ltd.

Additional information relating to the Company can be found on SEDAR www.sedar.com.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set out below.

CORPORATE GOVERANCE

Management of the Company is responsible for the preparation and presentation of the annual financial statements and notes thereto. Additionally, it is Management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The Company's management is held accountable to the board of Directors (Directors), each member of which is elected annually by the shareholders of the Company. The directors are responsible for reviewing and approving the annual audited financial statements and the MD&A. Responsibility for the review and approval of the Company's quarterly unaudited financial statements and MD&A is delegated by the Directors to the Audit Committee, which is composed of three directors. Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's auditors.

The auditors are appointed annually by the shareholders to conduct an audit of the financial statements in accordance with generally accepted auditing standards. The external auditors have complete access to the Audit Committee to discuss audit, financial reporting and related matters resulting from the annual audit as well as assist the members of the Audit Committee in discharging their corporate governance responsibilities.

GENERAL

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

SIGNIFICANT EVENTS TRANSACTIONS AND ACTIVITIES ON MINERAL PROPERTIES

Through its Chilean subsidiary, Minera IPBX Limitada, International PBX Ventures Ltd owns or holds title under option to 117 mineral claims totaling 29,256 hectares. These claims make up ten projects currently operated by the Company as follows;

Copaquire, Tabaco, Tierra de Oro, Sierra Pintada, San Pedro, Fuego, Romerito, Chicharra, Palo Negro and two Joint Ventures, Hornitos under option to Aldershot Resources and San Joint Venture.

The four main properties are discussed below as follows:

Copaquire, Chile

Copaquire is an advance staged exploration project of 1457 hectares covering a major copper-molybdenum porphyry system in the Andean Cordiera of Region I, northern Chile. The property adjoins and is approximately 10 km west and south of the Collahuasi and Quebrada Blanca copper-molybdenum mine properties.

The Company's exploration programs including geological, geochemical, geophysical surveys and diamond drilling during 2004-2005 have confirmed and extended the large areas of copper and molybdenum porphyry mineralization previously explored on a limited basis by Placer Metal and Cominco. Three large targets i.e. Cerro Moly, Sulfato and Marta have been identified to date all of which have the dimensions to host very large open pit mineable deposits in the 500 million tons range.

During the current year the Company plans to explore these targets with more systematic drill programs designed to establish indicated and inferred resources to NI43-101 standards for at least one of them and has budgeted US$1.5 million to achieve this.

Tabaco, Chile

Tabaco is an advance staged exploration project of 3593 hectares covering an extensive zone of copper-silver-gold bearing, porphyry related skarn in the Andean pre-Cordiera of Region III, northern Chile. The property adjoins and is approximately 10 km south of the Relincho copper-molybdenum porphyry deposits. When acquired in 2002 the property contained an estimated resource (non NI43-101 compliant) of about 17 million tons grading about 1% acid soluble copper based on 56 shallow drill holes.

The Company's exploration programs including geological, geochemical, geophysical surveys and diamond drilling during 2003-2005 have confirmed and extended the zone of mineralization to the extent that the current exploration target is 3-5 times larger than the zone with the historic drilling. In addition the Company discovered an underlying primary sulphide body of similar grade which could be the copper source and appears to be in part porphyry related.

During the current year the Company plans to explore both the oxide and sulphide targets with more systematic drill programs (phase one oxide drilling currently in progress) designed to establish NI43-101 standard indicated and inferred resources for the oxide zone, complete preliminary metallurgical and mining studies and advance the project to pre-feasibility stage. The company has budgeted US$2.0 million to achieve these objectives.

Tierra de Oro, Chile

Tierra de Oro is an advanced stage exploration project of 6256 hectares covering the historic Chanchero gold camp (past production of about 200,000 ounce gold) and numerous areas of historic oxide copper workings on the eastern flank of the Coastal Iron Oxide Copper Gold belt of Region III, northern Chile. The property lies about 55 km south of the large Candelaria copper-gold-silver mine.

IPBX initially became involved in the property in 1996 as a joint venture with Princeton Mining to explore for acid soluble copper deposits. During the course of this exploration the Chanchero gold camp was discovered and added to the property. In 1998 the Company bought out Princeton's interest. The property was dormant between 1999 and 2002. In late 2003 it was reactivated.

