SECOND QUARTER 2008 MANAGEMENT'S DISCUSSION AND ANALYSIS

(June 30, 2008)

RADISSON MINING RESOURCES INC.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Management’s discussion and analysis (MD&A) should be read in conjunction with the annual financial statements of the Company as at June 30, 2008. The Company’s financial statements were prepared in accordance with generally accepted accounting principles in Canada. The reporting currency is the Canadian dollar (CAD) and all amounts presented in the MD&A are in Canadian dollars.

This MD&A, dated August 25, 2008, was prepared in compliance with the provisions of Form 51- 102A1 and approved by the Company’s Board of Directors.

FORWARD-LOOKING INFORMATION

The MD&A contains forward-looking statements that reflect, at the date of the MD&A, the Company’s expectations, estimates and projections with regard to its operations, the mining industry in general, and the economic environment in which it operates. Although reasonable, the statements entail a certain amount of risk and uncertainty and there is no guarantee that they will prove to be accurate. Consequently, actual results could be materially different from those implied or expressed by these forward-looking statements.

OVERALL PERFORMANCE

The Company has a portfolio of 12 properties, which cover a total area of 31,016 hectares in Québec and Ontario. Ten of the properties are located in northwestern Québec, while two are in the Dryden area, in northwestern Ontario.

PROPERTIES IN QUÉBEC

The Company has a portfolio of 1**0** properties, which cover a total area of over 28,648 hectares in northwestern Québec. They are all located in the prolific Archean Abitibi Greenstone Belt. Canada's political system is stable, and there is no jurisdiction that offers as much as Québec in terms of tax benefits (credits ranging from 35% to 45% of eligible exploration expenditures depending on the region), access to a qualified workforce and knowledgeable suppliers.

During the past year, Radisson acquired four new projects in Québec: La Reine (molybdenum, gold), Preissac (nickel), RM Nickel (nickel, copper, platinum, palladium, gold) and Potrack (copper, zinc, gold, silver). Diamond drilling was concentrated on the O’Brien/Kewagama and RM Nickel projects, while prospecting was carried out on the Massicotte, Potrack and La Reine projects.

O’BRIEN / KEWAGAMA PROPERTIES

The project, located directly north of the town of Cadillac, midway between Rouyn-Noranda and Val-d’Or, is composed of the wholly-owned O’Brien and Kewagama properties. They are located about 6 km west of the Lapa property, owned by Agnico-Eagle Mines Ltd. (1.4 million oz), and immediately west of the Globex-Queenston joint venture on the Wood-Pandora project, where new gold zones were discovered in 2006 (Ironwood Zone, C and D zones).

Since 2004, Radisson’s exploration work has focused on the 36 East Zone. It has confirmed that the zone continues eastward to the Kewagama shaft and is still present vertically at a depth of 1400 m, thereby considerably improving the potential for increasing existing resources.

In 2007, Luke Evans of Scott Wilson Roscoe Postle Associates Inc. (“Scott Wilson RPA”) estimated the mineral resources of the 36 East Zone based on the historical data from surface and underground drilling available in April 2007. Using a conventional 2D longitudinal block resource estimation methodology and a 0.17-oz/ton gold cut-off grade, the following resources were estimated:

RESOURCE ESTIMATE FOR THE 36 EAST ZONE, O'BRIEN MINE – MAY 9, 2007

Classification	Horizontal thickness (ft)	Tonnage (tons)	Uncut gold (oz/t)	Cut gold (oz/t)	Contained cut gold (oz)
Indicated resources	4.7	270,000	0.56	0.36	97,100
Inferred resources	4.6	182,000	0.37	0.29	53,700

The horizontal thickness of the indicated resources ranges from 4.0 to 8.7 feet, with an average of 4.7 feet. The mineralization of the 36 East Zone is very sensitive to cutting high gold assays and this has reduced the global resource contained gold by approximately 30%.

The 2007 exploration program included 60.8 km of line cutting, a 46.1-km of induced polarization survey and 1,286 m (4,219 feet) of diamond drilling in 11 holes (as at December 31, 2007). The drilling program continued until March 2008 and totalled 5,762 m (18,904 feet) of drilling in 31 holes.

