

STRATABOUND MINERALS CORP.
INTERIM MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED JUNE 30, 2008

August 25, 2008

The following discussion and analysis of results and operations should be read in conjunction with the Company's annual audited financial statements and related notes for the year ended December 31, 2007, the annual Management Discussion and Analysis dated April 28, 2008, and the unaudited financial statements prepared by management for the period ended June 30, 2008.

Description of Business

The Company is in the business of mineral exploration and development, with gold and base metal properties in New Brunswick and Ontario and gold, diamond and base metal prospects in Quebec. At the present time, the Company does not have any producing properties and consequently no revenues.

During the first eight months of 2008, Stratabound has conducted drill programs on the Captain and Elmtree properties in New Brunswick, and is poised to resume drilling at Melchett Lake, Ontario, where earlier this year the Company doubled its holdings to 3,344 hectares by staking an additional 104 units.

At Elmtree, the Company completed 8 additional holes on the South Gold Zone and 2 holes on the West Gabbro Zone subsequent to the 48 holes that were included in the N.I. 43-101 resource estimate completed earlier this year. At Captain, 13 holes have been drilled in 2008, bringing our total to 25. To date results have been reported from the first 19 holes. Assay results from both drill programs continue to be positive.

The New Brunswick Research and Productivity Council is currently carrying out preliminary metallurgical investigations on the Captain deposit to assess methods for recovering payable metal concentrates.

An independent mineral resource estimate incorporating the Company's first 25 holes on the Captain deposit will begin shortly. The estimate will be compliant with both Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves *Definitions and Guidelines*, and reporting requirements of National Instrument 43-101. The Company intends to resume drilling on Captain in the fall following freeze-up.

Grid construction, geophysical and geochemical exploration, basal till sampling and trenching programs have been conducted on several of the company's base metal properties in northern New Brunswick (CNE, Captain, Taylor Brook) and on the large claim blocks acquired within the last year surrounding the original Elmtree claims. These programs will help identify additional drill targets.

Stratabound has been awarded a \$50,000 grant under the New Brunswick Junior Mining Assistance Program towards exploration now underway which is searching for a possible extension to the Company's past-producing CNE lead-zinc-silver deposit.

The Company has been expanding its New Brunswick operations for several years, and is continuing to evaluate, on an ongoing basis, additional opportunities in the Bathurst Camp.

Overall Performance

During the first six months of 2008 the Company spent \$1,333,170 on exploration and acquisition of its mineral properties, compared with \$347,387 during the same period of 2007. The increase is mainly attributable to drilling on the Elmtree and Captain deposits in northern New Brunswick.

At June 30, 2008, the Company had working capital of \$718,972 compared with \$746,846 at June 30, 2007 and \$1,959,479 at year end. Working capital is currently being spent on the Captain, Elmtree, CNE, Taylor Brook and Melchett Lake properties. The Company intends to raise additional equity this year to expand its drilling and other exploration programs.

Selected Financial Information

The Company's financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP). The reporting currency is the Canadian dollar.

Summary of Quarterly Results

2008/2007	June 30/08	March 31/08	Dec 31/07	Sept 30/07
	\$	\$	\$	\$
Revenue – interest income	7,520	16,712	3,705	5,506
Loss before write-offs & future income tax	49,989	170,410	206,390	163,113
Net and comprehensive loss	49,989	170,410	125,655	163,113
Basic and diluted loss per share	0.001	0.006	0.002	0.005

2007/2006	June 30/07	March 31/07	Dec 31/06	Sept 30/06
	\$	\$	\$	\$
Revenue – interest income	3,917	762	2,816	1,423
Loss before write-offs & future income tax	50,207	59,210	172,949	52,471
Net loss for the period	59,239	91,210	212,202	52,471
Basic and diluted loss per share	0.005	0.003	0.008	0.002

As a result of write-downs or write-offs from exploration activities and provisions for future income tax recovery and stock-based compensation, net losses can be extremely variable.

Results of Operations

All expenses relating to exploration and property acquisition are capitalized as Mineral Properties and are summarized in Note 2 to the Financial Statements. Detailed capitalized exploration and development costs for the first six months of 2007 and 2008 are presented by project below under the heading "Additional Disclosure".

