This Management Discussion and Analysis ("MD&A") provides analysis of financial results of Pebble Creek Mining Ltd. (the "Company") for the fifteen months ended March 31, 2007 and for the year ended December 31, 2005. The following information should be read in conjunction with the accompanying audited consolidated financial statements and related notes for the fiscal year ended March 31, 2007. The consolidated financial statements and related notes have been prepared in accordance with Canadian generally accepted accounting principles and are filed with various Canadian regulatory authorities in Canadian dollars. The date of this MD&A is July 27, 2007.

FORWARD LOOKING STATEMENTS

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "plan," or "continue" or the negative thereof or variations thereon or similar terminology. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management are inherently subject to significant business, economic and competitive uncertainties and contingencies. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

OVERVIEW & OVERALL PERFORMANCE

The "Company" refers to Pebble Creek Mining Ltd. ("PCM"), formerly Broadcast Capital Corp. ("Broadcast"), together with Pebble Creek Resources Ltd. ("PCR"), PCM's wholly-owned Canadian subsidiary which it acquired on December 15, 2006 as part of a plan of arrangement in the "reverse take over" ("RTO") transaction described below, and PCR's wholly owned Indian subsidiaries Adi Gold Mining Private Ltd. ("Adi") and Hirakund Diamond Exploration Private Ltd. ("Hirakund"). Subsequent to March 31, 2007, PCM and PCR completed a vertical amalgamation and the newly amalgamated company was named "Pebble Creek Mining Ltd."

The Company is a mineral exploration company which has been focused on India for the past 12 years. It is one of few foreign mineral exploration and development companies that has developed a business infrastructure and acquired considerable expertise in India.

The Company holds 100 per cent of the mineral rights on three properties and has active applications pending on 14 more in five states, all in India.

The Company's principal mineral property is Askot, in Uttarakhand state (called "Uttaranchal" prior to January, 2007). The Company's other two prospects are Gadarwara, in Madhya Pradesh, and Banda, in Uttar Pradesh.

PCR entered into an agreement with Broadcast Capital Corp. ("Broadcast") dated October 6, 2006 and amended on October 24, 2006, pursuant to which the shareholders of PCR would acquire control of Broadcast, a company listed for trading on the TSX Venture Exchange, through a "reverse take over." PCR and Broadcast completed a plan of arrangement on December 15, 2006 pursuant to which:

(a) each issued and outstanding common share of PCR was exchanged for one common share of Broadcast, resulting in the issue of 16,387,521 common shares of Broadcast to the shareholders of PCR

(b) the jurisdiction of incorporation of Broadcast was continued from the Business Corporations Act (Alberta) to the Business Corporations Act (British Columbia), and Broadcast was renamed “Pebble Creek Mining Ltd.” (“PCM”)

(c) the outstanding 3,386,030 warrants and 445,000 broker options to purchase 445,000 common shares and 222,500 broker warrants of PCR were exchanged for an equivalent number of options and warrants to purchase common shares of PCM on the same terms as the options and warrants of PCR

(d) PCR and Broadcast obtained the approval of the transactions described in (a) through (c) above from its shareholders and the appropriate regulatory authorities, including approval of the transaction as a “qualifying transaction” of Broadcast by the TSX Venture Exchange.

On completion of the RTO, PCM had a total of 19,137,523 common shares issued and 4,503,330 common shares reserved for issuance for options and warrants. Of the issued shares, 85.6% were held by former holders of PCR’s shares and Subscription Receipts and 14.4% were held by existing Broadcast shareholders. Of the options and warrants, 90.0% were held by former holders of PCR’s warrants and 10.0% were held by the holders of Broadcast options.

In accordance with generally accepted accounting principles, PCR was identified as the acquirer at the completion of the RTO since the shareholders of PCR acquired control of PCM, the legal parent company. Accordingly, the authorized share capital and capital structure presented in these consolidated financial statements is that of PCM, the legal parent, the issued share capital is that of PCR, the legal subsidiary, and the operations for the current period and the comparative figures are those of PCR as that company is considered to be the continuing company.

The fair values of the net assets of Broadcast acquired by PCR on the RTO were:

Cash	$581,830
Accounts receivable	10,555
Accounts payable	(6,900)
	$585,485

Pebble Creek Mining Ltd. started trading as “PEB” on the TSX Venture Exchange as a Tier 2 company on December 29, 2006.

The Company changed its financial year ends from September 30 (Broadcast) and December 31 (PCR) to March 31 to harmonize the year ends with those of its two Indian subsidiaries, Adi and Hirakund which are required by law to report with March 31 year ends.