The goal of the drilling program was essentially to test the resource blocks of veins identified in the 43-101 report on the 36 East Zone's resources (Luke Evans, Scott Wilson RPA, May 2007). A total of 5,102.4 m (16,738 feet) was drilled in 29 holes on the blocks, while 2 drill holes totalling 660 m (2,165 feet) were drilled to test the eastern extension of the 36 East Zone.

The following table presents the significant results obtained during the drilling program:

Significant Results – 2007-2008 Drilling O'Brien/Kewagama Project						
Drill hole	Line (E)	From (m)	To (m)	Au (g/t)	Core length (m)	Comments
OB07-124	34+85	66.2	66.5	18.4	0.3	Vein 3, visible gold
		74.4	74.7	22.5	0.3	Vein 4
OB07-126	35+20	181.8	182.1	19.6	0.3	Vein 3, visible gold
OB07-132	35+60	47.3	47.7	24.9	0.4	Vein 1
OB07-134	36+80	180.9	181.7	12.9	0.8	Vein 8, visible gold
OB08-138A	36+20	82.4	82.7	12.7	0.3	Vein 1, visible gold
OB08-141	37+00	181.8	182.2	13.5	0.4	Vein 1, visible gold
OB08-142	37+60	181.2	182.1	12.2	0.9	Vein 3
OB08-145	40+00	133.7	134.3	15.0	0.6	Vein 8, visible gold
OB08-146	40+00	104.2	104.7	16.8	0.5	Vein 2, visible gold
OB08-149	43+75	387.8	389.3	12.2	1.5	Quartz vein, visible gold
		394.0	395.0	96.7	1.0	Vein 2, visible gold

In late 2007, negotiations were initiated with Aurizon Mines Ltd., which is interested in becoming our partner on the O'Brien/Kewagama project. On April 14, 2008 Radisson agreed to grant Aurizon an option to acquire an undivided 50% interest in this Property. The transaction is subject to a number of conditions, including completion of satisfactory due diligence, receipt of all necessary corporate and regulatory approvals, and the execution of a definitive agreement. The due diligence is in progress and is to be completed on or before September 15, 2008.

The option would require Aurizon to incur exploration expenditures or make cash payments, or a combination thereof of $5,000,000 over a 24-month period from signing of a definitive agreement to earn a 25% interest. Aurizon would then have a further 24 months within which to complete a pre-feasibility study followed by a bankable feasibility study within a further subsequent 24-month period, to earn an additional 25% interest.

Should Aurizon earn a 50% interest in the Property, a joint venture would be deemed to be formed on terms customary in such agreements in the mining industry including each party being responsible for 50% of maintenance costs of the Property and either party being subject to accelerated dilution in the event such party does not participate in an approved operating program.

In August 2008, the Company map-designated ten additional claims to replace mining lease 685, which expired in April 2008.

Massicotte Group Properties

The project, which has a total area of 24,774 hectares, forms a contiguous claim block located 15 km east of the Detour Lake mine, where Detour Gold Corporation recently announced gold resources totalling over 13.0 million ounces of gold. The gold mineralization is associated with the Sunday Lake regional deformation zone, which is similar to the well-known Destor/Porcupine and Cadillac/Larder Lake regional fault zones, which host most of the Abitibi gold deposits.

The Massicotte Group claims cover more than 20 km along the Sunday Lake deformation zone. They also encompass more than 15 km of the Massicotte regional gold-bearing fault zone, hosting the Lynx, Rambo and Lap 3 showings, which respectively have historic gold (Au) values of 7.8 g/t Au over 7.2 m, 6.3 g/t Au over 2.7 m and 24.1 g/t Au over 2.4 m.

In June 2007, Arianne Resources Inc. signed an option agreement to acquire 50% of Radisson's interest in its Detour Lake mining camp claims. To acquire this interest, Arianne must, on or before August 31, 2010, carry out exploration work totalling $1.5 million, make option payments of CAD$75,000 and issue 300,000 shares of Arianne Resources Inc. to Radisson.

In summer 2007, Arianne began compiling and integrating all available geoscience data. Prospecting was also carried out to locate historic work and to check access roads in the southeastern part of the property.

In March 2008, a helicopter borne VTEM (Versatile Time-Domain Electromagnetic) geophysical survey was conducted on the project; more than 1,000 km of line were covered. The results of this work justified the acquisition of 119 new claims (6,400 hectares) to cover highly prospective sectors.

