

MANAGEMENT DISCUSSION & ANALYSIS

For the Year ended April 30, 2008

Date of Report: August 25, 2008

Directors and Officers as at August 25, 2008:

Directors:	Martin Auyeung David Baker Brian Grant Walter Peredery Earl Terris
Officers:	David Baker, CEO Brian Grant, President & COO Vivian Gu, CFO
Contact Name:	David Baker
Website:	www.goldbrookventures.com
TSX Venture Exchange Symbol:	GBK

GOLDBROOK VENTURES INC.

MANAGEMENT DISCUSSION & ANALYSIS

For the Year Ended April 30, 2008

1.1 Date of This Report

August 25, 2008

1.2 Overall Performance

Description of Business

The Company was incorporated as Goldbrook Explorations Inc. under the Ontario *Business Corporations Act* on May 20, 1983. On July 22, 2002, the Company changed its name to Goldbrook Ventures Inc. In addition, the Company consolidated its capital on a 3 old for 1 new basis. On April 14, 2003, the Company was granted a Certificate of Continuation under the Company Act of British Columbia.

The Company's registered and records office in British Columbia is Suite 1550, 200 Burrard Street, Vancouver, British Columbia, V6C 3L6. The Company's telephone number is (604) 683-8083. The Company's Shares are currently listed for trading on the TSX Venture Exchange under the symbol "GBK".

On February 6, 2004, the Company announced that shares of Goldbrook Ventures Inc. would commence trading on the Frankfurt Stock Exchange under the trading symbol "GVE".

The Company is a publicly traded junior resource company. In the past fiscal years until 2001, the Company was involved, to a limited extent, in the exploration of various mineral properties. As of 2001, the Company had written down all of its investments in its mineral properties; and was deemed inactive by the Exchange on September 7, 2001. On August 1, 2002, the Company completed its reactivation plan and the Exchange removed the inactive status.

On September 6, 2005, the Company announced that in accordance with TSX Venture Exchange policy 2.5, the Company had met the requirements for a Tier 1 company. Effective September 2, 2005, the Company's tier classification changed from Tier 2 to Tier 1 – mineral exploration and development company.

As a development stage enterprise, the Company is in the process of exploring properties and will continue to conduct exploration activities on its properties to determine the ore reserves and ore recoverability on its properties.

The Company's mineral properties consist of the following:

- Onaman River, Onaman Lake Township, Ontario;

Raglan Area, District of Northern Quebec:

- Belanger;
- Nuvulik;
- Ungava;
- Wakeham;
- Masuparia;
- Ubex;
- Scott;
- VCC; and
- Bravo

1.3 Selected Annual Information

The highlights of financial data for the Company for the three most recently completed financial years are as follows:

	<u>April 30, 2008</u>	<u>April 30, 2007</u>	<u>April 30, 2006</u>
(a) Net sales	-	-	-
(b) Loss before extraordinary items			
(i) Total loss before comprehensive loss	\$3,744,943	\$1,295,605	\$1,626,795
(ii) Loss per share – basic	\$0.03	\$0.02	\$0.03
(iii) Loss per share – diluted	\$0.03	\$0.02	\$0.03
(c) Net loss			
(i) Total loss before comprehensive loss	\$3,744,943	\$1,295,605	\$1,626,795
(ii) Loss per share – basic	\$0.03	\$0.02	\$0.03
(iii) Loss per share – diluted	\$0.03	\$0.02	\$0.03
(d) Total assets	\$44,751,131	\$19,822,746	\$14,576,162
(e) Total long-term liabilities	-	-	-
(f) Cash dividends declared per-share	N/A	N/A	N/A

1.4 Results of Operations

Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the financial statements of the Company and notes attached hereto.

Mineral Properties

Onaman River Property

For the year ended April 30, 2002, these mining leases and patents claims were carried at a nominal value of \$1.00 and represented a 80% interest in the Onaman River Property, Onaman Lake Township, Ontario, subject to 30% net profits royalties on one group and a 10% net profits royalties on the balance of leased claims. The Company wrote-off the nominal value of \$1.00 in the year ended April 30, 2003. Fifteen leases had expired in 2006 and ten more leases in 2007. The Company is working in conjunction with a third party and the Ontario government to return these leases and patents to be in good standing. There are seven patents and eight lease claims which are in good standing.

