

Continent Resources Inc.
Management Discussion and Analysis
For the Six Months Ended June 30, 2008

General

The following information, prepared as of August 27, 2008, should be read in conjunction with the unaudited consolidated financial statements of Continent Resources Inc. (the "Company") for the six months ended June 30, 2008, as well as the audit financial statements of the Company for the year ended December 31, 2007. The consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles.

The Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian dollars unless noted otherwise.

On July 30, 2007, the Company officially began trading on the Canadian Trading and Quotation System Inc. (the "CNQ") under the stock symbol "CORE".

On June 20, 2008, the Company incorporated its subsidiary, Continent Resources (USA) Inc., under the laws of Nevada, USA.

Cautionary Note Regarding Forward Looking Statements

Certain statements contained in the foregoing management discussion and analysis (the "MD&A") constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below.

Description of Business

Continent Resources Inc. is a junior mineral exploration company engaged in the acquisition and exploration of strategic mineral properties.

The Company is engaged in the exploration for, and the development of, mineral properties with gold and other mineral deposits in northwestern Ontario, specifically the Sol D'Or Property. The Company may take advantage of other mineral projects as opportunities arise. The Company has not confirmed any mineral resource or mineral reserve on its properties according to National Instrument 43-101. The Sol D'Or Property consists of nine claims totalling 65 units or 1,664 hectares.

On June 26, 2008 the Company held its 2008 annual general meeting (the “AGM”) in Vancouver, BC and Robert Bick, Lawrence Dick and Paul Cowley were re-elected as directors. The Company also elected Herrick Lau, Robert Wolfe and Diana Ho to the Board of Directors. All of the proposed resolutions were passed at the AGM, including continuation of the Company from Alberta back to British Columbia under the Business Corporations Act (British Columbia) and the re-approval of the Company’s rolling 10% stock option plan.

Overall Performance

The following discussion of the Company’s financial performance is based on the unaudited consolidated financial statements for the period ended June 30, 2008 and audited financial statements for the year ended December 31, 2007.

The Balance Sheet as of June 30, 2008 indicates a cash position of \$249,411 (December 31, 2007 - \$349,929) and total current assets of \$255,453 (December 31, 2007 - \$360,329). The decrease was mainly caused by the regular operating expenses of the Company.

Current liabilities at June 30, 2008 total \$15,460 (December 31, 2007 - \$5,258). Again, the increase in current liabilities was caused by regular operating expenses of the Company. Shareholders’ equity is comprised of capital stock of \$923,691 (December 31, 2007 - \$663,697) and the deficit of \$621,010 (December 31, 2007 - 273,938) for a net \$302,681 (December 31, 2007 - 389,759)

Working capital, which is current assets less current liabilities, is \$ 239,993 at June 30, 2008 compared to \$355,071 at December 31, 2007. Management believes that there is sufficient working capital to cover potential option payments and maintain its day-to-day operations.

During the six months ended June 30, 2008, the Company reported a net loss of \$347,072 (\$0.028 basic and diluted loss per share) compared to a net loss of \$5,941 (\$0.001 basic and diluted loss per share) reported for the six months ended June 30, 2007. Losses in the six months ended June 30, 2008 and 2007 represent operating expenses of \$105,409 and \$5,941, respectively.

The weighted average number of common shares outstanding for the six months ended June 30, 2008 was 12,232,604 (2007 – 11,205,031). Weighted average number of common shares outstanding increased from 11,205,031 in 2007 to 12,232,604 as of June 30, 2008 because 40,000 common shares were issued to Perry English on April 16, 2008 to fulfill its obligation under the mineral property option agreement to acquire the Sol D’Or property entered on January 10, 2006. The deficit at the beginning of the period June 30, 2008 was \$273,938 and increased due to the net loss for the period to \$621,010.