Arianne has identified 19 sectors with potential for gold mineralization, based on geological and geophysical signature and on the presence of anomalous gold values. In June 2008, eight sectors were covered by a test MMI (Metal Mobile Ion) soil geochemical survey. Preliminary results indicate gold and base metal (Cu, Zn and Ni) anomalies. The final report should be available shortly; if the results are positive, additional sectors will be covered in 2008.

Finally, Arianne is currently planning a drilling program that should be carried out in August 2008.

La Reine Property

The La Reine Molybdenum (Mo)-Gold Property consists of 27 mining claims covering 1,149 hectares in La Reine Township, approximately 10 km west of the town of La Sarre. Molybdenite has been observed in several quartz veins associated with the La Reine Pluton. Most interesting are veins number 1 and 2, which yielded the best results, both on surface and in drilling:

Trenches	Drill holes
Vein 1 4,14% Mo over 0.6 m 2.53% Mo over 0.7 m 2.51% Mo over 0.8 m 4.48% Mo over 0.8 m 6.03% Mo over 1.0 m	Vein 1 Hole # 13: 2.80% Mo over 0.3 m Hole # 14: 2.55% Mo over 0.6 m Hole # 15: 0.30% Mo and 70.5 g/t Au over 0.3 m Hole # E-6: 1.66% Mo over 0.4 m
Vein 2 1.94% Mo over 0.9 m	Vein 2 Hole # E-3: 1.05% Mo over 0.4 m

In 2007, the work had to be stopped sooner than anticipated because of the early snow last fall.

During the last quarter, line cutting and mapping were carried out on the property. In June 2008, the Company decided to return the property to the vendors.

PREISSAC PROPERTY

This nickel (Ni) property consists of 2 mining claims covering approximately 85 hectares in the Abitibi Greenstone Belt. The nickel sulphide mineralization occurs in a peridotite associated with the contact zone between granitic and mafic volcanic rocks. Since this property was part of the La Reine property agreement, it was returned to the vendors in June 2008.

RM NICKEL PROPERTY

Radisson completed a 519.5-metre diamond drilling program in fall 2007. It tested the high- and low-grade mineralized zones and provided enough material from the high-grade zone to conduct metallurgical tests. Consequently, a composite sample of 225 kg of core was sent to the SGS Lakefield Research Limited laboratory in Lakefield, Ontario. The average value of the sample was 2.73% copper, 3.25% nickel, 1.12 g/t platinum, 5.05 g/t palladium and 0.22 g/t gold.

In May 2008, Radisson received results of the metallurgical tests referred to above. Such results determined the recoveries of nickel and copper from the RM Nickel Property would be uneconomic. Accordingly, Radisson intends to relinquish any interest it may have in this property and not to complete its acquisition nor to make any additional payments in this regard. The property was returned to the vendors in June 2008.

POTRACK PROPERTY

The Potrack gold and base metal property consists of 34 claims covering an area of 528 hectares in Queylus Township, Quebec, in the Chibougamau mining camp, in the northeastern part of the Archean Abitibi Greenstone Belt. The property is located 25 km south of Chibougamau near regional highway 167.

The property covers part of the Waconichi felsic formation, which hosts the Lemoine Mine. This mine produced 757,785 metric tons at an average grade of 4.18% copper, 9.52% zinc, 4.56 g/t gold and 82.26 g/t silver and was one of Canada's richest massive sulphide deposits in terms of ore grade.

Very little exploration has been done on the Potrack Property with the exception of prospecting that led to the discovery of a 40-kg angular massive sulphide boulder that grades 5.73% copper, 2.64% zinc, 1.89 g/t gold and 42.20 g/t silver. This mineralization is similar to the Lemoine Mine. Subsequent prospecting revealed the presence of andesites and altered rhyolites on the property, confirming potential for the discovery of massive sulphide mineralization.

Line cutting (45 km), a magnetic survey (45 km) and a MaxMin II electromagnetic survey (38 km) were completed in June 2008. Mapping and prospecting were completed in July 2008. Assay results are pending.