Raglan Area Properties – District of Northern Quebec

The Company has acquired interest in nine properties in the Raglan area:

- Belanger;
- Nuvulik;
- Ungava;
- Wakeham;
- Masuparia;
- Ubex;
- Scott;
- VCC; and
- Bravo

Starting from the current year, the Company has decided to consolidate the description of its holdings in Raglan area into six property blocks the following six property blocks:

	Claims	Acres
Belanger	1,056	107,400
Nuvulik	1,402	142,433
Masuparia	983	99,677
Wakeham	1,817	182,835
Ungava	1,801	181,310
Bravo	1,799	177,674

The Company holds 100% interest in all these claims except for the claims located within the Bravo block.

Belanger block is located in the west region of Raglan exploration area. These claims are within 60km southwest of Raglan Mine.

Nuvulik block is north to Belanger block, about 40km due west of the Raglan Mine.

Maruparia block is less than 10 km due south of Raglan Mine.

Wakeham block is in the east region of Raglan exploration area. These claims are 20km of the Raglan Mine.

Ungava block is located south of the Wakeham block. These claims are within 30 km of the Raglan Mine.

Bravo block is the newly acquired property conveniently located between Masuparia, Nuvulik, and Belanger block.

On June 20, 2007, the Company had closed its acquisition from Novawest Resources Inc. ("Novawest") of all of Novawest's interest in its properties in the Raglan belt and associated assets (the "Property"). As consideration for the sale of the Property, the Company has (i) paid to Novawest \$4 million by cash; (ii) issued to Novawest 5,000,000 shares; and (iii) issued 2,000,000 common share purchase warrants with each warrant entitling Novawest to purchase one common share of the Company at \$0.35 per share for a period of five years from the closing date.

The Company also agreed to complete a \$2 million exploration program on the Property during 2007 and has granted a 1% net smelter royalty on the Property to Novawest, with the exception of any portion of Property that carries any royalty to any other person. One half of the royalty may be purchased by the Company at any time for \$1 million.

On August 17, 2007, the Company announced that it had closed its acquisition from Cascadia International Resources Inc. ("Cascadia") of all of Cascadia's interest in its properties in the Raglan belt and associated assets (the "Property"). As consideration for the sale of the Property, the Company had (i) paid to Cascadia \$2 million; (ii) issued to Cascadia two million shares; (iii) issued two million common share purchase warrants, each warrant entitling Cascadia to purchase one common share of the Company at \$0.35 per share until August 16, 2012; and (iv) granted a 0.5% net smelter royalty on the Property to Cascadia, with the exception of any portion of the Property that carries any royalty to any other person, other than Novawest Resources Inc.

Exploration Results and Future Developments (Raglan Properties)

Since July 2007, over 420 surface grab samples and over 5,000 drill core samples were collected for assay and 132 diamond holes were drilled during the 2007 exploration program. Ground geophysical surveys, including transient electromagnetic (SQUID), MaxMin and ground magnetics were completed over target areas selected from the airborne EM (VTEM) survey of June-July 2007.

The mineral prospecting and geological mapping program collected over 420 surface grab rock samples for assay of base metal (nickel, copper, cobalt, sulfur) and precious metal (platinum, palladium, gold) contents. The samples were of massive, semi-massive, breccia-fill, net-textured, blebby and disseminated sulfides from surface sulfide showings (gossans) and ultramafic and mafic host rock units that crop out intermittently along the 50 km strike-length of the highly mineralized Belanger-Delta Horizon.

Assay results for the drill program and some of prospecting work were announced in a series of press releases through the fall of 2007 and into the late spring of 2008 (refer to the Company's website www.goldbrookventures.com).

The diamond drill program continued through to October 14, 2007. Resource definition drilling continued on the Getty and Sylvie target areas. Mineralized zone delineation drilling was carried out on the Timtu, R2 and Bravo B4 target areas. Exploration drilling was undertaken on the Bravo B1B3, Halifax, Wellington, Wackett, River North, Liberator and Mystery target areas. The planning of the drill holes was guided by the results of previous diamond drilling, mapping of surface gossans and favourable host units, and airborne and ground geophysical anomalies. Many of the drill holes encountered significant intersections of massive, semi-massive, breccia-fill, net-textured, blebby and disseminated nickel and copper sulfides. Down-hole electromagnetic surveys detected numerous in-hole and off-hole anomalies. All the drill holes were logged and a total of over 5000 samples collected for assay (see website www.goldbrookventures.com).

