

AVION RESOURCES CORP.

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

***for the quarter ended
February 29, 2008***

MANAGEMENT'S DISCUSSION AND ANALYSIS **For the Quarter Ended February 29, 2008**

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 April 22, 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 unaudited interim financial statements and related notes as at and for the quarter ended February 29, 2008 and the audited annual financial statements and notes, and MD&A 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 have been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and are available online under our profile at www.sedar.com.

Unless otherwise noted, this MD&A reports our activities through April 22, 2008. All figures are in Canadian dollars unless otherwise indicated.

References to the first quarter of 2008 and the first quarter of 2007 refer to the quarters ended February 29, 2008 and February 28, 2007 respectively.

The statements for the quarter ended February 29, 2008 are unaudited and have not been reviewed by the Company's auditors.

OVERVIEW OF THE COMPANY

Avion is listed on the TSX Venture Exchange ('TSX-V') trading under the symbol AVR.

Avion is a mineral exploration and development company focused on strategic acquisitions in Africa. Avion has a team of highly qualified geologists, as well as a strong operational team that is exploring various properties throughout Africa. Avion currently has an exploration project in Ethiopia with a total land position of 4,400 square kilometres.

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 is a two year old project that last produced in September 2007 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\$170 million.

During the prior 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.

The Company is a development stage company as defined by the Canadian Institute of Chartered Accountants (the "CICA") Accounting Guideline 11.

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. For a full description of the Company's risk refer to the Risks and Uncertainties section of this report

Overall Performance

The Company has 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 (see the Subsequent Events section of this report). On January 2nd, the Company signed an agreement entered into in November, 2007 to acquire a property in Ethiopia. The transaction closed on January 31, 2008. The Company also signed an option agreement to acquire a 75% interest in the Dundonald property in Timmins, Ontario (see "Mineral Properties").

For the quarter ended February 29, 2008, the Company incurred \$450,559 in exploration costs and \$1,039,068 in option and claim costs.

Mineral Properties

Mali, Africa (see the Subsequent Events section of this report).

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 January 2008);
- \$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.

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 on January 2, 2008. In order to acquire this interest, the Company assumed an interest in an existing agreement for cash consideration 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 \$75,000 worth of common shares upon regulatory approval of the agreement (214,285 common shares issued in February 2008);
- 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.

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.

In February 2008, the Company decided not to pursue this option consequently during 2007, the Company wrote 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 four 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 with the northern-most belt displaying potential for 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. In March a regional silt sampling program was initiated resulting in the collection of 1,148 samples. Analytical results are outstanding.

The Western properties comprise approximately 2000 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 in the Agusha area, as evidenced by the extensive amount of previous artisanal pits. Avion will also follow-up on work in the Menghi area carried out by Golden Star Resources in the mid-90's which returned trench samples grading 5.27g/t Au over 23.8 m and drill intercepts to 7.20 metres grading 8.49 g/t Au. An initial survey of an extensive area of artisanal working is also planned in the Mount Dul area.

One of 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.

The other property in the southern property group lies immediately north of the Kenyan border in the Adola area. Previous work carried out by the Ethiopian government identified numerous gold-bearing quartz veins, one of which hosts a non-43-101 compliant resource of 1.05 million tonnes grading 1.56 g/t Au. Compilation and a site visit will also be carried out over this area to determine the best way to evaluate this property.

The fourth property group, Didessa, comprising 648 km², lies approximately 40 km southwest of the Western property group. Didessa is known to host both gold and base metal occurrences. A field evaluation and data compilation of this property will be carried out when time permits.

Tabakoto and Segala Projects, Mali

Upon acquiring the property Avion intends to commence an aggressive exploration program designed to confirm existing life of mine resources and define additional mineable resources as part of a \$5 million dollar, 20,000 metre diamond drill program. In conjunction with this effort Avion will also determine the best way to re-initiate gold production in the shortest feasible time frame. The property hosts in excess of 10 variable-tested gold zones which are directly related to gold in soil anomalies. Numerous untested soil anomalies occur on the property.

Results of Operations

For the quarter ended February 29, 2008

The Company reported a net loss of \$96,257 (\$0.01 per share), for the first quarter of 2008 compared to a net loss of \$17,963 (\$0.00 per share) for the first quarter of 2007.

Administrative expenses for the quarter ended February 29, 2008 totalled \$88,834 compared to \$18,153 for the first quarter of 2007, an increase of \$70,681. All expense categories increased compared to the first quarter of 2007. Avion is under new management and we are actively promoting the Company and focusing on strategic acquisitions in Africa. During the first quarter of 2007 operations were at a minimum with very little costs being incurred.