DESTOR/DUQUESNE PROPERTY

The Destor/Duquesne property, owned 100% by Radisson Mining Resources Inc, consists of 22 claims covering an area of 330 hectares in Destor Township, Quebec, in the Rouyn-Noranda mining camp, in the Abitibi Greenstone Belt. It is located along the Destor Porcupine Deformation Zone approximately 30 km north of the town of Rouyn-Noranda, Quebec. It also adjoins the Duquesne Project currently being explored by Clifton Star Resources Inc (Clifton Star) where 113.80 g/t Au over 3.60 meters have been reported in hole DQ-08-50. Within the same hole, Vein 20A returned 4.15 g/t Au over 3.10 meters and Vein 10 returned 7.51 g/t Au over 1.50 meters.(July 14, 2008 press release)

Gold mineralization on the Duquesne Project occurs within zones of intense silicification and is spatially associated with porphyry intrusives (#10 and 20 Zones) that lie along the contact between gabbroic rocks and highly altered komatiites. The more significant gold bearing zones are located 100 to 200 meters north of the Destor Porcupine Deformation Zone.

The Destor/Duquesne Property includes 1,400 meters of prospective geology along the Destor Porcupine Deformation Zone. The property has been worked by several exploration companies, the last of which being Hemlo Gold in 1993-94. Gold mineralization on Destor/Duquesne Property has been identified in several zones, the two most significant being the Zone Grise and the Lepine Zone. Both zones are believed to represent the possible strike extensions of the gold bearing structures currently being explored by Clifton Star on the adjoining Duquesne property.

In September 2008, a diamond drilling program will be initiated on the Destor/Duquesne property. An exploration budget of $450,000 is being planned to complete five diamond drill holes totaling 3,100 meters. Three step holes are proposed around hole DUM94-17 which intersected multiple gold values within the" Zone Grise". Gold values included 5.65 g/t Au over 0.95m, 11.0 g/t Au over 0.20m, 4.37 g/t Au over 2.95m and 5.05 g/t Au over 2.2m from the Zone Grise. Two additional holes are also recommended to test the eastern and western strike extension of the known gold bearing structures.

OTHER PROPERTIES IN QUÉBEC

With regard to its other projects, the Company is actively seeking partners; a few companies have shown an interest in some of the projects and are in the process of evaluating them. Finally, the Company will continue to evaluate and generate new projects that are highly prospective for the discovery of gold and base metals.

PROPERTIES IN ONTARIO

In fall 2005, the Company identified molybdenum as a metal with high growth potential. The Company therefore acquired five molybdenum and gold properties, covering a total area of 3,520 hectares, 100 km south of Dryden in northwestern Ontario.

The exploration work carried out in 2006 and 2007 showed that the molybdenum and gold showings on the properties had few lateral or depth extensions. The Company therefore decided to return three of the properties to the sellers. The Company is keeping two properties covering 2,368 hectares and will remain on the lookout for new opportunities in Ontario.

PROMOTION

During the first quarter of 2008, the Company took part in the following events:

- Jan. 2008 Vancouver Resource (Cambridge) Investment Conference
- March 2008 PDAC International Trade Show & Investors Exchange

EQUITY FINANCING

During the six-month period ended June 30, 2008, the Company completed $520,000 in equity financing. The proceeds are allowing Radisson to continue its exploration activities and maintain sufficient working capital.

EXPLORATION PROGRAM

For the quarter ended June 30, 2008, exploration work amounted to $582,352. The work consisted mainly of diamond drilling and other related exploration work on the O'Brien/Kewagama project for an amount of $503,542. Work was also carried out on the RM Nickel property for an amount of $ 23,500 and the La Reine property for an amount of $48,487.

STOCK EXCHANGE

The Company's shares have been listed on the TSX Venture Exchange (TSX-V) under the symbol RDS since 1986. Radisson has met the Tier 2 listing requirements of the TSX-V.

SELECTED ANNUAL INFORMATION

Highlights of the last three fiscal years

	Fiscal year ended December 31st (in thousands of dollars except for amounts per share)		
	2007	2006	2005
	$	$	$
Total assets	7,620	5,521	4,418
Revenue	46	31	10
Net loss	1,477	542	543
Net loss per share	0.04	0.02	0.02
Long-term debt	0	0	0

SUMMARY OF QUARTERLY RESULTS

(in thousands of dollars except for amounts per share)

Quarter	Total Income	Net Loss	Loss Basic and Diluted per Share
	$	$	$
September 2006	2	(141)	(0.00)
December 2006	23	(126)	(0.02)
March 2007	6	(109)	(0.00)
June 2007	3	(227)	(0.005)
September 2007	7	(867)	(0.02)
December 2007	30	(274)	(0.01)
March 2008	14	(182)	(0.00)
June 2008	16	(652)	(0.01

