

**AMANTA RESOURCES LTD.**

*(formerly "Cal-Star Inc.")*  
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July 28<sup>th</sup>, 2004

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**MANAGEMENT DISCUSSION & ANALYSIS**

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This Management Discussion & Analysis should be read in conjunction with our interim unaudited financial statements for the period ended May 31, 2004. Except where otherwise noted, all dollar amounts are stated in Canadian dollars. Additional information relating to Amanta Resources Ltd. is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**Overview**

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Our corporate jurisdiction is the State of Wyoming, USA and we are extra provincially registered in British Columbia. We were incorporated in British Columbia as Approach Resources Ltd. on September 4, 1986 under the *Company Act* (British Columbia) in effect on that date. We subsequently changed our name to *Future Media Technologies Corp.* on January 29, 1987. On January 29, 1999 we continued our incorporation under the *Wyoming Business Corporations Act*. On June 18, 1999, we changed our name to *Future Link Systems Inc.*; and consolidated our share capital on the basis of one new share for each ten old shares. Subsequently on August 23, 2001, we changed our name to *Cal-Star Inc.* and on July 13, 2004 we changed our name to *Amanta Resources Ltd.*

**Reverse Takeover and Change of Business**

We recently completed a reverse takeover, which included a change of business, acquisition of new properties, a private placement and debt settlement, the particulars of which are as follows:

- We acquired exploration and development rights to 2,500 hectares of land, held under Special Prospecting Licenses by Amanta Limited, on the Langu Property located in Satun Province, Southern Thailand. The first phase of a two phase exploration program has been carried out a cost of \$110,400 US. We agreed to fund a two phase work program on the Langu Property for a total cost of approximately \$348,400 US. We also acquired exploration and development rights to 15.4 hectares of land, held under two mining licenses owned by Arun Sapachai Mining Partnership, on the Arun Property located in Southern Thailand, 12 kilometres north of the village of Langu.

- By a Sponsorship Agreement dated January 30, 2004 with Canaccord Capital Corporation, Canaccord agreed to act as our sponsor in conjunction with our reactivation and reverse takeover.
- As of June 25<sup>th</sup>, 2004, we completed a private placement of 10,000,000 units at a price of \$0.10 per unit for an aggregate of \$1,000,000. Each unit consists of one common share and one share purchase warrant to purchase one additional common share at a price of \$0.20 per share, exercisable for a period of two years from June 25<sup>th</sup>, 2004.
- As of June 25<sup>th</sup>, 2004, we completed a debt settlement with Anton J. Drescher, one of our directors, whereby we issued 1,272,860 common shares at a deemed price of \$0.10 per share in settlement of debt in the amount of \$127,286.
- The private placement securities that were issued to insiders and a related party, as well as the debt settlement shares, being an aggregate of 7,172,860 common shares are subject to escrow restrictions whereby the shares will be released from escrow in increments, commencing with a release of 717,286 common shares on June 24<sup>th</sup>, 2004 and a release of 1,075,929 common shares every six months thereafter until all shares have been released from escrow as of June 24<sup>th</sup>, 2007.

Our 2004 annual general meeting is scheduled for Tuesday, August 31<sup>st</sup>, 2004. The proxy material will be mailed to our registered and non-registered shareholders pursuant to National Policy 54-101 on or before August 5<sup>th</sup>, 2004. The shareholders are being asked to approve the following:

- the appointment of Amisano Hanson, Chartered Accountants, as our auditors for the ensuing year and authorizing our directors to fix the remuneration to be paid to the auditors;
- to elect our directors for the ensuing year;
- to approve a special resolution, that pursuant to Section 302 of the *Business Corporations Act* (British Columbia) (the "*Act*"), our directors be authorized to apply, at the discretion of the Board of Directors, under Section 17-16-1720 of the Wyoming *Business Corporation Act* to the Secretary of State for Wyoming for a certificate of transfer of our incorporation under the Wyoming *Business Corporations Act* to the Province of British Columbia;
- to approve the implementation of a formal Stock Option Plan wherein we will grant options to our directors, officers, employees and service providers, as additional compensation, and as an opportunity to participate in our profitability;
- to authorize our directors, in their sole discretion, subject to regulatory approval, if necessary, to negotiate and conclude such negotiations for the sale by way of private placement of securities in excess of 20% of our then issued and outstanding share capital.

## Recent Events

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### *Reactivation*

Effective June 25<sup>th</sup>, 2004, we commenced trading as a Tier 2 issuer on the TSX Venture Exchange under the trading symbol “*CAP*”.

### *Name Change*

We received approval of the TSX Venture Exchange to a name change from “*Cal-Star Inc.*” to “*Amanta Resources Ltd.*”, and effective July 13<sup>th</sup>, 2004, we commenced trading under our new name under the trading symbol “*AMH*”.

## Plan of Operation

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Our immediate goal is to carry out the recommended exploration programs on our Thailand properties. Once the exploration programs are completed, our long-term goal is to develop the properties if recommended by a qualified engineer.

