



MANAGEMENT'S DISCUSSION AND  
ANALYSIS

THIRD QUARTER OF 2008

(SEPTEMBER 30, 2008)

RADISSON MINING RESOURCES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management's discussion and analysis (MD&A) should be read in conjunction with the annual financial statements of the Company as at September 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 November 10, 2008, was prepared in compliance with the provisions of Form 51-102A1 and approved by the Company's Board of Directors.

### FORWARD-LOOKING INFORMATION

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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

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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

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The 10 Québec properties 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 no jurisdiction 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). During the last quarter, the Company dropped its options on the first three.

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

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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**

<b>Classification</b>	<b>Horizontal thickness (ft)</b>	<b>Tonnage (tons)</b>	<b>Uncut gold (oz/t)</b>	<b>Cut gold (oz/t)</b>	<b>Contained cut gold (oz)</b>
<b>Indicated resources</b>	4.7	270,000	0.56	0.36	97,100
<b>Inferred resources</b>	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 Vein 4
		74.4	74.7	22.5	0.3	
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 Vein 2, visible gold
		394.0	395.0	96.7	1.0	

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

In late 2007, negotiations were initiated with Aurizon Mines Ltd., which was interested in becoming a partner in the project. In September 2008, Aurizon had been conducting a due diligence investigation on the property for six months, as agreed in the letter of intent (LOI) dated April 14, 2008. The terms of the LOI would have entitled Aurizon to earn up to an interest of 50% in the property, provided it carried out a feasibility study. Subsequently, Aurizon requested that it be entitled to earn a 75% interest in return for conducting the study, which proposal Radisson declined.

Following this decision, Radisson reviewed all available information from surface and underground work to select new drill targets. On October 20, 2008, a diamond drilling program, which should total 4500 m, began on the project. As at November 10, 2008, 2,657 m had been drilled in 7 holes; holes KW08-151 to KW08-154 had been completed, while KW08-0156 and KW08-157 were underway. The following table summarizes the drilling; assay results are pending.

Significant Results - 2008 Fall Drilling O'Brien/Kewagama Project									
Drill hole	Line (E)	Station (N)	Hole length (m)	From (m)	To (m)	Au (g/t)	Core length (m)	Visible Gold	Comments
KW08-151	61+00	12+55	596.0	428.0	453.0	?	25.0	No	Several smoky quartz veins associated with Py and Ars
OB08-153B	44+50	2+00 S	459.0	398.0	400.0	?	2.0	Yes	Porphyritic andesite to the south with a zone of quartz veins; visible gold in a 0.45 m vein (eastern extension of hole OB149, 96.7 g/t over 1.04 m)
				411.7	417.0	?	5.3	Yes	Several smoky quartz veins and veinlets with Py and Ars; visible gold in a 1 cm vein at 416.7
KW08-154	66+00	13+00	573.0	407.5	412.5	?	5.0	No	10-15% smoky quartz veinlets with Py and Ars; porphyritic andesite to the south
				416.1	420.3	?	4.2		2-5% smoky quartz veinlets with Py and Ars; porphyritic andesite to the south
				423.6	431.0	?	7.4		5-20% smoky quartz veinlets with Py and Ars; porphyritic andesite to the south
KW08-155A	52+00	13+25	477.0	360.0	361.7	?	1.7	Yes	5% smoky quartz veinlets with Py and Ars in the mine conglomerate; visible gold in a 3 cm vein
					382.5	384.5	2.0	No	20% smoky quartz veinlets with Py and Ars; porphyritic andesite to the south

The drilling program should be completed in early December 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. The results indicate weak gold and base metal (Cu, Zn and Ni) anomalies. Arianne is evaluating them before conducting a more extensive survey.

Finally, Arianne began a drilling program on August 11, 2008, which had to be suspended because of technical problems due to poor ground conditions. The work should resume in 2009.

**LA REINE PROPERTY**

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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

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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

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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

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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. The results were disappointing since the surveys did not detect any geophysical anomalies.