LIQUIDITY AND CAPITAL RESOURCES

During the quarter ended June 30, 2008, the net loss was $652,358. This amount corresponds to Radisson's operating expenses and is due to costs related to being a public company. Salaries and benefits, professional fees, expenditures for experts and subcontractors, as well as other costs related to administering the Company also contributed to this loss. Stock-based compensation in the amount of $26,111 was recorded during the three-month period ended June 30, 2008; this expense was $32,200 for the three-month period ended June 30, 2007. The net loss for the three-month period ended June 30, 2008, is greater than for the quarter ended on June 30, 2007, given that the RM Nickel project was dropped, leading to a write-off amounting to nearly $475,000. The write-off can be considered the largest contributing factor to this increase. All other expenses remained quite stable, comparing the three-month periods ending on June 30, 2008 and 2007.

During the six-month period ended on June 30, 2008, the net loss amounted to $834,586 compared with $336,036 for the six-month period ended on June 30, 2007. The net loss for 2008 is much greater than the one for 2007, largely due to the write-off of the RM Nickel project, which amounted to more than $475,000. On the other hand, stock-based compensation remained stable, as did general administrative expenses. Interest income tripled from 2007 to 2008, since Radisson has significant amounts in investments, which was not the case in 2007. Comparing the two six-month periods, it can be seen that the experts and subcontractors expense is higher because of professional fees for an investor relations consultant. Salaries and benefits are also higher because of the new president’s salary. All other expenses remained quite stable, comparing the six-month periods ending on June 30, 2008 and 2007.

As at June 20, 2008, the Company had a cash balance of $33,160 and $1,400,000 in term deposits. An amount of $1,145,610 is reserved for exploration work. As a comparison, as at December 31, 2007, the cash balance was $16,733 and the term deposits amounted to $1,900,000, of which $1,727,962 was reserved for exploration. As at June 30, 2008, the Company’s working capital amounted to $370,987, compared to $176,666 as at December 31, 2007. The Company’s financial position is therefore sound; there are sufficient funds available to continue operations for a period of about 12 months.

The Company’s principal source of financing is equity financing, the success of which depends on venture capital markets, the attractiveness of exploration companies to investors, and metal prices. To continue its exploration activities and be able to support its ongoing operations, Radisson will need to maintain and improve its relationship with the financial community to obtain further equity financing.

Outstanding warrants, if exercised, represent also a potential financing. If outstanding stock options were exercised, they would also represent significant additional potential financing. According to the Company’s management, if the price of Radisson’s shares were to increase significantly, an influx of cash would be likely; however, it is not possible to anticipate the amount in question.

OPERATING RESULTS

Date	Financing		Use of proceeds	Objectives
March 2008	Common shares	$ 520,000	Working capital	

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The contractual obligation related to the option agreement signed in 2005 for the Highway molybdenum property in Ontario is to duly maintain the claims; should the option be abandoned, the Company has committed to carrying out exploration work to ensure that said claims are valid for an additional period of at least six months. The monetary obligation for 2008 relating to the option is a $20,000 cash payment and the issuance of 20,000 shares to be made on September 1st.

To acquire a 100% interest in the Potrack property, Radisson must, on or before August 31, 2010, carry out $500,000 in exploration work, make option payments to the vendors totalling $30,000, and issue $30,000 worth of Radisson Class A shares to the vendors.

As at June 30, 2008, the Company had an amount of $1,145,610 to spend on exploration work to meet flow-through financing requirements.

Following are the details of royalties on the mineral properties:

- O’Brien: 1 million dollar cash payment in the event of commercial production
- Kewagama: 2% NSR royalty
- Highway: 2% NSR royalty with possibility of buy-back in return for 1,000,000 dollars.
- Potrack: 2% NSR royalty in favour of the vendors

RELATED PARTY TRANSACTIONS

In the course of its administrative activities, the Company rents office space from Radisson's Vice President. From January 1 to May 26, 2008, the rental amounted to $2,400.

Luc Simoneau, a director of the Company, received a total amount of $1,548 in return for specialized computer services through a consulting company of which he is the principal shareholder.

Paul Cregheur, a director of the Company, received a total amount of $4,188 in compensation for carrying out cost studies of various projects.