FINANCIAL RESULTS

Selected Annual Information

The following table shows the financial results derived from the Company's financial statements for each of the three most recently completed financial years.

	March 31, 2007	December 31, 2005	December 31, 2004
Total Revenues – Interest Income	$ 33,424	$ -	$ -
Net Profit (Loss)	$ (579,728)	$ (218,653)	$ (255,602)
Net Profit (Loss) per Share	$ (0.04)	$ (0.02)	$ (0.03)
Total Assets	$ 3,644,955	$ 1,458,969	$ 1,149,619
Shares Outstanding	20,062,590	11,412,021	10,603,803

The Company is at a development stage and has no mineral production yet. Incidental revenue is derived solely from interest earned on term deposits. $33,424 was earned in the 15 months ended March 31, 2007 whereas each of the two preceding years the Company earned none.

The Company incurred general and administrative expenses of $613,152 during the fifteen months ended March 31, 2007, compared to $218,653 during the year ended December 31, 2005, reflecting the overall increase in the Company's activities. Significant general and administrative expenses incurred by the Company during 2007 fifteen month period, compared to the 2005 twelve month period, were conference costs of $$39,832 (2005 - $nil), corporate development costs of $55,161 (2005 - $19,184), shareholder costs of $17,344 (2005 - $1,564), management fees of $179,500 (2005 - $100,000), office expenses of $54,264 (2005 - $11,966), professional fees of $84,451 (2005 - $47,926), rent of $27,563 (2005 - $5,964), salaries of $19,367 (2005 - $nil) and travel of $114,327 (2005 - $11,815).

During the fifteen months ended March 31, 2007 the Company greatly increased its work at Askot. Acquisition and lobbying, exploration, drilling and underground development costs at Askot were $945,505 compared to $306,689 during the year ended December 31, 2005.

Furniture, equipment and vehicles costing $159,157 were purchased during the fifteen months ended March 31, 2007 compared to $4,890 during the year ended December 31, 2005. Nearly all of that increase was directly or indirectly in support of the Askot project.

Fixed expenses, also in support of the Askot project whether incurred in Vancouver, New Delhi or at the project site, grew markedly during the period and are the main component of the increased loss of $579,728. Even if one "normalizes" the loss of $579,728 for the 15-month period to a 12-month year ($463,782), it is still double the average loss of the two preceding years.

Total assets increased $2,185,986 during the period ended March 31, 2007 over the total at December 31, 2005. This reflects the financings completed during the period. Of the total assets, $1,064,547 is held as current assets; $2,398,982 is invested in the Company's mineral properties; and $181,426 is capital equipment, most purchased during the 15-month period.

At March 31, 2007, the Company had cash of $945,393 as compared to $28,343 at December 31, 2005. The Company maintains cash that is surplus to immediate needs in interest bearing term deposits.

At March 31, 2007, the Company had working capital of $990,908 as compared to $(151,890) at December 31, 2005.

Selected Quarterly Financial Results

The following selected unaudited quarterly financial information for the last eight quarters is derived from the unaudited interim financial statements of the Company prepared in accordance with GAAP.

Three months ended	Jun 30, 2006	Jun 30, 2005	Sep 30, 2006	Sep 30, 2005	Dec 31, 2006	Dec 31, 2005	Mar 31, 2007	Mar 31, 2006
Interest Income	$ 2,484	$ -	$ 9,275	$ -	$ 14,803	$ -	$ 6,862	$ -
Net Loss	$ (60,352)	$ (51,587)	$ (69,007)	$ (63,067)	$ (68,900)	$ (50,220)	$ (321,546)	$ (59,923)
Basic & Diluted (Loss) Per Share	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.00)	$ (0.00)	$ (0.02)	$ (0.01)
Basic & Diluted Weighted Average Shares	12,551,345	10,679,303	16,387,521	11,128,825	17,010,721	11,257,521	20,032,375	11,444,883

The Company carried a fairly steady loss of about $50,000 to $70,000 for the seven quarters ended June 30, 2005 through December 31, 2006. By the end of the March 31, 2007 quarter the accelerated pace of exploration at Askot and accompanying increase in fixed expenses had caught up to the Company's changed exploration activity.

Similarly the weighted average of shares increased gently from slightly less than 11 million at June 30, 2005 to approximately 12.5 million at June 30, 2006. Then share averages climbed sharply as the financings of the 15-month period took place, to 20,032,375 as an average for shares issued in the quarter ended March 31, 2007.

Financing

Before 2006 the Company found it impossible to interest the Canadian equities community in India's mineral sector. Few in the Western world knew anything about Indian mining and few cared.