Results of Operations

During the six months ended June 30, 2008, the Company reported a net loss of \$350,273 (\$0.028 basic and diluted loss per share) compared to a loss of \$5,941 (\$0.001 basic and diluted loss per share) reported for the six months ended June 30, 2007. The Company generated interest revenue of \$3,201 for the six months ended June 30, 2008 (the six months ended June 30, 2007 - \$Nil). Major expense items in the six months include accounting & legal of \$25,353 (the six months ended June 30, 2007 - \$4,724), consulting fees of \$47,207 (the six months ended June 30, 2007 - \$Nil),

filing & transfer agent fees of \$16,468 (the six months ended June 30, 2007 - \$510), travel and office expenses of \$14,127 (the six months ended June 30, 2007 - \$357) and stock based compensation of \$244,864 (the six months ended June 30, 2007 - \$Nil).

As the Company is a junior mineral exploration company without any significant revenue, it will continue to require funds to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular period or if available, that it can be obtained on terms satisfactory to the Company.

Summary of Quarterly Results (unaudited)

The following table sets out selected unaudited quarterly financial information of the Company for the eight most recently completed quarters of operation. This information is derived from unaudited quarterly financial statements prepared by management. The Company's interim financial statements are prepared in accordance with Canadian GAAP and expressed in Canadian dollars.

	2nd Quarter June 30, 2008	1st Quarter March 31, 2008	4th Quarter December 31, 2007	3rd Quarter September 30, 2007
Revenue	1,184	2,017	6,175	nil
Net Loss	(293,517)	(53,556)	(93,999)	(39,442)
Basic and Diluted Loss Per Share	(0.024)	(0.005)	(0.009)	(0.004)

	2nd Quarter June 30, 2007	1st Quarter March 31, 2007	4th Quarter December 31, 2006	3rd Quarter September 30, 2006
Revenue	nil	nil	nil	nil
Net Loss	(297)	(5,644)	(7,188)	(30,095)
Basic and Diluted Loss Per Share	(0.000)	(0.001)	(0.001)	(0.002)

Net Loss

Expenses for the quarters ended June 30, 2008, March 31, 2008 and December 31, 2007 include stock based compensation of \$218,871, \$25,993 and \$52,185, respectively, representing a non-cash charge incurred in connection with the granting of stock options. The Company recorded stock based compensation of \$0 for the other five quarters as no stock options were granted during such periods.

Expenses for the quarters ended June 30, 2008, March 31, 2008, December 31, 2007 and September 30, 2007 also include total filing & transfer agent fees of \$32,328. The Company only officially began trading on the CNQ on July 30, 2007 therefore did not require any transfer agent nor incur any filing fees in previous quarters.

Quarterly losses for the 3rd quarters of 2006 and 2007 were results of recognizing significant amounts of consulting fees and rental expenses. The Company did not record any consulting fees for the first two quarters of 2007.

Overall, consulting fees, rental expenses, filing & transfer agent fees, and stock base compensation are the major components that caused variances in net loss from quarter to quarter.

Mineral Properties – Sol D’Or

Description

On January 10, 2006, the Company entered into a Mineral Property Option Agreement (the “Option Agreement”) to acquire the Sol D’Or property from Perry English (the “Vendor”) who currently holds the claims in good standing. Under the Option Agreement the Company can earn an undivided 100% interest in the Sol D’Or property by making staged payments of \$96,000 and the issuance of 100,000 common shares to the Vendor, over a period of 4 years. This agreement is also subject to a 2% net smelter royalty (“NSR”) to the Vendor, with an optional buyout of 1% of the royalty for a one million dollar cash payment.

The Sol D’Or property lies approximately 80 kilometres east-northeast of the town of Red Lake, Ontario. The area lies within the Archean Birch-Uchi Greenstone Belt of the western Uchi Subprovince of NW Ontario. This belt records a stratigraphic history that spanned approximately 290 million years, involving repeated episodes of rifting, and associated depositional and magmatic phases. The property covers portions of a deformation zone that forms an easterly splay off the regional northeast trending Swain Lake Deformation Zone. The name of Grace Lake Deformation Zone is applied to this east to south-easterly trending deformation zone. Mineralization of gold, silver and copper has been discovered on the Sol D’Or property.

The property consists of nine claims (1244592, 1244593, 1244594, 1244640, 1244641, 1244642, 1244671, 1244677 and 1247857) totalling 65 units, or 1664 hectares.