These operations occurred in the ordinary course of business and were recorded at the exchange value, which is the consideration determined and agreed upon by the related parties.

DISCLOSURE CONTROLS AND PROCEDURES

The President and Chief Executive Officer and the Vice President (Chief of Financial Operations) are responsible for establishing and maintaining the Company's disclosure controls and procedures as defined in Multilateral Instrument 52-109. These controls and procedures were evaluated as at December 31, 2007, and it was concluded that they were adequate and effective.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The President and Chief Executive Officer and the Vice President (Chief of Financial Operations) are responsible for establishing and maintaining internal controls over the Company's financial reporting as defined in Multilateral Instrument 52-109. These internal controls were established as at December 31, 2006. For the fiscal year ended December 31, 2007, no changes were made to internal controls over financial reporting that would have materially affected, or would be reasonably considered to materially affect the Company's controls.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The Company provides information about deferred exploration expenditures in Note 4 of its interim financial statements ending June 30, 2008. The Company has no research and development expenditures.

The Company has no deferred expenses other than mineral properties and deferred exploration expenditures.

GENERAL ADMINISTRATIVE COSTS

Following are the details of general and administrative expenses for the six-month period ended June 30, 2008:

Telecommunications:	$1,935
Stationery and office supplies	$2,791
Claim management	$12,126
Rental fees	$ 1,970
Total	$18,822

CHANGE IN ACCOUNTING POLICIES

Effective January 1st, 2008, the Company adopted new accounting standards issued by the Canadian Institute of Chartered Accountants ('CICA') addressing general standards of financial statement presentation, inventories and disclosures concerning capital and financial instruments.

Section 1400, "General Standards of Financial Statement Presentation"

Section 1400 "General Standards of Financial Statement Presentation" modifies the existing section 1400 to include requirements aimed at assessing and disclosing an entity's ability to continue as a going concern and disclosing any material uncertainties that may cast significant doubt upon its entity's ability to continue as a going concern. This section has no impact on the Company's Financial Statements.

Section 1535, "Capital Disclosures"

Section 1535 "Capital Disclosures" sets out requirements governing (a) disclosures enabling financial statement users to evaluate an entity's capital management objectives, policies and processes, including qualitative information on capital management objectives, policies and processes and (b) disclosures about whether the entity has complied with these requirements and if it has not complied, the consequences of non compliance. The disclosure requirements relating to this section are described in note 5.

Section 3862, "Financial Instruments – Disclosures"

Section 3863, "Financial Instruments – Presentation"

These sections replace Section 3861, "Financial Instruments – Disclosure and Presentation". They incorporate revisions and enhancements to the existing disclosure requirements and incorporate existing presentation requirements, placing increased emphasis on discussion of risks inherent in the use of financial instruments and how an entity manages such risks. The disclosure requirements relating to this section are described in note 6.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Following are the details of critical accounting policies and those that require the most deliberation and evaluation when preparing the Company's financial statements

Mineral Properties and Deferred Exploration Expenditures

Mineral properties are recorded at cost. Exploration and development expenses, minus related government assistance, are deferred. When a production decision is made, the costs related to the deposit, recorded under mineral properties and deferred exploration expenditures, are capitalized. These costs will then be amortized using the unit-of-production method for the financial year based on probable and proven ore reserves. However, when a project is abandoned, the corresponding costs are written off. Options or sale of mineral properties are accounted for by applying the proceeds from such sales to the carrying costs of the property and then to the carrying costs of deferred exploration expenses on this property. Any surplus is accounted in the revenues.

These assets are written down when the Company does not plan to carry out further work in the foreseeable future or in the absence of work over a period exceeding three years.

Stock-based Compensation

The Company uses the fair value method for recording stock-based compensation granted to directors, officers, employees and non-employees. Using this method, the Company distributes the expense over the vesting period of the options. The expected life of the options used to calculate their fair value is based on Management's experience and judgment.

Income and mining Taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the substantially enacted tax rates and laws that will be in effect, at the date of the financial statements, for the financial year during which the differences are expected to reverse. The Company establishes a valuation allowance with regard to future tax assets if, according to available information, it is more likely than not that all or part of future income tax assets will not be realized.

RISK FACTORS

Risks related to exploration

Mineral exploration involves a high degree of risk. Few properties explored are put into production. Unusual or unexpected rock formations, fires, power outages, labour disputes, floods, explosions, cave-ins, landslides, and problems in obtaining qualified workers and appropriate or adequate machinery or equipment are other risks involved in carrying out exploration programs.