## Summary of Quarterly Results

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Description	Three months ended May 31, 2004 \$	Year ended Feb 29 2004 <sup>(1)</sup> \$	Nine months ended Nov 31 2003 \$	Six months ended Aug 31 2003 \$	Three months ended May 31 2003 \$	Year ended Feb 29 2003 \$	Nine months ended Nov 31 2002 \$	Six months ended Aug 31 2002 \$
<i>Net Revenues</i>	0	0	0	0	0	0	0	0
<i>Income or loss before other items</i>								
<i>Total</i>	(44,808)	(156,387)	(91,303)	(63,993)	(11,726)	(74,854)	(55,830)	(37,254)
<i>Per share</i>	(0.02)	(0.08)	(0.04)	(0.03)	(0.006)		(0.02)	(0.01)
<i>Net income or loss for period</i>								
<i>Total</i>	(43,366)	(156,044)	(63,993)	(63,993)	(11,726)	(91,767)	(55,830)	(37,254)
<i>Per share</i>	(0.02)	(0.08)	(0.03)	(0.03)	(0.006)	(0.02)	(0.02)	(0.006)

## Liquidity and Solvency

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As of May 31, 2004 we had a cash position of \$205,776, compared to \$191 as at May 31, 2003, representing an increase of \$205,585. The increased amount for the three months ended May 31, 2004 was from the private placement proceeds received during year ended February 29, 2004. As of May 31, 2004, we had a working capital deficiency of \$208,815, compared to a working capital deficiency of \$233,125 as at May 31, 2003. Our current cash and cash equivalents are sufficient to meet our cash requirements for a period of five months, based on average expenditures of \$40,000 per month. We will require additional financing to fund current operations, as well as any exploration programs on our properties, if applicable. We

have historically satisfied our capital needs primarily by issuing equity securities. We have no funding commitments or arrangements for additional financing at this time and there is no assurance that we will be able to obtain any additional financing on terms acceptable to us, if at all. Any additional funds raised will be used for the exploration and development of our properties and for general and administrative expenses. We estimate that we will require approximately \$40,000 per month, or \$480,000 annually, to fund our general and administrative expenses for the next twelve months. The quantity of funds to be raised and the terms of any equity financing that may be undertaken will be negotiated by management as opportunities to raise funds arise. Specific plans related to the use of proceeds will be devised once a financing has been completed and management knows what funds will be available for these purposes.

During the three months ended May 31, 2004, we raised an aggregate of \$30,000 by way of private placement. During the three months ended May 31, 2003 we did not raise any funds.

### **Results of Operations**

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We incurred a net loss of \$43,366 for the three months ended May 31, 2004, compared to a net loss of \$11,726 for the three months ended May 31, 2003. Some of the items comprising the loss for the three months ended May 31, 2004 were consulting fees of \$13,862 (2003 - \$7,500), accounting, audit and legal fees of \$3,894 (2003 - \$1,117), office and miscellaneous of \$9,022 (2003 - \$16), filing fees and transfer agent costs of \$1,485 (2003 - \$964) and rent of \$2,100 (2003 - \$2,100). During the three months ended May 31, 2004 we incurred additional expenses for travel and related costs of \$8,811 and wages and benefits of \$5,610. Also included in the expenses for the three months ended May 31, 2003 is a credit of \$1,442 for interest income and foreign exchange.

We do not have any employees; all of our services are carried out by the directors and officers or by consultants retained on an as needed basis.

### **Liquidity and Capital Resources**

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We anticipate that we have sufficient funds on hand for the next five months of operation. We expect that we will operate at a loss for the foreseeable future. We have continued to provide capital through equity financing. We have no agreements for additional financing and we can provide no assurance that additional funding will be available to us on acceptable terms in order to enable us to complete any plan of operations.

Our capital requirements are currently for general and administrative expenses and our future capital requirements will depend upon any recommended exploration or development programs recommended for our properties.

## **Transactions with Related Parties**

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During the three months ended May 31, 2004 and May 31, 2003, we entered into the following transactions with related parties:

- (a) We incurred accounting fees and consulting fees of \$8,463 during the three months ended May 31, 2004 (2003 - \$8,302) with our directors, either directly or indirectly to companies controlled by them.
- (b) Included in accounts payable at May 31, 2004 is \$35,327 (2003 - \$50,856) due to a company controlled by a director with respect to unpaid accounting and consulting fees and \$234,967 (2003 – Nil) to a company with a common director with respect to resource property costs.
- (c) As of May 31, 2004 Nil (2003 – \$15,000) was payable to a director, either directly or indirectly to a company controlled by a director. The loan is unsecured, non-interest bearing and has no specific terms of repayment.
- (d) As of May 31, 2004, \$127,286 (2003 - \$153,385) was due to Anton J. Drescher, which amount was settled by the issuance of 1,272,860 common shares at a price of \$0.10 per share subsequent to the three months ended May 31, 2004.