Technical Report

On April 19, 2007, a NI 43-101 technical geological report prepared by Des Cullen, P.Geo, as the qualified person and dated as at February 1, 2006 on the Sol D’Or Property was filed on SEDAR (www.sedar.com).

Exploration Program

As of the date of this Management Discussion & Analysis (the “MD&A”), the Company has not performed any drilling of its own on the Sol D’Or Property.

The recent exploration programs by Fronteer and Red Lake Resources on the Sol D’Or property were successful in confirming historic anomalous gold results and in identifying areas of new gold mineralization. Significant anomalous results for both rock and soil sampling programs have generated new evidence for the gold bearing structures within the Grace Lake Deformation Zone.

The property warrants further exploration of the previously discovered occurrences, and possible extensions of showings or mineralized trends that have been discovered both on and off the

property. An exploration program with a budget of \$202,500 is proposed to further examine the property.

Proposed Transaction

On May 17, 2008, the Company entered into a non-legally binding letter of intent (the “LOI”) with Southwest Exploration Group LLC, Thornwell Rogers, Michael R. Pawlowski and Daniel P. Laux, (collectively, the “Sellers”) to acquire an undivided 100% interest in certain mineral properties in the United States (the “Transaction”). In consideration for the Company’s Transaction, key terms of the purchase price include:

1. USD\$150,000 payable in cash, no later than five (5) business days after the closing, provided that all of the applicable regulatory approvals required in connection with the Transaction have been obtained by the Company.
2. Upon the first anniversary of the closing, subject to the Company retaining good, valid and marketable title to an ownership interest in the properties, the Company shall pay to the Sellers an amount equal to USD\$150,000 payable in cash.
3. After the closing and upon completion of the first financing in an amount of at least USD\$1,000,000 by way of a public offering or private placement, the Company shall pay to the Sellers an amount equal to USD\$150,000 payable in cash.
4. Upon completion of the closing, Continent shall grant 9,000,000 options to the Sellers, subject to a vesting schedule over a period of 42 months whereby the options will be vested as follows:

Upon Closing	25% (or equivalent to 2,250,000 options)
14 months from the Closing	25% (or equivalent to 2,250,000 options)
28 months from the Closing	25% (or equivalent to 2,250,000 options)
42 months from the Closing	25% (or equivalent to 2,250,000 options)

5. Each option shall entitle the holders to purchase one common share from the Company at a price of \$0.25 per share for a period of ten (10) years from the date the options are granted subject to applicable securities rules and regulations.

The Sellers are also entitled to a royalty equal to 2.0% of the net smelter returns (“NSR”) on minerals from the properties. The Company may purchase one half of one percent (0.5%) of the NSR on production from each of the individual properties from the Sellers at any time for a purchase price of \$1,000,000 per property.

A finder’s fee of \$150,000, to be paid in cash or in common shares or a combination of both cash and common shares at a deemed value of \$0.25 per share, will be paid upon the completion of the closing.

Capital Expenditures

During the six months ended June 30, 2008, the Company has incurred capital expenditures of \$28,000 compared with capital expenditure of \$22,500 for the six months ended June 30, 2007.

Pursuant to the Option Agreement, the Company has been granted an exclusive option to acquire an undivided 100% interests in the Sol D'Or property. The property also includes capitalized costs of \$4,188. As at June 30, 2008, the Company has issued 30,000 shares at \$0.15 per share, 30,000 shares at \$0.20 per share and 40,000 shares at \$0.30 per share; and made total cash payments of \$36,000. The Company has the following future cash payment requirements to fulfill its obligation under the Option Agreement:

\$20,000 cash on or before January 10, 2009; and

\$40,000 cash on or before January 10, 2010.