The economics of developing resource properties are affected by many factors, including operating costs, variations in the grade of ore mined, fluctuations in metal markets, processing equipment costs and other factors such as Aboriginal land claims, government regulations, especially regulations relating to royalties, allowable production, importing and exporting natural resources, and environmental protection. Depending on the price of the natural resources produced, the Company can determine that it is not appropriate to begin or continue commercial production. There is no certainty that amounts spent by the Company in exploring its mineral properties will lead to the discovery of commercial quantities of ore. Most exploration projects do not result in the discovery of commercially mineable ore deposits.

Environmental and other regulations

Existing and future environmental legislation, regulations and measures could give rise to additional costs, capital expenditures, restrictions and delays in the Company's activities that are unpredictable in scope. The requirements of environmental regulations and standards are under constant evaluation and can be increased considerably, which could seriously affect the Company's business or its ability to develop its properties economically. Before production can begin on a property, the Company must obtain regulatory and environmental approvals; there is no assurance that these approvals will be obtained or can be obtained in a timely manner. The costs of changes in government regulations can also reduce the profitability of operations or completely preclude the economic development of a property.

RISKS RELATED TO FINANCING AND DEVELOPMENT

The development of the Company's properties therefore depends on its ability to obtain the necessary additional financing. There is no assurance that it will be successful in obtaining the required financing. Furthermore, putting resource properties into production depends on obtaining the services of experienced personnel or of coming to agreements with other large resource companies that can provide the expertise.

MARKET FORCES

Factors beyond the Company's control can influence the marketability of the gold or any other mineral discovered. The price of resources has fluctuated considerably, especially over the past few years. The impact of these factors cannot be accurately predicted.

UNINSURED RISKS

The Company can be held liable for the results of cave-ins, pollution, or other risks against which it cannot or may elect not to insure because of the high cost of premiums or for other reasons. The payment of these liabilities could reduce or eliminate the funds available for exploration and mining activities.

OTHER MD&A REQUIREMENTS

Additional information about the Company is available on SEDAR (www.sedar.com)

NATIONAL INSTRUMENT 51-102

Divulgation, au 15 Août 2008, des données relatives aux titres en circulation

Actions de catégorie A en circulation :	**49 355 699**
Bons de souscription :	**1 800 000**

Number of Warrants	Exercise Price	Expiry Date
800,000	$0.40	December 2008
1,000,000	$0.32	March 2010

BROKER OPTIONS:

Broker options for units consisting of one common share and one warrant: **80,000**

80,000 Broker options entitling their holders to subscribe to 80,000 shares at a price of $0.40 per share. These Broker options expire in December 2008.

Outstanding options (plan): **5,157,830**

Number of Options	Exercise Price	Expiry Date
450,000	$0.34	October 21, 2009
257,830	$0.15	March 2, 2010
175,000	$0.30	October 31, 2010
250,000	$0.33	April 11, 2011
800 000	$0.235	April 5, 2012
1,000,000	$0.335	October 10, 2010
2,225,000	$0.30	July 13, 2012

Note: 656,876 options were granted to a consultant for investor relations. These options are free-standing derivatives.

Donald Lacasse, Eng.
Vice-President, Chief Financial Officer and Corporate Secretary

MANAGEMENT'S REPORT

The Company's management is responsible for the preparation of the financial statements and for the financial information included in this annual report. Management maintains a system of internal control in order to produce reliable financial statements and to provide reasonable assurance that assets are safeguarded.

The financial statements are prepared in accordance with Canadian generally accepted accounting principles and necessarily include amounts based on estimates and judgments of management. Samson Bélair/Deloitte & Touche s.e.n.c.r.1., chartered accountants, were appointed by the shareholders as external auditors of the Company. Their report, presented below, expresses an opinion on the financial statements.

The audit committee meets annually with the external auditors, with and without management being present, to review the financial statements and to discuss audit-related matters, on the recommendation of the Audit Committee, the Board of Directors approves the Company's financial statements.

Kenneth G. Murton, B. Comm.
President/CEO

Donald Lacasse, Eng.
Vice-President, Chief Financial Officer and Corporate Secretary

Rouyn-Noranda, Canada
May 26, 2008