General and administrative expenses in the first six months of 2008 were \$244,631 compared with \$114,096 incurred during the corresponding period in 2007. The difference is mainly attributable to stock-based compensation costs, an item not involving cash, pertaining to stock options granted in the first quarter to employees, consultants and directors. For details see Note 3 to the June 30, 2008 financial statements. Investor communications during the first half of this year were higher than the previous year as a new website was developed for Stratabound and a booth for use at conferences and conventions was purchased. All other general and administrative costs remained at comparable levels to the corresponding period of the previous year.

Stratabound incurred a net and comprehensive loss of \$220,399 for the period ended June 30, 2008, as compared to a loss of \$150,449 recorded for the corresponding period in 2007. The difference is mainly due to variabilities in non-cash items (increase in stock-based compensation; decrease in future income tax provision), and to a lesser degree, increases in interest income and investor communications costs.

Bathurst Base Metal Properties, New Brunswick

Stratabound's 100%-owned properties (4,000 hectares) comprise the CNE/Captain claims, CNE Mining Lease, Nepisiguit Brook, Taylor Brook and Taylor Brook Extension claim groups. They host three known base metal sulphide bodies: the Captain, CNE and Taylor Brook deposits. The CNE deposit was explored and developed by Stratabound from 1988 to 1990, and was operated by the Company as a small, profitable zinc-lead-silver-gold open pit mine from 1990 to 1992.

Stratabound's property expenditures for the second quarter of 2008 on the Bathurst base metal properties totaled \$531,345. Cumulative expenditures to June 30, 2008 are \$3,884,464.

Captain Copper-Cobalt-Gold Deposit

The 100%-owned Captain claims are situated 20 kilometres south of Xstrata's world-class Brunswick No. 12 Mine and 10 kilometres east of Heath Steele Mines, a major past producer. As at August 25, 2008 Stratabound has announced assay results from its first 19 drill holes on the property (see News Releases dated October 12, 2007, December 20, 2007, January 24, 2008, February 27, 2008, April 24, 2008, July 24, 2008, August 7, 2008 and August 21, 2008). Twenty-five holes have been completed to date, and results of holes 20 to 25 will be released following confirmation and evaluation.

Stratabound's exploration for base metals during 2007 and the first eight months of 2008 have focused largely on the Captain claims. Drilling at Captain has been partially funded by a \$100,000 grant awarded to Stratabound by the province of New Brunswick Deposit Evaluation Program (NBDEP) to determine whether an economic copper-cobalt-gold deposit reaches surface and can be mined with open pit methods.

Results announced to date have been extremely positive, indicating a potentially economic-grade, near-surface copper-cobalt deposit, with appreciable gold, silver and bismuth values. The ultimate dimensions of the mineralization are not yet known and are open to expansion with continued drilling.

Metallurgical testing is underway. An independent mineral resource estimate will begin shortly (see "Description of Business" above).

Away from the known deposit, basal till sampling is underway to search for new mineralized bodies.

CNE Claims

On the CNE claims a gradient induced polarization survey is nearing completion. Basal till sampling will also be undertaken here.

Taylor Brook

Five hundred metres of trenching is underway to uncover stratigraphy and sample basal tills along the projected easterly strike of the Company's Taylor Brook lead-zinc-silver deposit.

John Duncan, P.Geo. and Stan Stricker, P.Geol. are Qualified Persons on the Bathurst base metal properties as defined in National Instrument 43-101.

Elmtree Gold Property, New Brunswick

Stratabound's 100%-owned Elmtree Gold property is situated 19 kilometres northwest of the coastal city of Bathurst, New Brunswick.

A mineral resource estimate was provided earlier this year by Mercator Geological Services Limited, an independent geological consulting firm based in Dartmouth, Nova Scotia. The estimate is compliant with the reporting standards of National Instrument 43-101 and Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves *Definitions and Guidelines*.

The resource on the property comprises 525,000 Indicated tonnes grading 2.45 g/t gold (41,000 ounces gold) plus 4,624,000 Inferred tonnes at an average grade of 1.37 g/t gold (185,000 ounces gold), plus 41,000 Inferred tonnes containing 201,000 ounces of silver, 7.0 million lbs zinc and 2.4 million lbs lead. A substantial portion of the resource is within 100 metres of surface, giving rise to potential open pit mining opportunities.