Financing Activities

Since incorporation on November 8, 2005, the Company has engaged in the following financing activities:

1. On January 12, 2006, the Company issued one (1) Common Share for consideration of \$1.00 and 11,710,000 Common Shares at a price of \$0.0001 per share for gross proceeds of \$1,172 as the initial investment in the Company;
2. On January 13, 2006, the Company issued 750,000 Common Shares at a price of \$0.10 per share for gross proceeds of \$75,000 (a finder's fee of \$2,975 was paid to a director of the Company at the time in relation to \$35,000 of these proceeds received from an accredited investor);
3. On May 3, 2006, the Company issued 383,400 Common Shares at a price of \$0.15 per share for gross proceeds of \$57,510 (a finder's fee of \$4,175 was paid to a director of the Company at the time in relation to \$50,010 of these proceeds received from an accredited investor);
4. On February 21, 2007, the Company issued 187,500 Common Shares at a price of \$0.20 per share for gross proceeds of \$37,500; and
5. On July 11, 2007, the Company closed its initial public offering (the "IPO") for 2,875,000 common shares at a price of \$0.20 per share for aggregate gross proceeds of \$575,000. Expenses of the issue were \$117,784 (\$0.041 per share) resulting in net proceeds of \$457,216.

Liquidity and Capital Resources

The Company's aggregate operating, investing and financing activities for the six months ended June 30, 2008 resulted in a cash increase of \$255,657. As at June 30, 2008, the Company's cash balance was recorded as \$249,411 and the Company had a working capital of \$239,993. At June 30, 2008, the Company has paid-up capital of \$305,031 representing 12,255,901 common shares and a deficit of \$621,010.

The Company has not as yet put into commercial production any of its mineral properties and as such has no operating revenues. Accordingly, the Company is dependent on the equity markets as its sole source of operating working capital. The Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

The Company will continue to require funds to meet its obligations under its property option agreements and as a result, will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

Under the Option Agreement, the Company can earn an undivided 100% interest in the Sol D'Or property by making staged payments of \$96,000 and the issuance of 100,000 common shares to the Vendor, over a period of 4 years. This agreement is also subject to a 2% NSR to the Vendor, with an optional buyout of 1% of the royalty for a one million dollar cash payment. As at the date of this MD&A, the Company has made cash payments of \$36,000 and issued 100,000 shares to the Vendor under its obligations to the Option Agreement.

Transactions with Related Parties

On February 28, 2008 the Company entered into an advisory agreement with a consultant (the "Consultant") of the Company to provide administrative services (the "February Advisory Agreement"). A senior officer and director of the Company is also a director of the Consultant. Consulting fees of \$13,500 were paid to Consultant for the three months ended June 30, 2008. These transactions were conducted in the normal course of operations, on commercial terms established and agreed to by the related parties, and were recorded at the exchange amount.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the company.

Critical Accounting Estimates

The Company's financial statements are impacted by the accounting policies used, and the estimates and assumptions made, by management during their preparation. The Company's accounting policies are described in Note 2 to the unaudited financial statements as at June 30, 2008. There is no accounting estimates considered to be significant to the Company.

Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and loan payables. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The carrying values of these financial instruments approximate their cost, unless otherwise noted.

Outstanding Share Data

The following information relates to share data of the Company as at June 30, 2008.

Share capital

- (a) Authorized:
 - o An unlimited number of common voting shares.
 - o An unlimited number of preferred shares, without nominal or par value, issuable in series.

- (b) Issued:

The Company had 12,255,901 common shares issued and outstanding and its share capital is \$626,271.

Options

The Company granted 400,000 options to directors upon listing on the CNQ. These options have an exercise price of \$0.20 for a period of five years from July 30, 2007, the date of listing on the CNQ.

The Company has also granted 287,500 options to its agent in the initial public offering (the "IPO"). These options have an exercise price of \$0.20 for a period of twenty-four months from the closing of the IPO.

On February 28, 2008 the Company granted 150,000 incentive stock options to the Consultant. The options are exercisable at \$0.34 per share and will expire February 28, 2013.

On April 13, 2008, 300,000 stock options granted to former directors of the Company in 2007 expired unexercised.

On June 4, 2008, the Company granted 925,000 stock options to directors and officers of the Company at an exercise price of \$0.35 per share with an expiry date of June 4, 2013.

Warrants

The Company has not issued any common share purchase warrants as at June 30, 2008.

