



MANAGEMENT DISCUSSION AND ANALYSIS

THIRD QUARTER INTERIM REPORT

FOR THE PERIOD ENDED SEPTEMBER 30th 2006

The following Management Discussion and Analysis (MD&A) is a supplement to the unaudited financial statements for the period ending September 30th 2006 which is deposited under Ditem Explorations at www.sedar.com. The MD&A should be read in conjunction with the 2005 audited Annual Financial Statements and the corresponding MD&A.

This MD&A represents the view of management on the company's current activities and financial statements and contains a brief outlook of activities and objectives for the coming months.

1. DATE

This Management Discussion and Analysis for the interim period ended September 30th 2006 was completed on November 20th 2006. As required, important activities and events later than September 30th 2006 are also noted.

2. COPORATE PROFILE

Ditem Explorations Inc. (the "company") is a mining exploration and development company incorporated in May 1993 under the Canadian Business Corporations Act and listed on the TSX Venture Exchange (DIT, TSX-Vx). The company has been listed since August 24th 1995.

The company's principal properties are situated in the Otish Mountains region of north-central Quebec (principally in the Otish Basin) and in the Lake Athabasca Basin in Saskatchewan. Other properties and exploration projects in Quebec and in Canada are currently being reviewed as part of the company's on-going activities.

The company has no income or royalties from production or from production related activities as all properties and interests are at the exploration stage. None were anticipated for the period ending September 30th 2006.

3. EXPLORATION ACTIVITIES

A summary of Ditem properties with a brief highlight of on-going activities, exploration programs and program costs are presented in the following table.

A full description of the properties and exploration programs will be available at the company's web site at www.ditem.com.

PROPERTIES	INTEREST HELD	PROPOSED PROGRAM	NOTES
Quebec Projects			
Otish Uranium	340 km ² , of which 210 km ² (492 permits) were staked during second quarter (100% Ditem) ; Beaver Lake and Beaver Lake South claims now incorporated into this property (90% Ditem)	Exploration program and property report being prepared ; compilations, site visit, initial target sampling at evaluated cost of \$ 700,000.	Financing for exploration announced in early November and closing to be in early December
Tichegami	48 claim cells 205,3 km ² 90% DITEM	No work planned in the coming months.	5 Kimberlite discoveries in H cluster on north-eastern sector 2 diamondiferous (H2 & H3)
Matoush	2 % NSR	Strateco drilling program on-going	
Eastmain River	6 claim cells 48 km ² ,100% DITEM	Till sampling, ground geophysics & drilling; Target Definition & Control	Exploration program may be continued in 2007, subject to a specific financing of \$400,000.
Temiscaming	30 staked claims 4,8 km ² ,100% DITEM	No further work planned at this time	
Hemingford	4 claim cells, 100% Ditem	No further work planned at this time	
Lake Athabasca Basin Projects (Saskatchewan)			
Beartooth	4 mineral dispositions totalling 237.6 km ² ; option to acquire a 60 % interest over 4 years work program	Airborne magnetic and electromagnetic survey completed ; to be followed by ground TEM (moving loop) geophysical survey, with drilling proposed in early 2007	43-101 report completed ; Megatem airborne survey completed for a total cost of \$200,000 ; ground geophysics of \$200,000 proposed and to be undertaken with existing available funds
Cree Lake	100% interest (with 2% NSR) on 20 mineral dispositions totalling 831 km ²	Property report ; Megatem survey, ground geophysics	Megatem and ground TEM survey (\$600,000) subject to financing to be completed in October

The Lake Athabasca Basin Projects

a. The Beartooth Project

On January 20th 2006, Ditem signed a letter of intent with Golden Valley (GZZ, TSX-Vx) allowing Ditem to earn up to a 66% interest in the Beartooth Island Prospect, composed of mineral dispositions, totalling 23,760 hectares (58,712 acres) located along the northwest margin of the Athabasca Basin. The property is located approximately 72 km southwest of Uranium City, Saskatchewan.

In the 1970's, exploration on the property followed the discovery of 222 radioactive glacial erratics located on Beartooth Island with an average scintillometer reading of 1000 counts per second ("cps") and isolated readings exceeding 15,000 cps (74N04-NE-0001). Two radioactive sources were identified in the area: the first consists of a low-grade fracture zone with a topographic low within 300 meters of the up-glacier advance direction. The second source consists of a very large, high-grade zone 1 to 3 kilometres long located northeast from the island at 60° (Saskatchewan Mineral Deposits Index – Mineral Property #: 2072). The initial claims were staked in the fall of 1976. Follow-up exploration programs from 1978 to 1980 included soil sampling and ground scintillometer surveys, an airborne EM and magnetic survey, surficial geological survey, radioactive boulder fan study, limited diamond drilling (five drill holes totalling 1007 meters), ground geophysical surveys as well as marine seismic and radiometric surveys. In 2004, Golden Valley obtained a 100% interest in the property.