The Company has drilled 8 additional holes on the South Gold Zone (SGZ) and 2 holes on the West Gabbro Zone (WGZ) subsequent to the 48 holes that were included in the 2008 N.I. 43-101 resource estimate.

Stratabound has been working on the original ten claims since 2004, and numerous drill targets remain untested on these initial claims. During the winter of 2007/08 the Elmtree property was expanded from 10 claims (160 hectares) to 85 claims (1,360 hectares). The new claims are known as the Elmtree Extension.

On the new claims, soils were sampled along a coincident induced polarization/magnetic anomaly located about 700 metres northeast of the SGZ, revealing a broad zinc-arsenic-cadmium-nickel anomaly. The soil anomaly has been outlined for 400 metres along strike to date and is open at both ends. A sample of angular float collected here comprises altered mafic-volcanic rock containing 2.17% zinc and 0.18% nickel. No outcropping exposures are present and trenching or drilling is required to test this target, as well as expanded soil sampling.

Reconnaissance level exploration is also proceeding in the northern portion of the new claims, with soils being sampled every fifty metres on lines cut 200 metres apart. The soil sampling covers several base metal vein showings in skarn environments. Extensive zinc-bearing outcrops have been located three kilometres northeast of the WGZ. Fifteen grab samples of various rock types have been assayed; six contain zinc (average 2.63%), while four others contain silver (average 30.93 g/t), including two samples with 0.52% and 0.35% lead.

Exploration will focus on defining the extent of the carbonate rocks and will search for calcareous siltstone/sandstone beds like those hosting the SGZ. This area will be evaluated for its gold potential, as well as base metals and silver. Results from 514 soil samples are pending.

John Duncan, P.Geo. and Stan Stricker, P.Geol. are Qualified Persons on this project as defined in National Instrument 43-101.

Elmtree property expenditures for the second quarter of 2008 were \$77,033. Cumulative expenditures to June 30, 2008 are \$2,002,980.

Green Point, New Brunswick

The Company has recently acquired a 100% interest, subject to a 2% net smelter return royalty, in 71 claims (1,136 hectares) located 2.5 kilometres northeast of the Company's Elmtree Extension claims for 25,000 shares of Stratabound (subject to regulatory approval) and \$1,400.

Nine holes were drilled on the property in 2001 and 2002 by a previous owner. A major alteration zone was reportedly intersected in the drilling. The best intersection was in Hole 3 where 1.2 g/t gold was reported over a 15.5 metre core length. Exploration by Stratabound will begin this fall, and will include grid re-establishment, re-logging drill core, basal till sampling, and an induced polarization survey over the outlined area of alteration. Cumulative expenditures to June 30, 2008 are \$9,394.

Melchett Lake, Ontario

Stratabound is about to resume drilling at Melchett Lake, Ontario.

This property consists of 209 units in 17 claims, an area of 3,344 hectares (8,263 acres). It covers a 13.5 kilometres long felsic volcanic sequence delineated by Kerr Addison Mines in the 1980s. Along this sequence, conditions favourable for deposition of large tonnage zinc-lead-copper-silver-gold volcanogenic massive sulphide (VMS) bodies were identified. The claims are located 60 kilometres (38 miles) north of the town of Nakina, in the Thunder Bay Mining Division of northwest Ontario. The major claim holders in the Melchett greenstone belt are Stratabound, Teck Cominco and Dofasco.

Late in 2007, Stratabound completed a 619-metre drill hole in the Relf Lake area of the property to investigate intense hydrothermal alteration with associated high-grade mineral showings (see news release dated March 5, 2008).

Disseminated sulphide mineralization, consisting of pyrite, sphalerite and chalcopyrite +/- minor pyrrhotite, with occasional thin bands (<2cm) of massive sulphides, is reported across a 245-metre section from 345 to 590 metres. Zinc and copper assays reported concentrations up to 1.66% and 0.41%, respectively.

The rock geochemistry indicates this entire 245-metre section exhibits the intense hydrothermal alteration typically associated with VMS deposits.