Additional Disclosure Requirements

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to the Company's management in order to allow timely decisions regarding required disclosure. The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of the end of the period covered by the annual filings, that the Company's disclosure controls and procedures, as of June 30, 2008, are effective and provide reasonable assurance that material information related to the Company is made known to them by others. It should be noted that, while the Company's Chief Executive Officer and Chief Financial Officer believe that the Company's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Additional Disclosure for Venture Issuers without Significant Revenue

The Company has expensed the following material cost components:

	Six Months ended June 30, 2008	Six Months ended June 30, 2007
Consulting Fees	\$ 47,207	\$ Nil
Filing Fees	\$ 16,468	\$ 510
Professional Fees	\$ 25,353	\$4,724
Stock Based Compensation	\$ 244,864	\$ Nil

\$47,207 of consulting fees incurred and expensed in the six months ended June 30, 2008 were paid to various consultants of the Company, \$22,500 of which was paid to a related party (as disclosed above). In the six months ended June 30, 2008 and 2007, professional fees of \$25,353 and \$4,724, respectively, were paid to legal counsel and auditor of the Company. The transactions were conducted in the normal course of operations, on commercial terms established and agreed to by the related parties, and were recorded at the exchange amount. There were no consulting fees incurred in the six months ended June 30, 2007.

Filing fees incurred and expensed in the six months ended June 30, 2008 were mainly due to the IPO and listing process. Stock based compensation was expensed in accordance to GAAP and was recorded in the six months ended June 30, 2008 as stock options were granted during such period.

Changes in Accounting Policies

Effective January 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) pertaining to CICA Handbook Section 1506 relating to the recognition, measurement, disclosure and presentation of financial instruments. These new standards have been adopted on a prospective basis with no restatement of prior period financial statements.

Financial instruments – Recognition and measurement (Section 3855)

This standard requires all financial instruments within its scope, including derivatives, to be accounted for either at fair value, or in circumstances where fair value may not be considered the most relevant, at cost or amortized cost. Changes in fair value are recognized in the statement of income and comprehensive income.

All financial assets and financial liabilities are recognized when the Company becomes a party to the underlying contract. As such, all of the Company’s financial assets and financial liabilities were re-measured in accordance with the new standard as of January 1, 2007. The application of these standards did not result in comprehensive income being different from net income for the period presented or prior periods.

The Company’s financial instruments include cash, accounts receivable, accounts payable and accrued liabilities. Management has elected to classify cash as held for trading, and as such it is recorded at fair value. Accounts receivable are classified as loans and receivables, and as such are recorded at fair value. The fair values of the Company’s financial instruments do not differ significantly from their amortized costs. As a result of adopting the new standards, the Company has not recorded any changes to valuation of its assets and liabilities, as at January 1, 2007.

Comprehensive Income

Section 1530, Comprehensive Income, introduces a new financial statement “Statement of Comprehensive Income” and provides guidance for the reporting and display of other comprehensive income. Comprehensive income represents the change in equity of an enterprise during a period from transactions and other events arising from non-owner sources including gains and losses arising on translation of self-sustaining foreign operations, gains and losses from changes in fair value of available for sale financial assets and changes in the fair value of the effective portion of cash flow hedging instruments.

Equity

Section 3251, Equity replaces Section 3250, Surplus. This Section establishes standards for the presentation of equity and changes in equity during the reporting period. This standard establishes the reporting requirements for the disclosure of the components of accumulated other comprehensive income.

Effective January 1, 2008, the Company adopted the following new accounting standards issued by the CICA. These new standards have been adopted on a prospective basis with no restatement of prior period financial statements.

Financial Instruments - Presentation and Disclosure

Section 3862 “Financial Instruments – Disclosures” and 3863 “Financial Instruments – Presentation” replace section 3861 “Financial Instruments – Disclosures and Presentation” which revises and enhances financial instruments disclosure requirements and leaves unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the Company manages those risks.

Capital Disclosures

Section 1535, Capital Disclosures, requires additional information in the notes to the financial statements about the Company's capital and the manner in which it is managed. This additional disclosure includes qualitative and quantitative information regarding the Company's objectives, policies and processes for managing capital.