The mapping and prospecting were completed in July 2008; there were no significant geochemical anomalies. The property will be returned to the vendors.

#### DESTOR/DUQUESNE PROPERTY

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The property is wholly owned by Radisson and consists of 22 claims covering an area of 330 hectares in Destor Township, about 30 km north of Rouyn-Noranda, Québec. It is located in the Rouyn-Noranda mining camp, in the Abitibi Greenstone Belt. It lies along the Destor Porcupine Deformation Zone, immediately east of the Duquesne property belonging to Clifton Star Resources Inc (Clifton Star), where drill hole DQ-08-50 returned a grade of 113.80 g/t Au over 3.60 m in Zone 20B. In the same hole, Zone 20A returned a grade of 4.15 g/t Au over 3.10 m, while Vein 10 yielded a grade of 7.51 g/t Au over 1.50 m (press release, July 14, 2008).

The gold mineralization on the Duquesne project occurs in zones of intense silicification; it is also spatially associated with porphyritic intrusions (zones 10 and 20) along the contact between the highly altered gabbros and komatiites. The most significant gold zones occur from 100 to 200 m north of the Destor Porcupine Deformation Zone.

The Destor/Porcupine property covers 1,400 m of favourable lithologies along the Destor Porcupine Deformation Zone. The property has been worked by several exploration companies in the past; the latest work was carried out by Hemlo Gold in 1993-1994. Several gold zones have been identified on the property, the two most significant being the Zone Grise and the Lepine Zone. These two zones may be the eastern extensions of the gold structures currently being explored by Clifton Star on their Duquesne property, immediately to the west.

On October 20, 2008, a diamond drilling program, which should total 3100 m, began on the project. As at November 10, 2008, 1,058 m had been drilled in 2 holes; hole DQ08-21 had been completed, while hole DQ08-22 is underway. The following table summarizes the drilling; assay results are pending.

<b>Significant Results - 2008 Fall Drilling Destor/Duquesne Project</b>									
<b>Drill hole</b>	<b>Line (E)</b>	<b>Station (N)</b>	<b>Hole length (m)</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Au (g/t)</b>	<b>Core length (m)</b>	<b>Visible Gold</b>	<b>Comments</b>
DQ08-21	145+00	103+00	830.0	562.4	589.7	?	27.4	No	Zone Grise; corresponds to a variolitic basalt with tr-4% Py

The drilling program should be completed in early December 2008.

#### 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.

In October 2008, the company acquired a claim covering an area of 1265 acres in the Dryden area of Ontario. This acquisition followed an agreement between the vendors and the Company according to which the final payment of \$20,000 cash and 20,000 Class A shares has been amended to \$5,000 cash and 220,000 Class A shares of the Company. The TSX Venture Exchange has accepted notice of this amended transaction. As a result, the property was acquired for \$35,000 cash and 250,000 Class A shares. The vendor retains a 2% net smelter return royalty that Radisson may buy back for \$1,000,000.

#### 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 9-month period ended September 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

During the 9-month period ended September 30, 2008,, exploration work amounted to \$729,128. The work consisted mainly of diamond drilling and other related exploration work on the O'Brien/Kewagama project for an amount of \$554,815. Work was also carried out on the Potrack property for an amount of about \$80,000 and on the La Reine property for more than \$49,000.

## STOCK EXCHANGE

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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
	\$	\$	\$
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)
September 2008	12	(433)	(0.02)

## LIQUIDITY AND CAPITAL RESOURCES

During the quarter ended September 30, 2008, the net loss was \$437,141. 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 September 30, 2008; this expense was \$701,850 for the three-month period ended September 30, 2007. The reason is quite simple: during the third quarter of 2007, Radisson granted 2,881,876 options, while no options were granted during the three-month period ended September 30, 2008. Total administrative expenses for the three-month period ended September 30, 2008, are lower by about \$600,000, compared to the same period in 2007, which is largely due to the very substantial drop in stock-based compensation. In addition, during the same period, expenditures for experts and subcontractors increased significantly, considering the issuance of 238,806 shares for \$80,000 to settle the debt owed to a director of the Company. Nonrecurring expenses for the current quarter are considerable, because the Preissac and La Reine projects were dropped. This generated a write-off in the amount of nearly \$180,000. The write-off can be considered the largest contributing factor to the increase. All other expenses remained quite stable, comparing the three-month periods ending on September 30, 2008 and 2007.