A downhole pulse EM survey was carried out along the entire length of the drill hole by Quantec Geoscience Ltd., the Company's geophysical consultant on the property. The survey identified a nearby, strong (20 channel) off-hole conductive feature that is the current drill target.

Other centres of alteration are present along the 13.5 kilometre strike length and one in particular, the Nakina 1 Zone, maintains alteration characteristics equal to or stronger than those investigated at the Relf Zone.

Additional high priority geophysical drill targets are present within the mineralized stratigraphy at Key Lake, in the property's western portion, and between Key Lake and the Nakina 1 Zone.

In 2007 Stratabound entered into an option agreement whereby it can acquire a 60% working interest in the property from the Melchett Syndicate. To earn the 60% interest Stratabound must spend \$1,000,000 on exploration prior to November 1, 2010.

John L. Wahl, P.Geo., is the Qualified Person on this project as defined in National Instrument 43-101. Dr. Wahl supervised Kerr Addison's exploration of the property during the 1980s, and his

Ph.D. thesis was a study of the alteration geochemistry of VMS systems.

Second quarter expenditures were \$5,322. Cumulative expenditures to June 30, 2008 are \$352,645.

Highway Gold Properties, Western New Brunswick

In December 2006, Stratabound optioned 14 claims containing and surrounding a new gold discovery made during the construction of the Trans-Canada Highway near Big Presque Isle Stream, located in western New Brunswick about eight kilometres south of Florenceville near the U.S. border. Prospecting carried out by the Company's geologists identified additional gold occurrences as reported in News Releases dated April 9, 2007 and May 2, 2007, and the Big Presque Isle Property was expanded to 79 claims through staking. These showings, with rock blast grab samples returning up to 6.3 g/t, represent the first mineral occurrences ever found in this district, which has never been explored for gold.

Continued prospecting discovered gold occurrences six kilometres to the north at Lamoreaux Corner, and 49 claims were staked here (News Release dated July 12, 2007). Stratabound subsequently staked four additional properties along the highway at Aroostook, Beechwood-Upper Guisquit, Four Falls, and St. Thomas. Stratabound's land holdings in the area currently amount to 145 claims totaling 2,320 hectares.

A small initial drill program in 2007 intersected only weak mineralization. No significant work has been conducted yet in 2008. Additional exploration is being considered, including geophysics, soil geochemistry and prospecting.

Stratabound can earn a 100% interest in the Big Presque Isle claims by paying the vendor \$10,000 and 50,000 shares on December 4 of 2008 and 2009. A final payment of \$160,000, payable in cash and/or shares, is due on December 4, 2010. The vendor will retain a one percent net smelter return royalty, with Stratabound having the option to purchase one-half of the royalty at any time for \$1,000,000.

John Duncan, P.Geo. and Stan Stricker, P.Geol. are Qualified Persons on this project as defined in National Instrument 43-101 and have reviewed the technical information herein.

Stratabound's property expenditures for the second quarter of 2008 on the Highway properties totaled \$1,729. Cumulative expenditures to June 30, 2008 are \$245,858.

Ramsay Brook Gold Property, New Brunswick

Stratabound has a 100% interest in this 68 claim gold prospect situated 55 kilometres south-southwest of Elmtree, near the formerly producing Murray Brook (gold-silver-copper) and Restigouche (zinc-lead-copper-silver-gold) mines.

The claims cover a 4.7 kilometre portion of the Ramsay Brook Fault, a major regional structure, and a 1.5 kilometre length of a thrust fault that splays off it in a southwest direction. The geological setting is similar to that at Elmtree and the known gold occurrences are controlled by structural deformation zones proximal to hydrothermally altered gabbroic intrusions along a major fault.

Stratabound has previously uncovered more than a dozen small gold-bearing veins in several areas on the property. Results included 1.2 m. of 6.46 g/t gold, 0.5 m. grading 5.19 g/t, 0.63 m. at 3.78 g/t, 2.0 m. of 2.78 g/t, and 1.0 m. grading 3.89 g/t, as well as grab samples of 5.12 g/t, 3.57g/t, 11.00 g/t and 5.06 g/t. Large induced polarization anomalies have been outlined

immediately along trend with the gold veins. Gold-in-soil values on the property run as high as 4.27 g/t.

