GGL DIAMOND CORP.

Management Discussion and Analysis
(Form 51-102F1)

FOR THE THREE MONTHS ENDED FEBRUARY 28, 2005
INFORMATION AS OF APRIL 22, 2005 UNLESS OTHERWISE STATED

The following discussion of the results and financial position of the Company for the three months ended February 28, 2005 should be read in conjunction with the information provided in the 2004 Annual Report of the Company. The material herein, as of this 22nd day of April 2005, updates the information as of March 23, 2005 contained in the MD&A of the Annual Report.

DIAMOND EXPLORATION, SLAVE CRATON, NORTHWEST TERRITORIES, CANADA

Doyle, GGL 100%-owned claims

On April 19, 2005, the Company announced a private placement financing of $1.4 million, subject to acceptance for filing by the TSX Venture Exchange. (These funds are for the exploration of the Fishback Lake and Doyle Lake properties.) The major portion of these funds will be directed to the delineation drilling and sampling of the Doyle Sill (a 30 tonne sample is to be taken this summer). In addition, an exploration program with a budget of $120,000, for ground geophysics and drilling on targets other than the Doyle Sill, is planned to start within the next two weeks.

PROPERTIES IN THE CENTRAL SLAVE CRATON

Before the end of April, we expect to begin an exploration program consisting of ground geophysics on the ice over lake-based targets in the Central Slave Craton. Targets are being evaluated on the Courageous, Seahorse/Shoe, Starfish and Zip-de areas for the ground geophysics program.

Fishback Project, the "Big Hole", Southwest Slave Craton

A $455,000 program, part of the recently announced financing, is now underway. Four drill holes have been planned for three targets on the Fishback property, including two drill holes reserved for the "Big Hole".

Limited Operating History: Losses

The Company has experienced, on a consolidated basis, losses in all years of its operations. There can be no assurance that the Company will operate profitably in the future, if at all. As at February 28, 2005, the Company's deficit was approximately $12,372,667.

Shares Reserved for Future Issuance: Dilution

As at February 28, 2005, there were 5,725,000 stock options outstanding pursuant to which shares may be issued in the future, all of which will result in further dilution to the Company's shareholders and pose a dilutive risk to potential investors.

Overall performance/results of operations

As at February 28, 2005, the Company had incurred exploration costs on mineral properties of $261,697 (drilling, trenching and sampling $69,326; licences and recording fees $30,248; salaries and wages $9,104; surveys $13,418; technical and professional services $71,389; transportation $7,207 and project supplies of $61,005). Exploration costs for the period ended February 28, 2005 are higher than 2004 by 48%. The majority of this increase was for licences and recording fees which include mostly lease payments for certain Doyle claims. The increase in Technical and professional fees was for services provided by consultants preparing for the current exploration program. Project supplies also increased significantly due to advance purchases of aviation fuel in preparation for the exploration program.

On a per project basis, the Company spent the $261,697 exploration costs as follows: $180,771 on the CH project, $65,543 on the Doyle Lake project, $6,570 on the McConnell Creek, $101 on the Happy Creek Gold/Silver Property, and $8,712 on the Fishback Lake Property.

The Company reported a net loss of $121,053 for the period ended February 28, 2005 compared to a net loss of $252,955 for the period ended February 29, 2004 (a decrease of 52% from 2004 to 2005). A portion of the decrease is due to a future tax recovery related to the renunciation of flow-through expenditures to investors (See Accounting Changes and see Note 4 to the Consolidated Financial Statements for February 28, 2005). Also, general administration expenses for the period ended February 28, 2005 were $169,008 compared to $247,562 for the period ended February 28, 2004 (a decrease of 32% from 2004 to 2005). The decrease in general administration expenses was primarily due to a decrease in stock based compensation (2005 - $23,385; 2004 - $172,182). Stock based compensation expense decreased because there were no stock options granted during the period ended February 28, 2005 compared to 1,100,000 options granted during the period ended February 29, 2004.

Revenue for the period ended February 28, 2005 was $3,205 consisting of interest income compared with $22,250 for the period ended February 29, 2004. The funds carried forward from 2003 and funds raised during 2004 generated more interest income for the Company in 2004.

Related Party Transactions

During the period ended February 28, 2005 the Company was billed a total of $24,125 ($3,875 of which is included in accounts payable in 2005) by a director for technical and professional services provided. For the period ended February 29, 2004 the Company was billed $12,000 for technical and professional services by the same director.

Commitments

Pursuant to an agreement dated March 1, 2001, the Company has agreed to pay its President and Chief Executive Officer up to $10,000 per month. Payment of the full amount of $10,000 per month is subject to a number of conditions precedent, none of which have been satisfied as of February 28, 2005. If the conditions precedent had been satisfied at February 28, 2005, the amount owing under the agreement would be approximately $182,233.

The Company has a mortgage loan on its Yellowknife house of approximately $53,054 ($38,091 is recorded as a long term debt), which becomes due on December 3, 2006.

Change in Accounting Policy

Income Taxes

During the three months ended February 28, 2005, the Company issued 1,150,000 flow-through shares for gross proceeds of $230,000. Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. The renunciation of such expenditures is accounted for as a financing cost related to the flow-through issuance and results in a reduction in share capital with a corresponding increase in the Company’s future tax liability.

The Company is permitted under Canadian income tax legislation to renounce flow-through related exploration expenditures to investors in advance of the Company incurring the expenditure. In accordance with this legislation the Company has twelve months following the effective date of renunciation to incur the expenditures. The Company begins incurring interest charges for unspent funds one month after the end of the calendar year following the effective date of renunciation and until all of the funds are fully expended.