The Company earned \$4,337 in interest income during the quarter compared to \$190 during the first quarter of 2007. Interest expense of \$7,312 was incurred related to flow through interest and penalties. The Company also incurred \$4,448 in miscellaneous exploration costs associated with the abandoned Iron Lake project.

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 \$
February 29, 2008	-	(96,257)	(0.01)	1,489,627
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

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 quarter ending May 31, 2007 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 related to the Iron Lake project 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. The sharp increase in deferred exploration expenditures in the first quarter of 2008 reflects option payments and the fair value of share and warrant issuances related to the Dundonald and Ethiopia option agreements.

Liquidity and Capital Resources and Cash Flows

Financing of operations is achieved primarily by issuing share capital. At February 29, 2008, the Company had \$449,693 in cash and a working capital surplus of \$334,172.

During the quarter, the Company completed a private placement financing. The Company raised \$300,000 in gross proceeds through the issuance of 1,111,111 units at a price of \$0.27 per unit. Each unit consisted 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. Issue costs related to this private placement amounted to \$21,254.

During the quarter ended February 29, 2008, the Company used \$239,803 in operating activities compared to \$34,716 during the first quarter of 2007. Non cash working capital for the current quarter used \$143,546 compared to the use of \$16,753 during the first quarter of 2007.

Cash from investing activities used \$848,611 during the first quarter of 2008 compared to \$2,543 during the first quarter of 2007. Expenditures on the Company's mineral properties used \$1,224,127 during the first quarter of 2008 compared to \$2,543 during the first quarter of 2007. Prepaid exploration expenditures decreased by \$150,000 during the current quarter compared to \$nil during the first quarter of 2007. The increase in accounts payable related to exploration expenditures generated \$225,516 for the current quarter compared to \$nil for the first quarter last year. Investment in exploration properties has increased significantly as a result of the activities surrounding the Dundonald and Ethiopia properties. The exploration activities and results are described in the Exploration update section of this report.

Financing activities from private placements generated \$278,746 net of issue costs during the current quarter compared to \$nil during the first quarter of 2007. The Company received \$302,500 in subscriptions related to the private placement from October 2007.

Transactions with Related Parties

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 February 29, 2008 is \$11,324 (2006: \$nil) owing to such companies.

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 \$259,500 is included in subscriptions receivable at February 29, 2008.

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

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 the quarter ended February 29, 2008 the Company paid \$30,000 to directors of the Company and \$19,667 to officers of the Company. During the current quarter, 1,050,000 stock options were granted to directors and officers of the Company, compared to nil during the comparative quarter.

Share Data

The authorized capital of the Company consists of an unlimited number of common shares of which 15,539,954 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
9,949,996	\$0.29	October 12, 2009
1,111,111	\$0.36	December 19, 2009
1,500,000	\$0.48	July 31, 2009
<hr/> 13,073,682 <hr/>	<hr/> \$0.33 <hr/>	

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.

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 is party to certain management contracts. These contracts contain clauses requiring additional payments of up to \$175,000 be made upon the occurrence of certain events such as a change of control. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these financial statements. Additional minimum management contract commitments remaining under these contracts are approximately \$150,000 due within one year.

Management Changes

During the first quarter 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 increasingly senior roles with junior to senior exploration and mining companies over the past 25 years. Most recently Mr. Dudek served as Exploration Manager for Aur Resources Inc. which provided him the opportunity to evaluate 100's of grass roots to advanced projects in Latin America and Africa. During his career Mr. Dudek was part of the team that discovered 7 new base and precious metal deposits in Canada, one of which has been mined. He also supervised work at Aur's high profile La Verde Cu-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 is involved with 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

Acquisition of the Mali Projects

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. As consideration for the loan, the Company has agreed to issue 250,000 share purchase warrants to Aberdeen, where each warrant will entitle Aberdeen to acquire one common share of the Company at a price of \$0.38 for a period of two years from the date of issue. This warrant issue is subject to regulatory approval.

In addition to the consideration to be paid under the Agreement, Avion has agreed to pay a US\$1,000,000 million finder's fee to an arm's length third party and grant this private company a 2% net smelter royalty on the Mali Projects, subject to receipt of regulatory approval. Avion has an option to buy out this net smelter royalty at a price of US\$4,000,000 during the five years following the date of Closing.

Private placement financing

In April 2008, the Company announced a private placement financing whereby a syndicate of underwriters has agreed to purchase 60,000,000 Subscription Receipts at a price of \$0.50 per Subscription Receipt for aggregate gross proceeds of \$30,000,000 in connection with the Company's planned acquisition of the Mali projects. Each Subscription Receipt will entitle the holder to acquire, for no additional consideration, one unit of the Company at the Escrow Release Time, which will be immediately prior to closing of the acquisition. Each unit will consist of one common share and one half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share of the Company at a price of \$0.65 per share for a period of 24 months after the Closing Date, which is expected to be on or about May 7, 2008. The Company agrees to use its best efforts to extend the term of the warrants for an additional 12 months by i) graduating to "Tier 1" status on the TSX Venture Exchange, and ii) obtaining all necessary approvals to do so.

