Continent Resources Inc.
Management Discussion and Analysis
For the Nine Months Ended September 30, 2008

General

The following information, prepared as of November 26, 2008, should be read in conjunction with the unaudited consolidated financial statements of Continent Resources Inc. (the "Company") for the nine months ended September 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 and this discussion includes the results of the Company's wholly-owned active subsidiary, Continent Resources (USA) Inc., a company incorporated in Nevada, United States of America on June 20, 2008.

During the nine months ended September 30, 2008, 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.

The Company became a reporting issuer in the Provinces of Alberta, British Columbia and Ontario on April 20, 2007. On July 30, 2007 the Company officially began trading on the Canadian Trading and Quotation System Inc. (the "CNQ") under the stock symbol "CORE". As the CNQ adopted a new trading symbol format, the trading symbol for the Company changed to "CTT" effective September 26, 2008.

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 Vancouver-based mineral exploration company engaged in the acquisition and exploration of natural resource properties. Currently its focus is on projects in the prolific SW United States porphyry copper district in Arizona and New Mexico, USA. The Company continues to emphasize the exploration of properties where management believes there is potential for the discovery of large tonnage, bulk-minable deposits or smaller, high grade deposits.

On January 10, 2006, the Company signed a mineral option agreement (the "Sol D'Or Option Agreement") to acquire an undivided 100% interest in the the Sol D'Or property by making staged payments of $96,000 and issuing 100,000 common shares to the vendor, over a period of 4 years.

On August 12, 2008, the Company signed a purchase and sale agreement (the "SEG Purchase Agreement") with Southwest Exploration Group LLC ("SEG") and its principals to acquire an undivided 100% interest in six properties in Arizona and New Mexico, which are the Lone Mountain and Mimbres Properties in Grant County, New Mexico; West Safford and Teague Properties in Graham County, Arizona; Twin Peaks Property in Maricopa County, Arizona, and West Jerome Property in Yavapai County, Arizona (collectively, the "SEG Properties").

Currently the Company is actively exploring the SEG Properties containing known copper mineralization, with a focus on the Lone Mountain property. The Lone Mountain property in New Mexico is at the intermediate stage of exploration.

Changes in Management

During fiscal 2008 the Company continued to increase its operations and management team. 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. On September 9, 2008, Michael R. Pawlowski and Daniel P. Laux were appointed as directors. The Company also appointed Michael R. Pawlowski as President and Daniel P. Laux as Vice President, Exploration of the Company. Robert Bick remains as CEO.

The Company's Board of Directors now consists of: Robert Bick, Paul Cowley, Lawrence Dick, Herrick Lau, Daniel Laux and Michael Pawlowski. Diana Ho and Robert Wolfe have resigned as directors.

Overall Performance

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

The Balance Sheet as of September 30, 2008 indicates a cash position of $1,399,327 (December 31, 2007 - $349,929) and total current assets of $1,406,303 (December 31, 2007 - $360,329). The increase in total current assets was mainly due to the completion of the non-brokered private placement on August 12, 2008.

Current liabilities at September 30, 2008 total $20,357 (December 31, 2007 - $5,258). The increase in current liabilities was caused by regular operating expenses of the Company. Shareholders' equity is comprised of capital stock of $2,536,246 (December 31, 2007 - $663,697), contributed surplus of $2,458,497 (December 31, 2007 – 52,556) and deficit of $2,847,741 (December 31, 2007 - 273,938) for a net $2,147,002 (December 31, 2007 - 389,759).

Working capital, which is current assets less current liabilities, is $1,385,945 at September 30, 2008 compared to $355,071 at December 31, 2007. Management believes that there is sufficient working capital to cover potential option payments, mineral property exploration projects and maintain its day-to-day operations.

During the nine months ended September 30, 2008, the Company reported a net loss of $2,573,803 ($0.205 basic and diluted loss per share) compared to a net loss of $45,383 ($0.004 basic and diluted loss per share) reported for the nine months ended September 30, 2007. Losses in the nine months ended September 30, 2008 and 2007 represent operating expenses of $2,579,282 and $45,383, respectively. The increase in operating expenses was due to management's efforts to actively focus on the acquisition of prospective mineral properties and 9,000,000 stock options granted to SEG's three principals pursuant to the SEG Purchase Agreement. .