Trenching of gold-in-soils and IP chargeability anomalies in 2006 was hindered by steep slopes and thick overburden.

John Charlton, P.Geo. and Stan Stricker, P.Geol. are Qualified Persons on this project as defined in National Instrument 43-101.

No costs have been incurred on this property during the first half of 2008. Ramsay Brook cumulative expenditures to June 30, 2008 are \$242,398.

Loch Lomond Area, Southern New Brunswick

In May 2007, the Company staked two properties in the southern part of the province near the former Cape Spencer gold mine, close to the city of St. John. The Grassy Lake claims cover a multivariate precious metal basal till anomaly (silver, gold, bismuth, antimony, tellurium) revealed in a New Brunswick Department of Natural Resources survey of basal tills. The Shanklin Road claims enclose a basal till sampling site anomalous in numerous precious, base and rare metals.

An initial program of prospecting and soil sampling was conducted earlier this year on both claim groups. Second quarter 2008 expenditures were \$642. Cumulative expenditures to June 30, 2008 are \$11,156.

Enja Property, Quebec

The 100%-owned Enja property (69 claims covering 3,830 hectares) is located in high-potential terrain for both precious and base metals. It is situated in Enjalran and Massicotte Townships, northwest Quebec, between the Detour Lake and Casa Berardi gold camps, and 35 kilometres west of the Selbaie Mine, a major past producer of copper, zinc, gold and silver. The Company's property extends from the Ontario border eastward beyond the Turgeon River, well into a pronounced circular structure resembling the metals-rich Selbaie Caldera.

Recent work by Stratabound has consisted of airborne geophysics and MMI (mobile metal ion) geochemistry, which was employed to follow up several of the geophysical targets.

The results indicate that the area surveyed to date is a base metal target with copper as the main commodity. This is based on a documented bi-lobate copper anomaly developed on the grid, which has minimum lengths of 175 metres on each of the two (north and south) limbs. It is also known from historic drilling records that the property contains extensive widths of sulphide and oxide iron formations with anomalously high gold content. Drill holes along and adjacent to a magnetic high in the eastern portion of the property also intersected zinc/silver mineralization with associated copper and gold, as well as structurally-hosted gold mineralization.

John Charlton, P.Geo. and Stan Stricker, P.Geol. are Qualified Persons on this project as defined in National Instrument 43-101 and have reviewed the technical information herein.

Stratabound has recently earned 100% interest in the property, subject to a 2% net smelter return royalty, by making a final payment of 50,000 shares.

Second quarter expenditures amounted to \$15,756. Cumulative expenditures on the Enja property to June 30, 2008 are \$363,107.

Otish Mountains, Quebec – Marusia Property

This 100%-owned, 50 claim (2,630 hectare) diamond/gold prospect is situated in the Otish Mountains region of Quebec, less than 25 kilometres south of Stornoway Diamonds Corp.'s Foxtrot diamond deposits, and 10 kilometres north of the Eastmain Mine, a former gold producer.

The Marusia Property was acquired as a diamond prospect in recognition of the property's location with respect to the Otish Mountains diamond play. However, the favourable geological context of the property with respect to gold potential was recognized from the beginning.

During 2003, Stratabound discovered a variety of kimberlite indicator minerals in glacial till samples down-ice from sixteen aeromagnetic anomalies on the Marusia claims. In addition, gold anomalies were detected in the southern portion of the property.

In 2004, the Company conducted follow-up work on the kimberlite indicator minerals discovered in 2003. Results of the 2004 program were inconclusive, having recovered a different suite of kimberlite indicator minerals (mostly chrome diopsides and forsterites) than the initial program (picroilmenites, pyrope garnets, magnesian chromites and forsterites), and without any increase in quantity.

Previous non-diamond mineral exploration in the vicinity of the property has consisted of gold exploration of the volcano-sedimentary belts bracketing the property to the north and south.