During the period 2003-2006 the world started to recognize India as a growing economic powerhouse, often compared to China; institutional investments in India funds performed extremely well; and some Canadian institutional investors decided to take a chance on junior companies exploring in India.

During the 15 months ended March 31, 2007, in anticipation of going public, the Company raised a total of $2,478,372 after costs, which costs include provisions allocated to the issue of accompanying warrants, broker warrants and broker options.

The largest financing of the 15-month period was a two-tranche private placement brokered by Loewen, Ondaatje, McCutcheon Ltd. (“LOM”), as the Company’s agent. This raised net funds of $1,827,568 in June, 2006 and $355,754 in December, 2006. Funds were also realized by exercise of 120,500 warrants; 91,667 options; non-brokered private placements of 405,000 shares; and retention of Broadcast’s treasury of $581,830 (before costs of the RTO and costs allocated to assuming Broadcast’s options and warrants).

Not counting the 2,750,002 shares of Broadcast before the RTO, the Company issued 5,900,567 shares during the fifteen months ended March 31, 2007 on the exchange of Subscription Receipts, private placements of units and the exercise of warrants and options.

The comparable amounts during the year ended December 31, 2005 were cash from share issues on private placements and the exercise of warrants of $445,999 and share issue costs incurred of $5,390.

The additional shares to PCR’s pre-RTO capital during the 15 months ended March 31, 2007 were 8,650,569, increasing the issued capital from 11,412,021 shares at December 31, 2005 to 20,062,590 shares at March 31, 2007.

At the end of 2005, there were 879,530 share purchase warrants outstanding. During the 15-month period the Company issued 2,964,870 new warrants and 1,017,507 options, brokers’ warrants, and brokers’ options. Terms of these are given in Note 5 of the Financial Statements and reviewed below.

The total at March 31, 2007 was 4,861,907 warrants and options, for a fully diluted total of 24,924,497 shares.

Events Subsequent to March 31, 2007

Amalgamation of Pebble Creek Mining Ltd. and Pebble Creek Resources Ltd. Since the reverse takeover on December 15, 2006, Pebble Creek Resources Ltd. had been a wholly-owned subsidiary of Pebble Creek Mining Ltd. The two were amalgamated on May 30, 2007 and amalgamated company is called Pebble Creek Mining Ltd.

Non-Brokered Private Placement of July 13, 2007. The Company realized in December 2006 that the poor response to the second part of the LOM-led private placement would require additional capital in order to pursue the recommended work on the Askot project.

In May the Company initiated a non-brokered private placement in Europe at the prevailing share price at the time of $0.35. The non-brokered private placement of 3,150,000 units raised an additional $1,102,500 before costs. The majority of placees were Europeans. There is a 4-month hold period on shares issued in this private placement.

Each unit consists of one common share of the Company; one-half of one Series A common share purchase warrant (an "A Warrant"); and one-half of one Series B common share purchase warrant (a "B Warrant"). Each whole A Warrant is exercisable for one common share of the Company for a period of two years at a price of $0.65. If the closing trading price of the Company's common shares is $1.00 per share or higher for any 20 consecutive trading days during the term of the A Warrants, the Company may elect to provide notice of acceleration of the exercise term to holders of the A Warrants and the A Warrants will then expire thirty days after such notice is given. Each whole B Warrant is exercisable for one common share of the Company for a period of two years at a price of $1.00.

The Company paid certain parties finders' fees of $16,660 in cash and 156,599 units. The Company issued a total of 3,306,599 shares and an equal number of warrants, 3,306,599.

The TSX Venture Exchange approved the private placement on July 20, 2007.

Warrants from 1999 Exercised and Expired. At March 31, 2007 there were 523,030 share purchase warrants outstanding, issued in 1999, with an exercise price of $0.30 and an expiry date of June 29, 2007. Holders exercised 388,280 warrants for $116,484 before costs, and 134,750 warrants expired unexercised.

The Company's share structure as at July 20, 2007 is as follows:

- Shares issued 23,757,469
- Warrants and Options outstanding 7,645,476
- Total, fully diluted 31,402,945

Terms of post-March 31, 2007 warrants are given above. Terms of options and warrants existing at March 31, 2007 are given in Note 5 of the financial statements and summarized below.

Shares Released from Escrow. Prior to the RTO, 1,029,002 shares of Broadcast were subject to escrow. Upon listing on the TSX Venture Exchange 3,919,611 additional shares of the Company held by directors and their spouses and certain relatives were placed in escrow and 102,900 shares which were escrowed prior to the RTO were released from escrow. On March 31, 2007 the balance in escrow was 4,845,713.