The weighted average number of common shares outstanding for the nine months ended September 30, 2008 was 12,575,967 (2007 – 10,864,372). Weighted average number of common shares outstanding increased from 10,864,372 in 2007 to 12,575,967 as of September 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 and 8,358,000 common shares were issued upon the completion of the Company's non-brokered private placement on September 19, 2008. Due to the net loss for the three months ended September 30, 2008, the deficit as at September 30, 2008 increased from the beginning balance of $621,010 to $2,847,741.

Results of Operations

During the nine months ended September 30, 2008, the Company reported a net loss of $2,573,803 ($0.205 basic and diluted loss per share) compared to a loss of $45,383 ($0.004 basic and diluted loss per share) reported for the same nine months ended September 30, 2007, due to significant increases in most expense categories. Other than interest revenue of $5,479 received from a term deposit during the current period, the Company did not generate any significant revenue during either reporting period.

The increased expenditure level for the nine months ended September 30, 2008 was a direct result of Management's efforts to aggressively focus on the acquisition and exploration of prospective mineral properties. In order to accomplish this objective, the Company's expenses for the nine months ended September 30, 2008 increased as follows:

- accounting & legal expenses of $51,545 (September 30, 2007 - $5,324) reflects the increased level of activities, legal agreements and recorded transactions as well as 2007 fiscal year audit costs.
- consulting fees of $53,452 (September 30, 2007 - $10,117), which reflects efforts to improve and streamline the overall corporate operation.
- filing & transfer agent fees of $25,683 (September 30, 2007 - $12,619), which reflect fees paid to the CNQ and Olympia Trust Company for listing and regular corporate filings after commencing trading on the CNQ.

- Travel expenses of $28,021 (September 30, 2007 - $1,782) incurred primarily for the Company's consultants and management to visit mineral properties onsite and attend conferences.
- stock based compensation of $2,405,941 (September 30, 2007 - $Nil) representing a non-cash charge incurred in connection with the granting of stock options, calculated using the Black Scholes option valuation model.

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.

	3rd Quarter September 30, 2008	**2nd Quarter June 30, 2008**	**1st Quarter March 31, 2008**	**4th Quarter December 31, 2007**
Revenue	2,278	1,184	2,017	6,175
Net Loss	(2,226,731)	(293,517)	(53,556)	(93,999)
Basic and Diluted Loss Per Share	(0.168)	(0.024)	(0.005)	(0.009)
Total assets	2,167,359	318,141	383,345	395,017
Working capital (deficiency)	1,385,946	239,993	314,638	355,071

	3rd Quarter September 30, 2007	**2nd Quarter June 30, 2007**	**1st Quarter March 31, 2007**	**4th Quarter December 31, 2006**
Revenue	nil	nil	nil	nil
Net Loss	(39,442)	(297)	(5,644)	(7,188)
Basic and Diluted Loss Per Share	(0.004)	(0.000)	(0.001)	(0.001)
Total assets	436,691	43,715	44,955	16,477
Working capital (deficiency)	396,885	(35,980)	(27,534)	(33,212)

<u>Net Loss</u>

Expenses for the quarters ended September 30, 2008, June 30, 2008, March 31, 2008 and December 31, 2007 include stock based compensation of $2,161,077, $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 four quarters as no stock options were granted during such periods. Filing & transfer agent fees of $6,864, $12,003,

$3,241, $12,109, $4,465 and $510 were recorded for the quarters ended September 30, 2008, June 30, 2008, March 31, 2008, December 31, 2007, September 30, 2007 and June 30, 2007. 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. Overall, as management aggressively pursues the acquisition and exploration of mineral properties, all categories of general and administrative expenditures like consulting fees, rental expenses, filing & transfer agent fees reflected an increase, which resulted in net losses from quarter to quarter.

Total Assets

The most recent quarter ended September 30, 2008 reflects a significant increase in total assets. This increase was attributed to $1,909,975 in net proceeds received from the Company's non-brokered private placement closed on September 19, 2008, which were partially used for the mineral properties acquisition, deferred exploration expenditures as well as administrative expenses.