Provided the Escrow Release Time has occurred, each Subscription Receipt will automatically convert into the underlying securities on the earlier of i) the third business day after the date of issuance of a receipt from the Ontario Securities Commission for the Final Prospectus, and ii) 4:30 pm EST on the date that is four months and one day after the Closing date. The Company will use its best efforts to file a prospectus. If a receipt for the prospectus has not been issued prior to 4:30 pm EST on July 15, 2008, each Subscription Receipt will thereafter entitle the holder to receive, on the conversion thereof, 1.05 Unit Shares, in lieu of the one common share and one-half of one warrant.

In the event that the closing of the acquisition does not occur on or before 4:30 pm EST on the first business day which is not less than 60 days after the Closing Date, any funds in escrow plus accrued interest shall be returned pro rate to each holder of the Subscription Receipts and the Subscription Receipts shall be cancelled.

Significant Accounting Policies

Except as noted below the Company's financial statements are prepared using the same accounting policies and methods of application as those disclosed in notes 3 to the Company's Audited Financial Statements for the year ended November 30, 2007

New accounting pronouncements:

On December 1, 2006, the CICA issued three new accounting standards: Capital Disclosures (Handbook Section 1535), Financial Instruments – Disclosures (Handbook Section 3862), and Financial Instruments – Presentation (Handbook Section 3863). These new standards became effective for the Company on December 1, 2007.

(i) Capital Disclosures

Handbook 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 noncompliance. The Company has included disclosures recommended by the new Handbook section in note 4 to the interim financial statements.

(ii) Financial Instruments - Disclosures and Presentation

Handbook 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 the entity manages those risks. The Company has included disclosures recommended by the new Handbook section in note 5 to the interim financial statements.

Future accounting changes:

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.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended February 29, 2008.

Financial Risk Factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

The Company's credit risk is primarily attributable to subscriptions receivable and amounts receivables included in other assets. The Company has no significant concentration of credit risk arising from operations. Financial instruments included in other assets consist of goods and services tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to these financial instruments is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 29, 2008, the Company had a cash balance of \$449,693 and subscriptions receivable of \$259,500 (November 30, 2007 - \$956,861 and \$562,000) to settle current liabilities of \$509,968 (November 30, 2007 - \$327,615). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt at February 29, 2008. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company considers interest rate risk to be minimal as investments are short term, the Company does not carry interest-bearing debt, and future financing will be primarily secured from private placements.

(b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in Africa on a cash call basis using the Ethiopian Birr currency converted from its Canadian dollar bank accounts held in Canada. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Sensitivity analysis

The Company has designated its cash as held-for-trading, measured at fair value. Subscriptions and amounts receivable included are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. The Company's investment in a private mineral exploration company is measured at cost as the investment does not have a quoted market price in an active market.

As at February 29, 2008, the carrying and fair value amounts of the Company's financial instruments are the same, and there were no changes that occurred that attributed to credit risk.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period.

The Company's investment in a private company is anticipated to be listed on a recognized stock exchange within the next twelve months. Sensitivity to a plus or minus 100% change in the company's expected share price would affect income (loss) by \$140,000.

The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk.

Price risk is remote since the Company is not a producing entity.

Critical Accounting Estimates

The preparation of the Company's 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 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

Cautionary Note on Forward-Looking Information

Except for statements of historical fact relating to Avion, certain information contained herein constitutes “forward-looking information” under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the development potential of the Company’s properties; future mineral prices; the estimation of mineral reserves and mineral resources; conclusions of economic evaluations, the realization of mineral reserve and resource estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; permitting time lines and permitting, mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward looking information 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 information is based on the opinions and estimates of management as of the date such statements are made. Forward-looking information is 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 information, including but not limited to risks related to: unexpected events and delays during permitting, construction, expansion and start-up; variations in mineral grade and recovery rates; delay or failure to receive 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 mineral prices; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, as well as those factors discussed herein under the heading `Risks`. 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 information, 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 information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Off Balance Sheet items

The Company does not have any off balance sheet items

Outlook

Avion intends to acquire 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 described under the subsequent Events section of this report. Once acquired, Avion intends to commence an aggressive exploration program designed to confirm existing life of mine resources and define additional mineable resources as part of a \$5 million dollar, 20,000 metre diamond drill program. In conjunction with this effort Avion will also determine the best way to re-initiate gold production in the shortest feasible time frame. The property hosts in excess of 10 variable-tested gold zones which are directly related to gold in soil anomalies. Numerous untested soil anomalies occur on the property.

April 22, 2008