Subsequently one person exercised a warrant for 82,030 shares within escrow and 354,431 shares were released from escrow, leaving a balance in escrow of 4,573,312 shares at July 27, 2007

Warrants, Options and Brokers' Warrants

The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. As at March 31, 2007, there were 20,062,590 common shares issued and outstanding.

As at March 31, 2007, the following warrants and options to purchase shares of the Company were outstanding:

Warrants

Number of Shares	Price Per Share	Expiry Date	Date Granted
523,030	$0.30 CDN	June 29, 2007 *	September 30, 1999
134,500	$0.50 CDN	December 29, 2007	May 30, 2001
98,500	$0.50 USD	December 29, 2007	June 30, 2002
43,200	$0.70 CDN	September 28, 2007	March 28, 2006
345,600	$0.70 CDN	November 1, 2007	May 1,2006
16,200	$0.70 CDN	November 15, 2007	May 15, 2006
2,225,000	$0.65 CDN	December 16, 2007	June 16, 2006
458,370	$0.75 CDN	June 29, 2008	December 29, 2006
3,844,400			

***** Subsequently 388,280 warrants were exercised; 134,750 expired unexercised.

Options, Broker Options and Warrants

	Number of Shares	Price Per Share	Expiry Date	Date Granted or Issued
Shares	91,667	$0.30 CDN	March 24, 2011	December 15, 2006
Shares	175,000	$0.30 CDN	September 30, 2007	December 15, 2006
Shares	445,000	$0.50 CDN	December 16, 2007	June 16, 2006
Shares	83,340	$0.75 CDN	June 22, 2008	December 22, 2006
Warrants	222,500	$0.65 CDN	December 16, 2007	June 16, 2006
	1,017,507			

<u>Related Party Transactions</u>

The Company's policy is that all transactions with related parties must be on terms comparable to terms available in arms-length transactions.

During the entire 15-month period ended March 31, 2007, the Company paid $551,966 for legal services and share issue costs to a law firm of which the Company's corporate secretary is a partner. That person became the Company's corporate secretary on December 15, 2006. The legal services were rendered in connection with the RTO, share issues and general corporate affairs.

The Company also paid management fees of $179,500, included in general and administrative expenses, and geological and engineering fees of $86,700, included in mineral property acquisition costs, to directors and officers during the fifteen months ended March 31, 2007, compared to $100,000 and $74,560 during the year ended December 31, 2005.

EXPLORATION PROGRESS AND RESULTS

Askot Property, Uttarakhand, India

Mineral Title and Permits. The Company is continuing to explore Askot under a Prospecting Licence Deed ("PL") issued in June 2000. A PL normally expires on its fifth anniversary after all extensions have been used; however if the holder files an application for a Mining Lease ("ML") at least 90 days in advance of the scheduled expiry date, the PL continues in force until the Mining Lease is determined.

The Askot PL is 7.9 square kilometers and the ML application is for 3.86 square kilometers. The ML was filed in the state capital in March 2005. It was processed through the state government departments and was sent to the Indian government in early 2006. The central government has apparently been waiting for implementation of recommendations of the Hoda Committee, a study group of India's Planning Commission. Until recently the Ministry was holding in abeyance most mineral tenure applications.

At a meeting with India's Minister of Mines on June 12, 2007 he informed the Company that he had signed the Company's application for a Mining Lease at Askot, but which has not yet been received by the Company. Following signing the usual procedure is that the government reports its approval on the web site http://mines.nic.in and forwards the application to the state government, which grants the Mining Lease after a number of conditions have been fulfilled.

The main permits and clearances for future mining are being processed as follows:

- An Environmental Clearance application – now in front of the State Pollution Control Board for a review after having been rejected once on a technicality;
- A Mine Plan – prepared by a consultant in draft form and submitted for preliminary review to the Indian Bureau of Mines' local office in Uttarakhand;
- A Blast Vibration Study – completed by a consultant;
- A Support Systems Study – in progress by a consultant;
- A Subsidence Study – in progress by a consultant;
- A Forest Clearance Application – completed by a consultant and submitted to the state government.

The Company sees no obstacles to issuance of permits and clearances in due course.

The above contains forward-looking statements anticipating actions or outcomes that may not take place as described or within the time anticipated.

Historic Mineral Resource Estimate. The prior work at Askot was done during the period 1965-1988 when several governmental agencies intermittently drilled and tunneled the deposit. The agencies drilled 51 holes totaling 9,000 meters and then discarded or lost the drill cores.

To date no mineral resource compliant with National Instrument 43-101 has been estimated for the Askot deposit.