Ditem may earn an initial 50% interest by incurring aggregate exploration expenditures of \$1,000,000 over three years. In the fourth year of the agreement, Ditem may then elect to increase its interest by 10% (to an aggregate 60% interest) by incurring an additional \$2,000,000 in exploration expenditures. Finally, Ditem may then enhance its position by acquiring an additional 6% interest (aggregate 66%) in the property provided that it deliver a bankable feasibility study within 10-years from the signing of the final agreement. Golden Valley will be operator during the initial three year option period.

At the time of writing this report, Ditem has completed the first year obligations and plans to undertake the second phase of the program immediately.

Recently, the initial phase of the exploration program, a Megatem II survey was completed. The Megatem II survey consisted of 1,156 line kilometres and covered the entire property, including the island and surrounding portions of Lake Athabasca. The property-scale, high-resolution and deep-penetrating electromagnetic-magnetic survey conducted at the Beartooth Property has been completed and preliminary reports received. Final interpretive reports are expected in early December. The MI II system appears to have outlined several north-south-trending lineaments in the western portion of the property and northeast-trending lineaments in the eastern part of the property all thought to potentially represent fault zones. In the east portion of the property, these are considered of interest due to their proximity to the Black Bay fault zone which is associated with uranium mineralization closer to the Uranium City and Beaverlodge areas to the northeast. Note that the Beartooth Island prospect is located approximately 10 kilometres southeast of the Maurice Bay uranium deposit (Cameco).

In short, the objectives of the airborne survey were met and the company is encouraged to proceed immediately with geophysical work and the proposed drilling in early 2007.

b. The Cree Lake Project

The Cree Lake Property is located in the southeast sector of the Athabasca Basin in northern Saskatchewan. It consists of 20 claims, 19 of which form a contiguous block of some 83,070 ha. The property was staked in December 2005 and fully acquired by Ditem in April 2006 as reported in the March 30th quarterly and in a press release dated April 22nd.

According to the proposed program (Robertshaw Geophysics, 2006), the evaluation of the largely unexplored Cree Lake property could be advanced rapidly by conducting an appropriate airborne EM survey, and a limited geophysical ground follow-up surveys. The objective of this initial phase of exploration would be to quickly establish an inventory of targets for drill testing. Significant exploration targets would be basement (graphitic) conductors which might represent prospective, reactivated basement faults. If a large number of basement conductor targets are present, then screening tools such as resistivity and gravity surveys could be used to search for hydrothermal alteration features in the overlying Athabasca sandstones. If few basement conductors are located, then gravity and resistivity surveys should be used to map sandstone hydrothermal alteration features which might be associated with faults interpreted from aeromagnetic linears and other sources.

Beginning in 2007, annual assessment expenditures of approximately \$1,000,000 would be required to maintain ownership of the entire Cree Lake property. After the initial phase of exploration, the exploration program will consist largely of drilling.

c. The Otish Uranium Property

Geologically well situated in the western wedge of the Otish Basin, Ditem's existing Beaver Lake and Beaver Lake South properties present a highly favourable basis for an exploration program to test for uranium deposits. Ditem therefore undertook to obtain 492 exploration permits (approximately 210 km²), which when added to adjoining properties constitute a contiguous property of some 340 km². Ditem's Otish Uranium Property is bordered to the south by the Cameco Otish block and extends northward to the 52° parallel. The new property encompasses the UEM block on which are reported uranium leached surface assays grading from 0.23% up to 2.46% of U₃O₈ reported.

Otish Uranium is situated above a deep gravimetric anomaly near the apex of a prominent tectonic "hinge zone". Initial work completed by Ditem consisted of crustal fault mapping and completing regional and preliminary studies. Analysis of fault style, geometry of late-stage intrusive events and recognition of flow paths (relict and present-day) will be attempted in order to achieve sector focusing of promising new target areas. Exploration will also consist of completing airborne magnetic surveys and a high-sensitivity soil survey over targeted areas. Other ground surveys will be used to map expected alteration haloes.

A major exploration program, including magnetic surveys, geophysical work and, if warranted, drilling are scheduled to commence upon completion of the proposed financing.

No other work is planned on other Ditem properties at this time.

4. LIQUIDITY AND CAPITAL RESOURCES

As of September 30th 2006, the company had a working capital of \$106,750 including accounts receivable, as well as marketable securities totalling \$130,246 at cost value as indicated in the financial statements. However, market value of securities at September 30th is closer to \$400,000. Accounts receivable of \$8,757 are composed of sales tax returns and various amounts related to office equipment which have since been received.