The Eastmain gold deposit was discovered in 1970 by Placer-Dome. Mining activities ceased in 1995. Several local till geochemical characteristics indicate gold or base metals concentrations in the central area of the Marusia Property, including gold anomalies in till samples, a concentration of anomalous gold-in-mud samples, anomalous base metals-in-mud samples, detrital chalcopyrites, abundant detrital arsenopyrites, and a gold grain recovered from a heavy mineral concentrate. These anomalous concentrations lie just south of a northeast trending volcanosedimentary package and appear to coincide with a Central Magnetic Zone. The intense magnetic signature is considered indicative of either folded magnetite iron formation or of a magmatic magnetite-rich ultramafite.

This geochemical and magnetic signature, when considered with respect to subregional and local gold metallogenetics, suggests that gold exploration should be actively pursued on Marusia. No field work was done on the Marusia Property in 2007. A regional and property satellite interpretation study was completed.

A series of maps illustrating the Marusia mineralogical, geophysical, geochemical and geological data can be found on the Company's website.

John Charlton, P.Geo. and Stan Stricker, P.Geol. are Qualified Persons on this project as defined in National Instrument 43-101.

Marusia is 100% owned by Stratabound, subject to a 2% royalty on any minerals produced from the property.

There were no expenditures on the property for the second quarter of 2008. Cumulative expenditures to June 30, 2008 are \$230,991.

Liquidity

At June 30, 2008, the Company had working capital of \$718,972 compared with \$746,846 at June 30, 2007 and \$1,959,478 at year end. Stratabound has been awarded a \$50,000 grant under the New Brunswick Junior Mining Assistance Program for base metal exploration on the Captain North Extension claims. The Company has also applied for a Quebec resource tax credit of \$59,726.

The Company has no long-term debt, purchase obligations or off-balance sheet arrangements. On August 1, 2008, Stratabound renewed a one-year lease agreement on a core shack/storage/office facility in Bathurst, New Brunswick at a cost of \$2,500 per month.

The Company has sufficient funds on hand to meet all option payment requirements and provincial exploration obligations on all its properties and maintain them in good standing beyond 2008.

Stratabound intends to raise additional capital this year. Future exploration is dependent on continued equity financing and/or joint ventures with other companies.

Since its incorporation in 1986, the Company has been successful in financing its activities through private placement of shares to individuals, corporations and investment funds; revenue from lead-zinc-silver-gold mining in New Brunswick and oil production in Saskatchewan; joint ventures; property sales and option payments; government incentives; and the exercise of warrants and stock options.

Additional Disclosure

General and administrative costs for the six months ended June 30, 2008 and 2007 are discussed above in the "Results of Operations" section and are itemized below. "Stock-based compensation" is an item not involving cash, pertaining to stock options granted to employees, consultants and directors.

General and Administrative Expenses

Six months ended June 30,

	2008 \$	2007 \$
Stock-based compensation (non-cash item)	118,701	-
Consulting fees	38,100	30,000
Wages and benefits	26,481	26,516
Filing fees & investor communications	27,368	20,909
Professional fees	13,772	16,666
Office	17,006	16,535
Rent	2,100	2,100
Amortization	1,103	1,370
	244,631	114,096

Detailed capitalized exploration and development costs for the six months ended June 30, 2008 and 2007 are broken-down by project as follows:

Capitalized Exploration and Development Expenses

	Bathurst Properties, NB	Otish Mnts Que.	Ramsay Brook, N.B.	Elmtree, N.B.	Green Point, NB	Enja Que.	Highway Properties, Western NB	Loch Lomond, Southern NB	Melchett Lake, Ont.	Six Months ended June 30, 2008	Six Months ended June 30, 2007
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost – Jan 01, 2008	3,044,860	222,780	242,398	1,634,718	-	336,814	238,508	7,802	281,943	6,009,823	4,544,420
Acquisition & renewals	9,020	6,199		1,434	7,454	14,000	696	72	33,138	72,013	43,552
Assays and analyses	129,037			27,845			856	2,712	64	160,515	33,255
Core shack	7,801			7,740						15,541	-
Drilling	480,172			167,546						647,719	129,939
Geochemistry										-	-
Geology and supervision	114,400			105,844	1,940	6,258	5,798	570	3,322	238,132	112,800
Geophysics	14,213									14,213	-
Insurance	3,625			3,625						7,250	7,250
Line-cutting	32,157									32,157	8,591
Metallurgy	15,000			12,000						27,000	-
Salaries and benefits	4,000			4,000					4,000	12,000	12,000
Stock-based compensation	30,178	2,012		38,226		6,036			30,178	106,629	-
Government incentives		(3,577)				(63,303)				(66,880)	(37,000)
Cost – June 30, 2008	3,884,464	227,414	242,398	2,002,980	9,394	299,804	245,858	11,156	352,645	7,276,113	4,854,807