A Technical Report dated November 7, 2006, by Paul M. Boswell, BSc, FIMMM, a Qualified Person, reviewed the following historic resource estimates:

- Geological Survey of India, ca. 1975, 770,000 tonnes containing 2.32% copper, 2.64% lead and 3.93% zinc, based on results of the first 12 drill holes;
- Mining Exploration Corporation Ltd., a Government of India company, 1988, (a) by means of polygons based upon underground levels and projected onto a longitudinal section, 1.35 million tonnes grading 2.12% copper, 2.87% lead and 5.14% zinc, and (b) by means of polygons drawn on cross-sections through the mineralized zone, 1.165 million tonnes containing 2.13% copper, 3.47% lead and 5.32% zinc;
- Uttar Pradesh Directorate of Geology and Mining, 1995, by means of polygons drawn on longitudinal section, 1.6 million tonnes with a combined copper plus lead plus zinc grade of +10%.

The Technical Report notes several deficiencies in the data and estimating methods. One lapse in procedure is that none of the three exploration entities assayed systematically for gold and silver. No cut off grades were stated for any of these estimates and a review of the figures suggests cut off grades were zero. The Company does not regard the historic estimates as anything more than evidence of a mineral deposit of yet unknown size and grade.

Recent Drilling History. Prior to June 2006 the Company's exploration activities at Askot were the preliminary steps generally taken in early acquisition and exploration stages. The Company compiled data, built roads, remapped Askot's geology, cleaned out and rehabilitated exploratory underground workings, and continued to build corporate infrastructure and good will in the community and in India.

After the first LOM financing closed in June 2006, the Company was able to pick up the pace of its exploration, buy certain much needed equipment, and contract for drilling and other services.

The idea behind LOM's two-tranche private placement of June and December 2006 was that the Company would use the funds from the first tranche to re-drill and verify a sample of prior drill holes at Askot.

According to the plan, in the six months following the first tranche the Company would have verified several old drill holes and could raise substantially more at a higher price through a second tranche.

The chronic problem for all resource companies during this day and age is finding equipment and experienced people. From June 2006 through March 2007 the Company scoured the Western world for a drilling contractor willing to put one or two core rigs and crews in India. There are only 10 Western owned and operated core drilling rigs in India and all were occupied for eight months or longer.

In July 2006 the Company engaged a local drilling contractor that was unable to complete the job properly and none of the three confirmation holes did its job. The Company had very little new to report in the weeks leading up to the proposed second tranche of financing. The Company released the contractor in December 2006.

Subsequent to March 31, 2007 the Company engaged a Western contractor who re-started the drilling campaign with the first hole on July 2. The contractor has the equipment and personnel to handle drilling problems and the project is going forward at this time.

The Company intends to drill 10,000 meters in three classes of core holes:

- Twins of 30 and 40 year old drill holes as noted above;
- Step-out holes to test unexplored ground at depths of 180 meters below the apex and along strike to the northwest;
- Tests of several electromagnetic anomalies (electric conductors) developed along 3,000 meters of strike to the northwest and southeast of the 550 meters of known mineralization.

Underground Sampling. The known Askot mineralization has a strike length of 550 meters. The Company has sampled it over 200 meters of strike length where it is exposed in the 985-level underground drift (a tunnel along a deposit). Results of 52 samples in 17 channels were reported in the Interim MD&A for December 31, 2006 and are summarized below. ALS Chemex, North Vancouver, B.C., performed the assays by atomic absorption.

Mineralized bed	Horizontal Thickness (m)	Per cent			Grams per tonne	
		Zinc	Copper	Lead	Gold	Silver
West (footwall) massive sulfide bed *						
Weighted average	2.51	6.79	2.86	5.45	0.86	104
East (hanging wall) massive sulfide bed *						
Weighted Average	1.37	8.92	3.67	5.18	0.50	93
Overall Wtd. Avg.	1.94	7.47	3.21	5.36	0.73	100

* Footwall means the rocks under an inclined or horizontal deposit; hanging wall means the rocks above an inclined or horizontal deposit.

Underground Crosscut Extension. In January 2007 the Company started to prepare a number of drill stations underground on the 985-level (985 meters elevation above sea level). The purpose is to save time and money in future drilling.

The mineralized beds dip steeply and extend under a steep mountain, so to drill deeper, the drill must be sited higher on the mountainside and more hanging wall rock must be drilled in order to intersect the deposit. To intersect the deposit at 800 meters elevation, for example, a single drill hole from the surface would cost about $50,000 more than one from underground. The grade and thickness of mineralization at Askot varies from place to place, and so closely spaced drill holes will be necessary ultimately.