Accounts payable by the company totalled some \$41,072 are composed principally of amounts for geological services, accounting and legal services as well as fees, and various minor expenses. Amounts owing for geological services, legal and accounting services have since been paid., save and except amounts owing to Ditem director R. Davies, part of which should be paid at the following Board meeting. Other amounts are costs related to press releases, rent and on-going related expenses owing to 3915671 Canada Inc.

Selected Quarterly Information

	Results as of September 30 th 2006	Results as of September 30 th 2005
Income (sale of shares)	\$86,984	\$20,000
Expenses (quarter)	\$36,758	\$32,778
Deficit (end of period)	\$4,005,098	\$3,447,331
Shareholder equity	\$2,058,459	\$1,336,819

5. OPERATIONS AND DEFICIT

Expenses for the third quarter of 2006 (\$36,758) were in keeping with normal operating expenses. For the nine month period ending September 30th, expenses were much higher due to professional fees which were exceptional during the second quarter due to fees related to the financing completed in April as well as to fees related to the company's new development and exploration objectives and subsequent re-organisation.

As of September 30th 2006, total deficit was \$ 4,005,098 compared to \$3,547,331 for the same period last year. Shareholder equity is now valued at \$2,058,459 compared to \$1,336,819 at the end of corresponding period last year. Increase in equity is due to new acquisitions both in the Lake Athabasca Basin in Saskatchewan (the Cree Lake Property) and the Otish Basin in Quebec (the Otish Uranium Property).

The information presented below details the total revenue, net loss and loss per share for the last eight quarters.

End of Quarterly Period	Total Revenue	Net Profit (Net Loss)	Loss per share	
			Basic	Diluted
30/09/2006	86,984	50,226	0.00	0.00
30/06/2006	71,484	(213,854)	0.017	0.017
31/03/2006	19,219	(106,953)	0.011	0.011
31/12/2005	220	(234,966)	0.026	0.026
30/09/2005	20,000	(12,778)	0.000	0.010
30/06/2005	25,000	(17,546)	0.006	0.006
31/03/2005	nil	(37,638)	0.004	0.004
31/12/2004	-32,877	(356,028)	0.040	0.040

6. FINANCINGS

No financings were undertaken during the quarter ending September 30th 2006.

However, and as announced, the company has undertaken a major brokered private placement financing of \$1,500,000 to be completed in early December 2006. The brokered financing, in part flow-through and in part non flow-through, provides for six million units comprised of one share at \$0.25 and a half-warrant for non flow-through shares at \$0.35.

It should also be mentioned that subsequent to September 30th 2006, close to 1,700,000 warrants were exercised for a total sum of more than \$200,000.

7. EXPORATION EXPENSES AND USE OF PROCEEDS

The company had sufficient liquidities to carry out exploration commitments, completed its property acquisitions and permitting costs. The company will also proceed with the sale of shares received of a third company to finance additional expenses. Further work on exploration programs will require new financings.

To September 30th, exploration expenses of \$279,000 on Beartooth, Cree Lake and the Otish Uranium properties were contracted using the flow-through funds raised in the April financing. The remaining flow-through funds of \$44,000 are reserved for spending on the company's exploration properties during the fourth quarter. All flow through funds (the remaining \$47,871.52) now on hand must be spent prior to December 2007.

Total Amount Raised to September 30th 2006	\$758,325 (including \$327,931.00 in flow through shares)	\$100,000 (warrants) \$650,000 (private placement) \$8,325 (warrants)
Property Acquisitions	None during third quarter	Cree Lake and Othis Mountain properties acquired in May 2006
Flow-through Exploration Expenses to September 30th	\$ 280,059.48	Flow-through to be spent prior to end of December 2007
Flow-through Reserve	\$47,871.52	
Total	\$327,931.00	

The non flow-through portion of working capital combined with existing capital was sufficient for the acquisitions of the Cree Lake Property in the Athabasca Basin and costs related to obtaining the new 492 permits of the Otish Uranium Property in the Otish Basin.

A new financing is now underway to complete the proposed exploration programs. The use of proceeds will be to undertake exploration programs on the company's uranium properties.

8. FINANCIAL COMMITMENTS

Financial commitments of the company are related only to on-going exploration expenditures and normal operating expenses. The company has no long term obligations save and except those related to an option agreement with Golden Valley Mines for the Beartooth Property, which it may or may not maintain. Obligations for the first year of \$200,000 have been met and obligations for the second year are discretionary to Ditem. Total exploration expenses to maintain the option are \$800,000 over the next two years. As of the date of this report, Ditem plans to proceed with the Beartooth Project by undertaking drilling in the early part of 2007.

There are no other commitments, other than normal and on-going exploration programs, which Ditem may or may not continue, depending on financial resources, new exploration programs and development opportunities.

9. RELATED PARTY TRANSACTIONS

In consideration of management, company administration and direction, the CEO receives a monthly fee of \$4,000 approved by the Board of Directors, for a total of \$48,000 per year. As of September 30th 2006, the company owe \$19,703.10 to Director Dr. Raymond Davies for expenses related to exploration reports, analysis and travel.