Working Capital

Working capital from December 31, 2006 to June 30, 2007 was negative due to insufficient funds in the Company's beginning stage. The proceeds received from the IPO resulted in a significant increase in working capital for the quarter ended September 30, 2007. Working capital for the quarters ended December 31, 2007 and March 31, 2008 then decreased due to general and administrative expenses for the Company and cash payment of $16,000 to fulfill its obligation under the mineral property option agreement to acquire the Sol D'Or property entered on January 10, 2006. A continued decrease on working capital in the quarter ended June 30, 2008 was caused by increasing operating expenses results from Management's efforts to actively focus on the acquisition of prospective mineral properties. Proceeds raised from the non-brokered private placement on September 19, 2008 attributed to the significant increase in working capital reflected above for the quarter ended September 30, 2008.

Mineral Properties

1. Sol D'Or Property

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"). 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 issuing 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 MD&A, the Company has not performed any drilling of its own on the Sol D'Or Property.

The exploration programs done by Fronteer and Red Lake Resources in 2001 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. The Company may take advantage of other mineral projects as opportunities arise.

2. SEG Properties

Description

On August 12, 2008, the Company signed the SEG Purchase Agreement with SEG and its principals, Thornwell Rogers, Michael R. Pawlowski and Daniel P. Laux (collectively, the "Sellers"), to acquire an undivided 100% interest in six properties containing known copper mineralization and/or have high potential for the discovery of copper mineralization. The properties are located in Arizona and New Mexico and are comprised of the Lone Mountain and Mimbres Properties in Grant County, New Mexico; West Safford and Teague Properties in Graham County, Arizona; Twin Peaks Property in Maricopa County, Arizona, and West Jerome Property in Yavapai County, Arizona (collectively, the "SEG Properties"). The SEG Purchase Agreement is subject 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.

Pursuant to the SEG Purchase Agreement, the key terms of the purchase price are the following:

1. USD$150,000 paid in cash on August 12, 2008;

2. Upon completion of the non-brokered private placement, USD$150,000 paid in cash on September 19, 2008;
3. A further USD$150,000 payable in cash the first anniversary of the closing;
4. 9,000,000 options granted to the Sellers on August 12, 2008 (the Closing), 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)

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.

As at September 30, 2008, the Company paid USD$300,000 in cash and granted 9,000,000 options to the Sellers. In addition, a finder's fee of $150,000 was paid in cash by the Company on August 12, 2008.

Exploration Program

As of the date of this MD&A, the Company has not performed any drilling of its own on any of the six SEG Properties. The Company, however, plans to focus future exploration on the Lone Mountain property in New Mexico based on its preliminary review of the database constructed from data generated from previous exploration programs on the property.

The Company has now done some work on the Lone Mountain and the Twin Peaks properties. These works consist of data compilation and interpretation, surface geological mapping and drill sample re-assaying, with a primary focus on the Lone Mountain property. As at September 30, 2008, the Company had incurred exploration costs of $73,298 on these two properties comprised of $32,172 in field expenses, $34,968 for geological consulting and other database review work and $6,158 for archaeological studies.

The Lone Mountain property warrants further exploration of the previously discovered occurrences, and possible extensions of showings or mineralized trends. An exploration program with a budget of $500,000 is proposed to further examine the property.

Capital Expenditures

During the nine months ended September 30, 2008, the Company paid $16,000 in cash and granted 40,000 common shares at $0.30 per share to fulfill its obligation under the mineral property option agreement to acquire an undivided 100% interests in the Sol D'Or property signed on January 10, 2006.

During the quarter ended September 30, 2008, the Company paid US$300,000 in compliance with the purchase terms of the SEG Purchase Agreement. A finder's fee of $150,000 was also paid in efforts to acquire the interests in the six SEG Properties. Pursuant to the SEG Purchase Agreement, the Company has incurred $161,091 in mineral exploration permits, mining leases and filing fees on transferring title of the SEG Properties from the Sellers to the Company. In addition the Company incurred $73,298 in deferred exploration expenses relating to the Lone Mountain and the Twin Peaks properties interests.