The Company is continuing this work to the present. It has driven a new crosscut (an access tunnel that does not run along a deposit) 110 meters into the hanging wall from the mineralization. There the Company has installed a drill station, a dome-shaped cavern of 100 cubic meters. The Company has turned the crosscut to parallel the deposit and intends to put new stations every 75 meters distance along it for several hundred meters.

Geophysical Survey. The Company conducted a geophysical survey in October and November, comprised of 88 line-kilometers of magnetic survey on 50-meter line spacings and 27 line-kilometers of Max-Min Horizontal Loop Electromagnetic survey (“HLEM”). The area covered was 4.4 square kilometers of magnetics and 2.7 square kilometers of HLEM.

Magnetic anomalies follow the trend of the known geology, extending along the strike of the beds that host zinc and copper mineralization for a distance of 3,000 meters, and following the geology around the nose of a syncline (a U-shaped fold) in a fishhook-shaped pattern.

The magnetic anomalies were resurveyed with HLEM, which discovered seven significant anomalies – electrical conductors – at shallow depths and at distances of 500 meters to 2,000 meters along strike southeast and 600 meters northwest from the known 550 meters of strike length of the mineralization at Askot.

Qualified Person. Andrew E. Nevin, P.Eng., a qualified person under NI 43-101, supervised work at Askot.

Plans and Milestones. The Company plans to pursue the program laid out in the Technical Report by Paul M. Boswell, BSc, FIMMM, CEng, dated November 7, 2006, at an estimated cost of $1,682,000. The program is to do sufficient drilling to verify historic data and to step out into untested territory. The objective is to acquire enough new information to estimate a NI 43-101 compliant mineral resource.

Subsequently the Company would reach a decision on whether or not to proceed with a pre-feasibility study. The Company will require additional financing to ensure that the entire program is carried out as planned.

Some of the above are forward-looking statements anticipating actions or outcomes that may not take place as described.

<u>Gadarwara Property, Madhya Pradesh, India</u>

Mineral Title. The original Reconnaissance Permit (“RP”) of 379.85 square kilometers executed on December 24, 2004 was reduced to half, 189.9 square kilometers, prior to the second anniversary on December 24, 2006 as required by existing regulations. The reduced RP covers all of the known magnetic anomaly of 50 square kilometers.

Under existing regulations, on or before December 24, 2007 the Company must either file for a Prospecting Licence on all or part of that area or abandon it.

In 2005 the Company filed a second RP of net 3884 square kilometers surrounding the original. The state government informed the Company that it had cleared that application and forwarded it to the Indian government’s Ministry of Mines for approval.

Work Completed. During the period the Company engaged a contractor to run one ground magnetic traverse across the center of the oval-shaped airborne magnetic anomaly to pinpoint its position on the ground. The traverse located a 1.8 kilometer wide zone with an amplitude of 1,200 nT, sharper and double in magnitude than the 600 nT airborne reading from a high altitude. The survey suggests an overburden thickness of 300 to 400 meters. The survey was helpful in choosing initial drill sites.

The Company also conducted a radon survey across the center with 100 alpha-track devices. Radon gas is a decay product of uranium and generally rises to the surface of the ground; radon itself decays and the devices measure alpha particles released by the decay. The survey did not generate a pattern indicative of deep-seated geology that would be useful in siting one or more drill holes.

For clarity: The Company does not consider Gadarwara a uranium prospect but had intended to see if uranium would be a useful guide to an IOCG (iron oxide-copper-gold) class of deposit. (Uranium mining is reserved for government entities in India, however private-sector companies may extract by-product uranium and sell it to the government.)

Expenditures on Gadarwara. No Company personnel are resident in the Gadarwara area, but travel from Askot or Delhi as needed. The total exploration and government consultation spending on Gadarwara in the 15-month period ended March 31, 2007 was $31,394. In the preceding year ended December 31, 2005, the total spent was a negative $17,868 owing to a lease payment of $30,075 received from WMC in 2005 that was credited against expenses on the project.

Proposed Drilling Program. After conferring with various geophysicists and others, the Company has decided that a comprehensive geophysical program would provide information on subsurface electrical conductivity, rock density, and other indirect properties. For about the same money, the Company could drill three holes and get direct information on the rock and potential mineralization.

This is essentially the Stage I program outlined in the Technical Report by Paul M. Boswell, BSc, FIMMM, CEng, dated November 7, 2006, at an estimated cost of $200,000.

The Company is in discussion with a Western drilling contractor that has available a large truck-mounted machine capable of drilling through 400 meters of unconsolidated overburden and coring into bedrock. The Company plans to prepare three previously surveyed sites for vertical holes into bedrock during the period August 15 through October 15 to investigate the unknown source of the large, high-amplitude magnetic anomaly.