Drilling results from the 2007 program were such that the company has collected sufficient positive information to justify an initial resource estimate for the Getty and Sylvie zones. Exploration discovered significant nickel-copper-PGE sulphides on the Mystery prospect associated with significant VTEM and downhole geophysical responses and this will be followed up in the 2008 exploration program.

The 2008 exploration program will focus on developing additional Ni-Cu-PGE targets along the Belanger trend, drill testing the strong geophysical anomaly at Mystery, and carrying out geological mapping and prospecting along the Belanger trend and other areas of interest on the property to develop new exploration targets. Regionally the focus will be on improving the regional geological database so to better understand the setting of the sulphide deposits and assist in drill targeting. This work may include regional remote sensing surveys. In addition the company will investigate improvements to the camp and property infrastructure to provide added logistical efficiencies to the exploration program.

Results of Operations

The loss for the year ended April 30, 2008 was \$3,744,943 as compared with a loss of \$1,295,605 for the year ended April 30, 2007. The increases in the expenses for the current year were in the following categories:

- Stock option compensation expenses increased by \$1,397,250 comparing to the year ended April 30, 2007;
- Wages and salaries increased by \$240,671 due to the increased exploration activities during the current year;
- Consulting fees increased by \$99,032, professional fees increased by \$188,925, and regulatory fees increased by \$87,672 as a result of active property acquisitions and financing activities;
- Office expenses increased by \$134,173 due to the increased rent in the new office and rental of computer equipment;
- Management fees increased by \$123,500;
- Shareholders' relations & promotions expenses increased by \$46,366.

During the current year, a \$175,745 unrealized loss from marketable securities has been recorded as other comprehensive loss which is not included in the net loss.

Below is a comparison of the General and Administration Expenses during the years ended April 30, 2008 and 2007:

	April 30, 2008	April 30, 2007	Increase (Decrease)
Depreciation on property and equipment	8,878	5,480	3,398
Consulting fees	445,057	346,025	99,032
Office & general expenses	306,184	172,011	134,173
Management fees	221,000	97,500	123,500
Professional fees	348,428	159,503	188,925
Property investigation	-	2,277	(2,277)
Regulatory fees and services	142,324	54,652	87,672
Shareholders' communication, travel and promotions	454,974	408,608	46,366
Stock option compensation	1,544,930	147,680	1,397,250
Wages and benefits	339,677	99,006	240,671
Total	\$3,811,452	\$1,492,742	\$2,318,710

Investor Relations Activities

Currently, the Company has no formal arrangements in place with respect to investor relations. Three spokespersons are assigned to respond to any shareholder or investor calls. They are also responsible for handling shareholder mail-outs and represent the Company in trade shows and conferences.

During the current year, the Company issued press releases, responded to investor inquiries and conducted shareholder and investor mail outs.

Financings, Principal Purposes & Milestones

- On June 8, 2007, the Company closed its two private placements of flow-through units (the "FT Units") and units (the "Units"). Pacific International Securities Inc. ("PI") acted as agent for one of the private placements, pursuant to which the Company has issued 15,000,000 FT Units at a price of \$0.40 per FT Units and 1,693,000 Units at a price of \$0.35 per Unit, for gross proceeds of \$6,592,550. Gilford Securities Inc. ("Gilford") acted as agent for the other private placement, pursuant to which the Company has issued 17,820,034 Units at a price of \$0.35 per Unit, for gross proceeds of \$6,237,011.

Each FT Unit consists of: (a) one flow-through common share; (b) one half of one transferable non-flow-through share purchase warrant (an "A Warrant"), each whole A Warrant being exercisable into one common share for three years from closing date at a price of \$0.50; and (c) one half of one transferable non-flow-through share purchase warrant (a "B Warrant"), each whole B Warrant being exercisable into one common share for three years from the closing date at a price of \$1.00. Each Unit consists of: (a) one non-flow-through common share; (b) one half of one A Warrant; and (c) one half of one B Warrant.

As consideration for acting as agent, PI received a cash commission of \$254,278, 592,000 units with the same terms as the Units, and 1,669,300 agent's options (the "Agent's Options"). Each Agent's Option is exercisable for one common share for two years from the closing date at a price of \$0.50. As consideration for acting as agent, Gilford received a cash commission of \$436,590 and 1,782,003 Agent's Options. Legal fees and other expenses relating to the private placement incurred was \$25,782.