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;

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; and

6. On September 19, 2008, the Company completed a non-brokered private placement of 8,338,000 units at $0.25 per unit resulting in gross proceeds of $2,084,500. Each unit comprises of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.35 per share until September 19, 2010. The Company applied the residual approach and allocated the total proceeds of $2,084,500 to the common shares and $nil to the attached warrants to the private

placement. The Company also paid six finders aggregate finders' fees of $174,525 and 20,000 units resulting in net proceeds of $1,909,975 of total issuance of 8,358,000 units.

Liquidity and Capital Resources

The Company's aggregate operating, investing and financing activities for the nine months ended September 30, 2008 resulted in a cash increase of $1,405,572. As at September 30, 2008, the Company's cash balance was recorded as $1,399,326 and the Company had a working capital of $1,385,945. At September 30, 2008, the Company has paid-up capital of $2,147,002 representing 20,613,901 common shares and a deficit of $2,847,741.

The Company has not yet put into commercial production any of its mineral properties and therefore 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.

Pursuant to the SEG Purchase Agreement, the Company can purchase an undivided 100% interest in the six SEG Properties by making staged payments of US$450,000 over a period of 2 years and granting 9,000,000 stock options at an exercise price of $0.25 per share expiring on August 11, 2018 to the Sellers upon closing. The SEG Purchase Agreement is subject 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. As at the date of this MD&A, the Company has made cash payments of US$300,000 and granted 9,000,000 shares to the Sellers under its obligations to the SEG Purchase Agreement. . In addition, a finder's fee of $150,000 was paid in cash by the Company on August 12, 2008 in connection with this asset acquisition transaction.

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.

On June 4, 2008, the Company granted 925,000 incentive stock options to four directors and officers. The options are exercisable at $0.35 per share expiring on June 4, 2013.

On July 8, 2008, the Company entered into an advisory agreement (the "Advisory Agreement") with the Consultant which superseded the February 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 paid the Consultant a monthly fee of $10,000. Consulting fees of $52,500 were paid to Consultant for the nine months ended September 30, 2008.

During the nine months ended September 30, 2008, the Company paid geological consulting fee of $13,237.50 to two directors regarding the acquisition and exploration of the Company's mineral properties.

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 September 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 September 30, 2008.

Share capital

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

(b) Issued:
   The Company had 20,613,901 common shares issued and outstanding and its share capital is $2,536,246.

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.

On August 12, 2008, pursuant to the SEG Purchase Agreement, the Company granted 9,000,000 stock options to three SEG principals at an exercise price of $0.25 per share with an expiry date of August 11, 2018.

Warrants

As at September 30, 2008, there were 8,358,000 share purchase warrants issued and outstanding entitling the holders thereof the right to purchase one common share for each warrant held:

Number of Shares	Exercise Price	Expiry Date
8,358,000	$0.35	September 19, 2010

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 September 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:

	Nine Months ended Sep. 30, 2008	Nine Months ended Sep. 30, 2007
Consulting Fees	$ 53,452	$ 10,117
Filing Fees and transfer agent	$ 25,683	$ 12,619
Professional Fees	$ 51,545	$ 5,324
Stock Based Compensation	$ 2,405,941	$ Nil
Travel	$ 28,021	$ 1,782

Consulting fees of $53,452 and $10,117 incurred and expensed in the nine months ended September 30, 2008 and 2007, respectively, were paid to various consultants of the Company. In the nine months ended September 30, 2008 and 2007, professional fees of $51,545 and $5,324, 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. Filing fees and transfer agent incurred and expensed in the nine months ended September 30, 2008 were mainly due to the listing and regular corporate filings. Stock based compensation was expensed in accordance to GAAP and was recorded in the nine months ended September 30, 2008 as stock options were granted during such period.

Changes in Accounting Policies

Effective January 1, 2008, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("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 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.

According to the current copper news, the ever increasing turmoil within global financial markets has fuelled concerns that a deepening economic slump in the U.S. and Europe may take China along for a downward ride as well. The prospects for less Chinese demand has taken copper down to approximately $1.85/lb in late October, more than 50% below the high recorded in July 2008. The latest indicators in China and the Organization of Economic Cooperation and Development (OECD) suggest that there is additional downside risk for copper demand and prices in the near term. The market price of copper and other commodities is volatile and cannot be controlled.

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 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.

Additional Information

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