During the nine-month period ended September 30, 2008, total administrative expenses amounted to \$659,329 compared to \$1,219,752 for the nine-month period ended September 30, 2007. The most important reason the expenses decreased is that

there was a drop of more than \$670,000 in stock-based compensation. Indeed, during the nine-month period ended September 30, 2007, Radisson granted more than 3,600,000 options, which explains this significant variation. Other expenses were subject to significant variations, notably expenditures for experts and subcontractors, which increased by more than \$100,000 because of professional fees for an investor relations consultant, and especially an amount of \$80,000 related to the issuance of shares to settle a debt owed to a director. Nonrecurring expenses for the nine-month period ended in September 2008 are considerable, bearing in mind the fact that the Preissac, RM Nickel and La Reine projects were dropped. This generated a write-off in the amount of nearly \$655,000. It can also be seen that general and administrative expenses remained stable for the two nine-month periods ended in 2008 and 2007. Interest income almost tripled from 2007 to 2008, since Radisson has significant amounts in investments, which was not the case in 2007. Comparing the two nine-month periods, it can be seen that salaries and benefits are also higher because of the new president's salary. All other expenses remained quite stable, comparing the nine-month periods ending on September 30, 2008 and 2007. In conclusion, despite the many variations between the nine-month periods ended September 30, 2007 and 2008, the net loss remained in the same range, amounting to about \$1,200,000 for the two periods in question.

As at September 30, 2008, the Company had a cash balance of \$202,624 and \$1,100,000 in term deposits. An amount of \$998,834 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 September 30, 2008, the Company's working capital amounted to \$370,987, compared to \$248,544 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

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<b>Date</b>	<b>Financing</b>	<b>Use of proceeds</b>	<b>Objectives</b>
March 2008	Common shares	\$ 520,000	Working capital

## CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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The last payment related to the 2005 option agreement was made on the Highway molybdenum property in Ontario. The monetary obligation for 2008 relating to the option was a \$20,000 cash payment and the issuance of 20,000 shares, to be made on September 1st. With the owner's agreement, the final payment became \$5,000 in cash and the issuance of 220,000 Class A shares.

As at September 30, 2008, the Company had an amount of \$998,834, to spend on exploration work to meet flow-through financing requirements.

Following are the details of royalties on the mineral properties:

- O'Brien: \$1,000,000 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.

## RELATED PARTY TRANSACTIONS

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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 \$3,600.

Luc Simoneau, a director of the Company, received a total amount of \$2,774 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 \$5,572 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

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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

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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

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The Company provides information about deferred exploration expenditures in Note 8 of its interim financial statements ending September 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

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

Telecommunications:	\$3,010
Stationery and office supplies	\$3,010
Claim management	\$12,350
Rental fees	<u>\$ 1,970</u>
Total	\$20,340

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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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

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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

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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

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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

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### RISKS RELATED TO EXPLORATION

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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

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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

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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

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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

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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

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Additional information about the Company is available on SEDAR ([www.sedar.com](http://www.sedar.com))

## NATIONAL INSTRUMENT 51-102

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Disclosure, as at November 10, 2008, of data relating to outstanding securities

Outstanding Class A shares:	<b>49,575,699</b>
Warrants:	<b>1,800,000</b>

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
800,000	\$0.40	December 11, 2008
1,000,000	\$0.32	March 14, 2010

## BROKER OPTIONS:

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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): **4,907,830**

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, approved by the TSX-V and by the shareholders during the Annual General Meeting in June 2008.



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

## MANAGEMENT'S REPORT

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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.l., 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  
November 25, 2008