Related Party Transactions

During the first six months of 2008, the Company paid rent of \$2,100 (2007 - \$2,100) for office space owned by officers of the Company, a related party transaction. Consulting fees of \$8,100 were paid to a director and officer of the Company for corporate development activities.

Change in Accounting Policy

Effective January 1, 2008, the Company adopted the recommendations of CICA Handbook Section 1535 – Capital Disclosures. See Note 4 to June 30, 2008 financial statements. The Company has also adopted the recommendations of CICA Handbook Section 3862 – Financial Instruments. See Note 5 to June 30, 2008 financial statements. These new requirements are for disclosure only and do not impact the financial results of the Company.

Subsequent Event

There have been no subsequent events.

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares without par value. At June 30, 2008 the number of issued common shares was 37,124,702 (fully diluted 40,664,702).

Options outstanding at August 25, 2008

Number of Options	Exercise Price \$	Expiry Date
250,000	0.20	March 5, 2009
175,000	0.20	June 27, 2009
200,000	0.15	April 21, 2010
1,075,000	0.20	Nov. 13, 2011
940,000	0.27	Aug. 30, 2012
50,000	0.42	Oct 2, 2012
700,000	0.40	Jan 9, 2013
TOTAL 3,390,000		

Warrants outstanding at August 25, 2008

Number of Warrants	Exercise Price \$	Expiry Date
150,000	0.20	August 25, 2008*
TOTAL 150,000		

* These warrants were not exercised and have expired

Disclosure Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support representations that, having exercised reasonable diligence, interim and annual filings contain no misrepresentations and give a fair presentation of the financial condition of the Company for the periods presented.

Risks and Uncertainties

The business of exploration and mining is full of risk that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations to be conducted by the Company will be subject to all of the operating risks normally attendant upon mineral exploration and development. Failure to obtain financing can result in delay or indefinite postponement of exploration and development projects with the possible loss of such properties. While the Company has been successful in the past at raising funds, there can be no assurance that it will continue to do so. Equity financing opportunities require favorable market conditions and commodity prices that cannot be assured.

Whether a mineral deposit once discovered will be commercially viable depends on a number of factors, some of which depend on the particular attributes of the deposit, such as size, grade and proximity to infrastructure. These factors are beyond the control of the Company. The Company must also compete with a number of companies that may have greater technical or financial resources. The Company is unable to predict the amount of time which may elapse between the date when any new mineral reserve may be discovered and the date when production will commence from any such discovery.

The exploration and development of mineral properties and the marketability of any minerals contained in such properties can be affected by many other factors beyond the control of the corporation, such as metal prices, availability of adequate refining facilities, or the imposition of new government regulation affecting existing taxes and royalties or environmental and pollution controls.

The directors of the Company are engaged and will continue to be engaged in the search for mining interests on their own behalf and on behalf of other companies, and situations may arise where the directors and officers may be in direct competition with the Company. Conflicts of interest, if any, which arise will be subject to and governed by procedures prescribed by the *Business Corporations Act* (Alberta) which require a director or officer of a corporation who is a party to, or is a director or an officer of or has a material contract with the Corporation to disclose his interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the *Business Corporations Act* (Alberta).

Approval

The Board of Directors has approved the disclosure contained in this Interim Management Discussion and Analysis. A copy will be provided to anyone requesting it.

The Company's publicly filed documents are available on SEDAR at www.sedar.com

Certain information regarding the Company contained herein may constitute forward looking statements. Forward looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although the Company believes that the expectations reflected in such forward looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward looking statements. The Company is under no obligation to update or alter any forward looking statement. These risks include operational and geological risks and the ability of the Company to raise necessary funds for exploration. The Company's forward looking statements are expressly qualified in their entirety by this cautionary statement.