Future Changes in Accounting Policies

It is management's position to only disclose the effect of new accounting pronouncements which are expected to have an impact on the Company's financial reporting policies. As a result, accounting pronouncements which are not expected to be applicable to the Company are not disclosed.

The following new accounting recommendations have been issued by the Canadian Institute of Chartered Accountants but are not yet required to be adopted by the Company.

Goodwill and Intangible Assets

CICA Handbook Section 3064, the new standard revises the requirement for recognition, measurement, presentation and disclosure of intangible assets. This standard is effective for years beginning on or after January 1, 2009. This new accounting standard is not expected to have a material impact on the Company's financial position or earnings.

International Financial Reporting Standards

In February 2008, the Accounting Standards Board (AcSB) confirmed that Canadian public companies will have to adopt International Financial Reporting Standards (IFRS) effective for years beginning on or after January 1, 2011. The Company is currently evaluating the impact this new framework will have on its consolidated financial statements.

Risks and Uncertainties

The Company is engaged in the exploration and development of mineral properties. These activities involve a high degree of risk which, even with a combination of experience, knowledge and careful evaluation, may not be overcome. Consequently, no assurance can be given that commercial quantities of minerals will be successfully found or produced.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many common risks to new and developing enterprises, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a positive return on shareholders' investment.

The Company has no source of operating cash flow and no assurance that additional funding will be available to it for further exploration and development of its projects when required. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

The Company's property interests are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. These are integral requirements for exploration, development and production facilities on mineral properties. Power may need to be generated on site.

Recent, improved market conditions for resource commodities, including gold, after several years of record low prices has resulted in a dramatic increase in mineral exploration and development investment and activity in Canada. While inflation has not been a significant factor affecting the cost of goods and services in Canada in recent years, this renewed exploration and development activity has resulted in a shortage of experienced technical staff, and heavy demand for goods and services needed by the mining community.

The mineral industry is intensely competitive in all its phases. The Company competes with many other mineral exploration companies who have greater financial resources and technical capacity.

The market price of gold and other commodities is volatile and cannot be controlled.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Subsequent Events

- (a) The Company entered into an advisory agreement with the Consultant which superseded the February Advisory Agreement on July 8, 2008 (the “Advisory Agreement”). Under the Advisory Agreement the Consultant is to provide administrative and CFO services to the Company. The term of the Advisory Agreement is for 12 months, commencing July 1, 2008. The Company will pay the Consultant a monthly fee of \$10,000 and grant the Consultant 150,000 options (granted under the February Advisory Agreement), exercisable at \$0.34 per share for 5 years.
- (b) On August 13, 2008, the Company announced the signing of an agreement of purchase and sale (the “Agreement”) with Southwest Exploration Group LLC (“Southwest”) and its principals, Thornwell Rogers, Michael R. Pawlowski and Daniel P. Laux, which superseded the previously announced letter of intent, to acquire an undivided 100% interest in certain mineral claims containing known copper mineralization in the prolific S.W. United States porphyry copper district in Arizona and New Mexico. Pursuant to the terms of payment and option issuances in the Agreement, the first cash payment of US\$150,000 and the 9,000,000 stock options to the three principals of Southwest have been made and granted, respectively.
- (c) On May 30, 2008, the Company announced a non-brokered private placement (the “Private Placement”) and subsequently amended the terms of the Private Placement in news releases dated July 9, 2008 and August 11, 2008. Pursuant to the Private Placement, the Company will issue up to 8,400,000 equity units (the “Units”) at a price of \$0.25 per Unit, for gross proceeds of up to \$2,100,000. Each Unit consists of one common share of the Company (the “Share”) and one Share purchase warrant (the “Warrant”). Each Warrant will entitle the holder thereof to purchase one additional Share (a “Warrant Share”) of the Company at a price of \$0.35 per Warrant Share for a period of two years from the date of issuance. As at August 27, 2008, the Private Placement remains in progress.

Finder’s fees, payable in cash and/or Units, will be paid in an amount of up to 10% of the gross proceeds of the Private Placement.

Additional Information

Additional information about the Company is available for viewing on SEDAR at www.sedar.com.