- On September 7, 2007, the Company closed its non-brokered private placement of flow-through units (the "FT Units") announced on August 13, 2007. An aggregate of 4,162,790 FT Units at \$0.43 per unit were placed, for gross proceeds of \$1,790,000.

In connection with the private placement, PI Financial Corp. will receive a cash finder's fee of \$100,240, 71,600 units (the "Finder's Units") and 416,279 warrants (the "Finder's Warrants"). Each Finder's Unit consists of: (i) one non-flow-through common share; (ii) one-half of one common share purchase warrant exercisable into one common share for a period of three years from the closing date at a price of \$0.50; and (iii) one-half of one common share purchase warrant exercisable into one common share for a period of three years from the closing date at a price of \$1.00. Each Finder's Warrant is exercisable for one common share for a period of two years from the closing date at a price of \$0.50.

- On September 28, 2007, the Company closed the brokered private placement of units acted by Cambria Capital, LLC (“Cambria”) as an agent. An aggregate of 12,551,357 units were placed for gross proceeds of \$4,392,975.

Each unit consists of (i) one common share; (ii) one-half of one transferable common share purchase warrant (an “A Warrant”), each whole A Warrant exercisable for one common share for three years from the closing date at a price of \$0.50; and (iii) one-half on one transferable common share purchase warrant (a “B Warrant”), each whole B Warrant exercisable for one common share for three years from the closing date at a price of \$1.00.

As consideration for acting as agent, Cambria received a cash commission of \$307,508 and 1,255,135 agent’s options (the “Agent’s Options”). Each Agent’s Option is exercisable for one common share for two years from the closing date at a price of \$0.50. An individual also received a cash finder’s fee of \$307,508 in connection with the private placement. \$44,843 expenses incurred relating to the private placement.

All of the securities issued pursuant to the private placement are subject to a hold period expiring four months and one day from the closing date.

- On October 22, 2007, the Company closed the first tranche of its non-brokered private placement of flow-through units (the “FT Units”). An aggregate of 5,430,000 FT Units were placed, for gross proceeds of \$2,334,900.

On November 23, 2007, the Company closed the second tranche of its non-brokered private placement of flow-through units. An aggregate of 650,000 FT Units were further placed in the second tranche, for gross proceeds of \$279,500.

Each FT Unit consists of one flow-through common share and one half of one transferable non-flow-through share purchase warrant (a “Warrant”). Each whole Warrant is exercisable into one common share for three years from the closing date at a price of \$0.50.

In connection with the private placement, PI Financial Corp. (“PI”) received a finder’s fee equal to 7% of the gross proceeds from the sale of the flow-through units, which PI has elected to receive as 104,576 units and \$146,406 in cash. The finder’s units have a deemed price of \$0.35 per unit and each finder’s unit consists of one common share and one half of warrant. PI will also receive warrants, which equal in number to 10% of the aggregate number of flow-through units sold that are exercisable for one common share for a period of two years from the closing date at a price of \$0.50. Escrow administration fees in the amount of \$4,927 incurred in connection with the private placement.

All of the securities issued pursuant to the private placement are subject to a hold period expiring four months and one day from the closing date.

- On April 8, 2008, the Company announced a non-brokered private placement to issue up to 20,000,000 units at a price of \$0.125 per unit to up to \$2,500,000. Each unit will consist of: (a) one common share; and (b) one common share purchase warrant. Each warrant is exercisable into one common share of the Company for a period of one year from closing at a price of \$0.25. This private placement was closed subsequently.

1.4 Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Q4 <u>30-Apr-08</u>	Q3 <u>31-Jan-08</u>	Q2 <u>31-Oct-07</u>	Q1 <u>31-Jul-07</u>	Q4 <u>30-Apr-07</u>	Q3 <u>31-Jan-07</u>	Q2 <u>31-Oct-06</u>	Q1 <u>31-Jul-06</u>
<i>Net sales</i>	-	-	-	-	-	-	-	-
<i>Net Loss:</i>								
Total	\$509,668	\$1,464,874	\$524,532	\$1,245,869	\$353,182	\$507,961	\$169,492	\$264,970
Per share	\$0.004	\$0.01	\$0.003	\$0.012	\$0.005	\$0.01	\$0.003	\$0.004
Per share diluted	\$0.004	\$0.01	\$0.003	\$0.012	\$0.005	\$0.01	\$0.003	\$0.004

Discussion

For the year ended April 30, 2008, please refer to Section 1.4 - *Results of Operations*. Non-cash stock-based compensation expenses of \$833,000 were recorded in the quarter ended January 31, 2008 and \$711,930 in the quarter ended July 31, 2007.