To date the company has conducted property wide geological, geochemical, geophysical surveys and limited trenching and drilling. These surveys in the Chanchero gold camp have delineated five major gold bearing structure zones from 2-5 kilometres in length and 50-300m in width. Within these zones at least twenty large gold targets have been defined to varying degrees. All of these demonstrate surface gold grades and widths sufficient to develop both open pit and underground mineable oxidized deposits in the 200,000 to 1,000,000 ounce range.

During the current year the Company plans to conduct at least a 5,000m reconnaissance drill program to evaluate 5 or 6 of these targets and has budgeted US$500,000 for this work program.

Sierra Pintada, Chile

Sierra Pintada is an early staged exploration project of 3170 hectares covering 15 kilometers of the western flank of the Atacama Fault Zone in the Freirina sector of Coastal Iron Oxide Copper Gold belt of Region III, northern Chile. The individual structures that form the Atacama Structural zone in this sector are the loci of numerous centers of past high grade copper, gold, silver and cobalt mining with past production ranging from 550 million – 850 million pounds of copper and 300,000 to 1,500,000

Sierra Pintada, Chile (Continued)

ounces of gold. Three historic mining districts with similar characteristics i.e. La Gloria, Vińa and Totora are within the Sierra Pintada property.

In September and October 2002 the property was staked by International PBX Ventures Limited and to date have conducted geological mapping, residual soil geochemical surveys and chip sampled the majority of the readily accessible old workings in the three camps. These programs have defined to date seven strong copper - gold targets along two major mineralised structure zones each at least 15 kilometers in length and 50 to 200 metre in width that transect the three historic mining. Copper and gold values returned to date suggest that all of these targets could produce mines at least as big as the historic producers noted above.

The company has initiated detailed follow up sampling and geophysical surveys which will be followed later this year by trenching and reconnaissance drilling and has budgeted US$ 50,000 for these programs.

FINANCIAL RESULTS OF OPERATIONS

All of the financial information referenced below has been prepared in accordance with Canadian generally accepted accounting principles.

At period ended March 31, 2006, the Company had a positive working capital of $2,261,689 with current assets of $7,963,319 and current liabilities of $198,113. Balance of funds on hand as of May 26, 2006: $5,818,478 CDN and $142,028 US.

During the three months ended March 31, 2006, the Company received $1,980,533 cash proceeds from the exercise of 104,867 warrants and issuance of 4,292,277 shares through a private placement at $0.45 per share. Upon closing the private placement 4,292,277 warrants were issued exercisable at $0.60. The Company further received $847,939 for share subscriptions of a second private placement of 4,556,080 units, which closed subsequent to March 31, 2006.

Selected annual information

	2005	2004	2003
Total Revenues	-	-	-
Loss Before Discontinued Operations	(1,015,564)	(785,296)	(528,927)
Loss Per Share	(0.03)	(0.03)	(0.02)
Total Net Loss	(1,015,564)	(785,296)	(528,927)
Total Net Loss Per Share	(0.03)	(0.03)	(0.02)
Total Assets	5,651,491	4,336,152	3,622,995
Total Long-Term Financial Liabilities	-	-	-
Cash dividends declared per-share	-	-	-

The Company's operations during the quarter ended March 31, 2006 produced a net loss of $516,693 or $0.01 per share compared to a net loss of $173,994 or $0.01 per share for 2005.
The increase of $342,699 in 2006 net loss over 2005 is attributed to:

1. Administration & management fees of 39,000 (2005 – $22,500) represent a $16,500 increase from 2005. Additional office staff has been employed to administer an increased work volume related to the issuance of private placements.

2. Investor relations expenses of $90,698 (2004 – $45,301) represent a $45,397 increase from 2005. During the three month period ended March 31, 2006, the Company retained additional investor relations services from a consultant based out of Toronto to promote its stock to the mining industry

3. Office expenses of $36,668 (2005 – $22,822) represent a $13,846 increase from 2005 related to more administration activities related to the issuance of private placements. A break down of Office & Miscellaneous expenses is as follows:

	March 2006	March 2005
Office & misc.	13,639	5,354
Rent	6,214	6,214
Telephone	2,875	1,139
Insurance	13,940	-
Total	36,668	12,707

4. Consulting expense of $104,667 (2005 – $6,000) represent a $98,667 increase from 2005 due to the Company signing a mutual release and resignation agreement with a former director for a settlement amount of $66,667.