Financing Drilling. The Company is seeking a joint venture partner and is in discussion with two companies to spread the risk and pay the cost of the drilling in return for equity in the project.

Paragraphs above are forward-looking and some events may or may not take place.

Banda Prospect, Uttar Pradesh, India

Description. Banda is a diamond prospect 40 km from the Panna, Madhya Pradesh District where India’s only systematic diamond mine is located. The area of Banda is 2,190 square kilometers. The area is nearly completely covered with overburden that varies from a thin veneer in the south to a 100-meter deep alluvial basin to the north.

Banda is held 100 per cent by the Company but has not been a material property to date as the Company did not plan to spend a significant amount of money exploring it.

De Beers Option. On November 6, 2006 the Company executed a consulting services and option agreement with De Beers India Private Ltd. (“De Beers”) that would provide for De Beers to earn an 85 per cent interest by conducting all work through feasibility study.

De Beers conducted ground reconnaissance and indicator mineral studies in the first quarter of 2007 and informed the Company that it intended to fly an airborne magnetic survey in May or June 2007.

In events subsequent to the end of the 15-month period ended March 31, 2007, De Beers informally advised the Company in early June that it was reducing its Indian activities to a care and maintenance level so as to devote more attention to central Africa, and that it would not fly the planned magnetic survey on Banda. The Company expects to be notified shortly that De Beers is terminating the option and delivering all data to the Company.

Pending Geologist's Report. In anticipation of the return of Banda, the Company engaged a consulting geologist from South Africa, Pauline Orr, who visited the property and its environs in late June 2007. Her report on the property is still pending.

Exploration and Maintenance Costs. The exploration and maintenance cost of Banda in the 15-month period ended March 31, 2007 was $13,741, as compared to $2,581 during the previous 2005 calendar year. An estimated $15,000 committed subsequent to March 31, 2007 has not yet been invoiced.

Reconnaissance Permit Applications

The Company has filed 14 RP applications in five states. Three of these are contiguous with Askot, Gadarwara and Banda. Target commodities in the others are oxide and sulfide copper, gold, zinc, silver, lead and diamonds.

Factors Affecting the Company's Projects

Favorable Factors. India has a layered, slow-moving bureaucracy – in the minerals sector this usually refers to state governments.

This characteristic was addressed in last year's report of a committee chaired by Anwarul Hoda, of India's Planning Commission. The recommendations concerning the non-ferrous, non-fuel mineral sector include imposing deadlines for states to process mineral tenure applications. If the deadlines are not met, a committee of the central government will force action.

The Hoda Committee's recommendations also include increasing the term and size limitations on mineral tenures.

Most importantly for project finance, the Hoda Committee recommends changing the law to give RP holders the absolute right to acquire one or more PLs within their areas, and to give PL holders the absolute right to acquire one or more MLs in their areas. Under present law those rights are "preferential," but not absolute.

Informed observers believe that the Hoda Committee's recommendations will be introduced into law in the second half of 2007.

As a long-time investor in India, the Company notices an increase in the number of foreign companies entering the mineral exploration business in India. Although new entrants may be thought of as competitors, general exploration practice would be to consider them as future joint venture partners. The Company expects to be in a good position to farm out mineral prospects to newcomers.

Commodities demands and prices are likely to stay firm for the foreseeable future according to most analysts. The corollary to this is that financing is more readily available for exploration and mine development.

Adverse Factor. The main adverse factor is the shortage and rising cost of materials, fuels and experienced people required for the Company to pursue its business. Included are a shortage of exploration equipment such as diamond drills, pipe and tools, and experienced crews to operate the drills.

Outlook

The Company believes its current financial position is adequate to carry out the recommended program at its key Askot project and at the same time to maintain fixed expenses during the next 12 months. With one drill operating, a 10,000 meter drilling campaign will be spread out over a one year period under the current conditions at Askot.

The Company plans to seek additional equity and or joint-venture financing in order to accelerate its work and move on to the next stages if warranted.

The Company is mindful that it has several warrants and options outstanding. Many of these have expiry dates clustered toward the year end, especially in December 2007.

As December 31, 2007 approaches the most likely warrants and options to be in-the-money, and thus exercised, are 853,000 at exercise prices of $0.30 to $0.53. If all were exercised they would provide the Company with about $390,000. Added to these, a larger number with an exercise price of $0.65 would bring the total up to about $1,980,000 if all were exercised; and some $0.70 warrants, if added to the foregoing, would raise the total to about $2,230,000 if all were exercised.