As at February 28, 2005, the Company renounced the $230,000 flow-through related resource expenditures to investors. Monthly interest charges began to accrue on unspent funds at February 28, 2005. Interest charges incurred by the Company as a result of this income tax legislation are charged to income in the period incurred.

Subsequent Event

Subsequent to February 28, 2005, the Company completed a private placement of $830,000 by way of a non-brokered placement of 4,150,000 units at $0.20 per unit. Each unit consists of one common share and one-half non transferable warrant. One whole warrant entitles the holder to purchase one common share for a term of two years at $0.25 per share in the first year and at $0.30 per share in the second year. The Company paid an 8% finder's fee in connection with part of this private placement. The securities have hold periods expiring on July 8 and July 15, 2005.

Summary of Quarterly Information

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with February 28, 2005. Financial information is prepared according to GAAP and is reported in Canadian $.

Quarter Ended:	February 28, 2005 ($)	November 30, 2004 ($)	August 31, 2004 ($)	May 31, 2004 ($)	February 29, 2004 ($)	November 30, 2003 ($)	August 31, 2003 ($)	May 31, 2003 ($)
Total Revenues	3,205	6,919	265	784	22,250	9,203	5,027	3,975
Net Income (Loss)	(121,053)	(459,963)	(95,136)	(436,210)	(252,955)	(635,294)	(111,314)	(107,262)
Net income (loss) per share	(0.002)	(0.008)	(0.001)	(0.007)	(0.004)	(0.01)	(0.002)	(0.002)

Note:

(1) Income (loss) before discontinued operations and extraordinary items is the same as Net Income (Loss) as there are no discontinued operations or extraordinary items in 2004 or 2005. Fully diluted earnings (loss) per share are not presented as the exercise of warrants and stock options would be anti-dilutive.

Liquidity and Capital Resources

The Company had working capital at February 28, 2005 of $572,242 compared with $2,250,233 as at February 29, 2004. The Company has no material income from operations and any improvement in working capital results primarily from the issuance of share capital. During the period ended February 28, 2005, the Company raised less funds than the same period in the prior year.

As at February 28, 2005 the Company had $38,901 of long-term debt (mortgage loan) outstanding.

For the period ended February 28, 2005, the Company experienced a negative cash flow of $173,485 (before allowing for changes in non-cash operating working capital balances) from operating activities. Changes in operating activities resulted primarily from an increase in administration costs such as shareholders' meetings and reports, consulting fees, legal and audit and office services and expenses (See Exploration and General and Administrative Expenditures for further information.)

The Company's cash position as at February 28, 2005 was $672,787 which includes approximately $80,000 of flow-through funds that must be spent on qualifying exploration expenditures. The decrease in cash position compared to February 29, 2004 was due principally to less financing raised during the period ended February 28, 2005. See Note 1 - Mineral Properties and Deferred Exploration Costs and Note 2 – Share Capital in the Notes to the Consolidated Financial Statements.

During the period ended February 28, 2005, the Company completed a private placement of 1,150,000 flow-through shares at $0.20 per share for gross proceeds of $230,000. All of the proceeds from these flow-through shares must be spent on Canadian Exploration Expenses ("CEE") by December 31, 2005.

See Notes 2, 3 and 4 of the Consolidated Financial Statements for the period ended February 28, 2005 for more information regarding Share Capital and funds raised.

See Subsequent Event section regarding a private placement completed after the end of the quarter.

Outstanding Share data as at April 22, 2005 (See Subsequent Event):

(a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued Number
Common	No par value	250,000,000	80,085,242

(b) Summary of options outstanding:

Security	Number	Exercise Price	Expiry Date
Options	65,000	$0.20	June 21, 2005
Options	150,000	$0.25	June 21, 2005
Options	200,000	$0.30	June 21, 2005
Options	105,000	$0.50	June 21, 2005
Options	519,000	$0.25	June 29, 2005
Options	100,000	$0.25	Aug. 8, 2005
Options	120,000	$0.25	Nov. 14, 2005
Options	120,000	$0.30	Jan. 16, 2006
Options	600,000	$0.30	March 1, 2006
Options	255,000	$0.20	July 16, 2006
Options	894,333	$0.20	July 18, 2007
Options	536,667	$0.25	Feb. 06, 2008
Options	320,000	$0.30	April 25, 2008
Options	50,000	$0.45	Aug. 15, 2008
Options	400,000	$0.30	Oct. 31, 2008
Options	915,000	$0.50	Jan. 15, 2009
Options	330,000	$0.50	March 19, 2009
Options	45,000	$0.50	June 29, 2009
Total	**5,725,000**		

(c)

Security	Number	Exercise Price	Expiry Date
Warrants	1,075,000	$0.25/$0.30	March 8, 2007
Warrants	1,000,000	$0.25/$0.30	March 15, 2007
Total	**2,075,000**		

(d) There are no escrowed or pooled shares.

Other Information

The Company's web site address is www.ggldiamond.com. Other information relating to the Company may be found on SEDAR at www.sedar.com.

Forward Looking Statements

This discussion includes certain statements that may be deemed "forward-looking statements." All statements in this discussion, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

BY ORDER OF THE BOARD

"Raymond A. Hrkac"	*"William Meyer"*
Raymond A. Hrkac	William Meyer
President and CEO	Director