Since 2001, the company has its offices at 1155 University St., suite 805 in Montreal and pays its share of the cost of the lease, taxes, office insurance, the telephone and fax leasing contract and other related and similar costs to 3915671 Canada Inc. The sole shareholder of the latter is Raymond Savoie, a Ditem director and officer. 3915671 Canada inc. does not charge fees for this service nor does it produce any profit on operations, the company having been created to facilitate office administration and to reduce costs for office maintenance.

There were no other related party transactions during the third quarter.

10. CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates relate to assessing the realizable values of mining and exploration assets. Consequently, actual results could differ from those estimates.

Properties include rights in properties and deferred exploration expenses. Exploration expenses are deferred until the economic viability of the project has been established, at which time the expenses are added to properties. Expenses are written off when properties are legally abandoned, or when expense recovery is uncertain. Management has defined uncertainty as either there being no financial resources available for development over a period of three consecutive years or results from exploration work not warranting further investment.

11. CHANGE IN ACCOUNTING POLICIES

There were no changes in accounting policies.

12. OTHER

Company information is available on SEDAR at www.sedar.com.

All expenses related to the properties were financed by Ditem.

13. SHARES, WARRANTS AND OPTIONS

As of September 30th 2006, the company had issued 18,672,238 common shares, compared to 8,986,740 in 2005.

During the third quarter, the company issued 245,833 commons shares at a deemed price of \$0.36 per share and 237,777 warrants to purchase 237,777 common shares at \$0.48 per share for a period of two years, in a debt settlement for \$88,500. One of the three creditors of the debt settlement was an insider, Director R. Davies for an amount of \$2,900. Warrants exercised were for \$8,325.00 totalled 55,500 by an arm's length investor.

Shares issued	Price	Note
18,370,905	-	As of September 30th
245,833	\$ 0.36 (deemed)	Debt Settlement
55,500	\$0.15	Warrant exercise
18,672,238		

As of September 30th 2006, the followings warrants and options were outstanding:

Warrants		
Amount	Price	Date of Expiry
1,000,000	\$ 0.10	17/03/2008
5,722,276	\$ 0.15	05/04/2008
346,667	\$ 0.15	02/05/2008
259,722	\$0.48	03/05/2008
237,777	\$ 0.48	30/06/2008
7,566,442		

Options		
Amount	Price	Date of Expiry
150,000	\$ 0.60	19/03/2007
85,000	\$ 0.75	23/04/2007
100,000	\$ 0.75	30/04/2007
125,000	\$ 0.35	29/04/2008
460,000		

Fully diluted the company would have 26,238,680 shares as of September 30th 2006. There have been no financings since; however a new financing for a total of \$1.5 M may be completed shortly as closing is expected in early December.

14. FINANCING OF EXPLORATION PROGRAMS

The company has incurred losses to date and does not presently have the financial resources required to finance all of its planned exploration and development programs. Development of the company's properties therefore depends on its ability to obtain the required additional financing. There can be no assurance that the company will succeed in obtaining the required funding. Failure to do so may lead to substantial dilution or loss of its interests (existing or proposed) in its properties.

15. OUTLOOK

It is generally agreed that fundamental conditions for strong uranium prices, presently at \$62.50, will continue to dominate the market. Several respected reports have indicated that the long term trend for uranium should continue to be very positive as demand for energy continues to grow and that this demand should be sustained well into the next generation. This will certainly cause an acute and maintained market interest in uranium exploration companies particularly for those companies active in the rich Lake Athabasca Basin, producer of almost one third of the world's uranium.

Ditem's decision to involve itself exclusively in this sector through the acquisition of important exploration properties and aggressive exploration programs has recently been noted. The company has obtained a key position in the Otish Mountains Basin and has two well situated properties in the Lake Athabasca Basin for a total of some 1,400 km². Over the coming months, the company will undertake exploration work on these three properties. The recently completed MegaTem survey on Beartooth confirmed expected results and the Otish Uranium work has been a source of considerable encouragement. Drilling is being planned for this winter on the Beartooth Property and should also be undertaken on the Otish Uranium Property. The initial program on Cree Lake should be completed by Spring 2007.

Ditem is also pursuing other exploration and development opportunities for the Lake Athabasca Basin.

Presently, the company has undertaken a major financing of \$1.5 M which, when completed as proposed over the next few weeks, will allow the completion of the prepared exploration program to June 2007. Other capital to be received from shares held and warrants being exercised will allow the company to forge ahead with carefully planned objectives. Shareholder value should continue to increase as work programs are completed and results made public.

The directors of Ditem thank you for your continued support and take this occasion to wish you and your family a joyous Holiday Season and health and happiness in 2007.

November 20th 2006

(s) Raymond Savoie
President