In mid-2008 an additional number of $0.75 warrants expire. If all were exercised the Company would be provided with an additional $406,000; and if the shares were to close over $1.00 for 20 consecutive trading sessions on the TSX Venture Exchange the Company could compel the exercise of $0.65 warrants and potentially realize an additional $1,074,000.

The Company does not plan to depend on warrants and options for future financings – including production financing if warranted – but to be proactive with the equities community.

There are segments of the equities markets that are interested only in projects nearing commercial production; and there are other segments that are intrigued by the blue-sky potential of India as one of the last exploration frontiers. The Company believes it is in position to appeal to both segments.

ADDITONAL INFORMATION

Changes in Accounting Policies including Initial Adoption

A change in the significant accounting policies used by the Company which will occur during the fiscal year ended March 31, 2008 is the adoption of the recommendations of Sections 3855 and 1530 of the CICA Handbook on financial instruments and comprehensive income. Canadian generally accepted accounting principles require the Company to report comprehensive income separately in interim and annual financial statements commencing on or after October 1, 2006. Comprehensive income is defined as the change in equity (net assets) of an enterprise during a period from transactions and other events and circumstances from non-owner sources. Examples of items reported in a statement of comprehensive income would be changes in the market value of available for sale assets of a company, foreign exchange adjustments relating to self sustaining operations of a subsidiary company with transactions denominated in another currency and the changes in fair values of a company's effective cash flow hedging instruments.
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Financial Instruments and Other Instruments

The Company's financial instruments include cash and equivalents, accounts receivable and accounts payable. The Company incurs certain of its expenses in currencies other than the Canadian dollar. As such, the Company is subject to foreign exchange risk as a result of fluctuations in exchange rates.

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents. To reduce credit risk, cash and cash equivalents are on deposit at major financial institutions.

The Company's financial instruments may include bankers' acceptances and treasury bills. These instruments bear a fixed rate of interest and a fixed maturity date. If the Company is required to liquidate them prior to the maturity date, there is a risk that interest rates will have increased such that the market value of the instrument is less than the expected value.

Disclosure Controls and Internal Controls over Financial Reporting

The Company's Chief Financial Officer and Chief Executive Officer (the "Certifying Officers") are responsible for establishing and maintaining disclosure controls and procedures ("the Procedures") which provide reasonable assurance that information required to be disclosed by the Company under provincial or territorial securities legislation (the "Required Filings") is reported within the time periods specified. Without limitation, the Procedures are designed to ensure that material information relating to the Company is accumulated and communicated to management, including its Certifying Officers, as appropriate to allow for timely decisions regarding the Required Filings.

The Company's Certifying Officers are also responsible for establishing and maintaining internal controls over financial reporting ("Internal Controls") and have designed such Internal Controls, or caused it to be designed under their supervision, which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP.

During the fifteen months ended March 31, 2007 there were inherent weaknesses in the Company's internal controls which are typical of companies which are small and therefore have a limited ability to segregate incompatible functions. The Company plans to remedy these weaknesses by expanding the number of individuals involved in the accounting function as it grows. Effective disclosure controls were achieved, despite the inherent weaknesses in internal control over financial reporting, because of the President and Chief Executive Officer's direct involvement in the disclosure controls and procedures process.

The Certifying Officers evaluate the Company's Internal Controls on a regular basis throughout the year and have certified that there were no changes in the Company's Internal Controls during the Company's most recent interim period that materially affected, or is reasonably likely to materially affect, the Company's Internal Controls.

Risks and Uncertainties

Country Risk. The principal business of the Company is in the exploration and development of mineral properties in India. The Company is subject to the political risks and bureaucratic delays that might transpire.

Exchange Rates. The Company incurs costs and expenses in foreign currencies other than Canadian dollars. The exchange rates covering such currencies, including the U.S. dollar and the Indian rupee, are subject to fluctuations which give rise to foreign currency exposure, either favorable or unfavorable. The Company does not hedge any currencies against others.

Exploration Risk. Exploration for minerals and development of mining operations involve many risks, many of which are outside the company's control. In addition to the normal risks of exploration and mining, the Askot project is in a remote location that lacks certain elements of infrastructure.

The Company has no mineral resource with a National Instrument 43-101 compliant estimate. It will take time and money to develop such, and even then commercial production may not be feasible.

Permits and Clearances. The Company requires several permits to perform exploration activities and, as noted above, to enter into commercial production. These are granted by various departments of state and central government. Some departments are ambivalent about mining. There may be delays in acquiring the necessary permits that would be detrimental to the Company's operations.

Approval

The Board of Directors of Pebble Creek Mining Ltd. has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be obtained, along with additional information, on the SEDAR website at www.sedar.com.