5. Total stock-based compensation on options granted, and which were vested during the three months ended March 31, 2006, resulted in $43,220 (2005 - $14,600) and represented a $28,620 increase from 2005.

6. Total transfer agent fees of $35,987 (2005 - $5,797) represent a $30,1905 increase from 2005, resulting from share issuances through private placements during the three months ended March 31, 2006.

7. Total Finder's fee of $53,526 (2005 - $Nil) represent a $53,526 increase from 2005, resulting from share issuances through private placements during the three months ended March 31, 2006

SUMMARY OF QUARTERLY RESULTS

The following are the results for the most recent eight quarters with the last quarter ending March 31, 2006:

	2006 Mar. 31	2005 Dec. 31	2005 Sept. 30	2005 June 30	2005 Mar 31	2004 Dec 31	2004 Sep 30	2004 Jun 30
Total Revenues	-	-	-	-	-	-	-	-
Loss Before Discontinued Operations	(516,693)	(254,250)	(684,504)	411,316)	(173,994)	(368,810)	(91,304)	(132,650)
Loss Per Share	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Total Net Loss	(516,693)	(254,250)	(684,504)	(411,316)	(173,994)	(368,810)	(91,304)	(132,650)
Total Net Loss Per Share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

RELATED PARTY TRANSACTIONS:

Transactions and balances with related parties are as follows:

	2006	**2005**
Administration fees paid to a company controlled by a director	15,000	7,500
Management fees paid to a company controlled by a director	90,667	15,000
Exploration project management fees and administration fees paid to a director	46,514	45,678
Accounting fees paid to a company controlled by an officer	1,563	1,220
Mapping fees paid to a director of the Company	2,135	2,125
Consulting fees paid to directors or companies controlled by directors of the company	66,667	Nil

Subsequent to March 31, 2006, the Company granted 1,200,000 stock options to directors of the Company at a price of $0.75 per share. The options expire April 20, 2009.

INVESTOR RELATIONS

Robert A Young and Associates has been retained until June 30, 2006 at a rate of $5,000 per month. The Company also retained the services of Tell Capital AG, a company based in Switzerland for a period of six months starting on April 1, 2006 for a monthly fee of $6,000.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations through the sale of its equity securities. The Company has no producing mineral properties. The Company expects to obtain financing in the future primarily through equity financing. There can be no assurance that the Company will succeed in obtaining additional financing, now and in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and/or sell its interests in its properties.

As at March 31, 2006, the Company had a cash position of $2,362,106; as at May 26, 2006 the Company had cash on hand of CDN$5,818,478 and US$142,028.
As at March 31, 2006, the working capital was positive by $2,163,993. Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto.

FINANCING ACTIVITIES

On February 4, 2006, the Company closed a private placement of 4,292,277 units at a price of $0.45 per unit for total proceeds of $1,931,525, subject to regulatory approval. Each unit consists of one common share of the Company and one transferable share purchase warrant. Each warrant will entitle the holder to purchase a further common share at a price of $0.60 per share for a period of fifteen months. The Company also issued 47,700 finder’s fee share purchase warrants. Each warrant entitles the holder to purchase one common share at a price of $0.60 until May 3, 2007.

As of April 27, 2006, the Company closed a further private placement of 9,019,625 units at a price of $0.55 per unit for total proceeds of $4,960,793, subject to regulatory approval. Each unit consists of one common share of the Company and one transferable share purchase warrant. Each warrant will entitle the holder to purchase a further common share at a price of $0.65 per share for a period of fifteen months. The Company also issued 376,900 finder’s fee share purchase warrants. Each warrant entitles the holder to purchase one common share at a price of $0.65 until August 23, 2007.

DISCUSSION

The Company has sufficient funds raised to continue with its drill program on the Copaquire and Tabaco properties, to maintain its portfolio of properties in good standing, and to continue the operations of the company for the next quarter.

DIRECTORS	**OFFICERS**	**AUDIT COMMITTEE**
Gary Medford	Gary Medford,	Gary Medford
Terence Walker	President & CEO	Verna Wilson
Verna Wilson	Peter Kohl,	Michael Waskett-Myers
Michael Waskett-Myers	CFO & Secretary	
Peter Hooper (resigned March 20, 2006)		

On Behalf of the Board,
Gary Medford
Director, President & CEO
May 26, 2006