1.5 Liquidity

As the Company has no revenue generating projects at this time, the ability of the Company to carry out its business plan rests with its ability to secure equity and other financings.

At April 30, 2008, the Company has total assets of \$44,751,131. The primary assets of the Company are cash of \$127,779, accounts receivable of \$9,053,062, marketable securities of \$219,260, deposits on mineral properties of \$10,000, and mineral properties with a historic cost of \$32,240,199. The Company has no long-term liabilities and has working capital of \$5,446,422.

The Company will require additional financing to fund any new acquisitions, exploration programs as well as its holding costs on all of its properties. The ability of the Company to successfully fund the Ungava properties and to acquire additional projects is conditional on its ability to secure financing when required. The Company proposes to meet any additional financing requirements through the exercise of outstanding warrants, or arranging other forms of equity financing. In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions will be possible at the times required or desired by the Company.

1.6 Capital Resources

The only capital resource of the Company is the mineral properties with a historic cost of \$35,240,199. The Company is committed to further expenditures on these properties, as detailed in Section 1.4 - *Results of Operations*.

1.7 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.8 Transactions with Related Parties

The Company retains the services of certain directors and officers of the Company, or by companies controlled by directors, officers, and related parties. Fees are paid for these services on a month-by-month basis without formal agreements.

There is no amount due to related parties included in accounts payable and accrued liabilities at April 30, 2008 (April 30, 2007 - \$Nil).

During the years ended April 30, 2008 and 2007, the Company was charged the following amounts by directors and officers, and their immediate family of the Company or by companies controlled by directors, officers, and related parties:

	Year ended April 30,	
	<u>2008</u>	<u>2007</u>
Consulting fees		
- Financial	\$ 30,000	\$ 30,000
- Marketing	51,950	44,000
- Shareholders' communication	63,750	63,750
Management fees	221,000	97,500
Professional fees	45,600	-
Salaries	129,890	-
Website fees	32,175	20,250
Deferred exploration costs	172,880	151,500
Total	<u>\$ 747,245</u>	<u>\$ 407,000</u>

During the year ended April 30, 2008, the Company acquired 366,800 common shares of Masuparia Gold Corporation ("Masuparia"), a company with common directors and management, by exercising share purchase warrants. The Company also disposed 100,000 common shares of Inlet Resources Ltd., a company with common directors and management, during the current year .

On August 30, 2004, the Company issued 3 million common shares to Masuparia in accordance with a property acquisition agreement. Those shares were held in escrow by the Company's escrow and transfer agent, and were fully released in February 2008.

On August 31, 2004, the Company issued 3 million common shares to Inlet Resources Ltd., a company with common directors and management, in accordance with a property acquisition agreement. Those shares were held in escrow by the Company's escrow and transfer agent, and were fully released in September 2006.

As at April 30, 2008, accounts receivable include miscellaneous expenses paid on behalf of a company with common directors and management in the amount of \$12,493 (2007: \$605).

1.9 Fourth Quarter

Fourth quarter results do not differ significantly from other quarters.

1.10 Proposed Transactions

None.

1.11 Critical Accounting Estimates

N/A

1.12 Changes in Accounting Policies

Effective May 1, 2007, the Company has adopted three new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants ("CICA") in 2005. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Financial Instruments – Recognition and Measurement (CICA Handbook Section 3855 and 3561)

In accordance with this new standard the Company now classifies all financial instruments as either held-to-maturity, available-for-sale, held for trading or loans and receivables. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive loss. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of loss.

Comprehensive Income (CICA Handbook Section 1530 and 3251)

The standard introduces the concept of comprehensive loss, which consists of net loss and other comprehensive loss. The Company's financial statements now include a Statement of Comprehensive Loss integrated with the statement of operations, which includes the components of comprehensive loss. For the Company, other comprehensive loss ("OCL") is comprised of the unrealized gains on available-for-sale financial assets arising during the year.

Cumulated changes in OCI are included in Accumulated Other Comprehensive Income (“AOCI”), which is presented as a new category within shareholders’ equity on the balance sheet.

Hedges (CICA Handbook Section 3865)

The new standard specifies the criteria under which hedge accounting can be applied and how hedge accounting can be executed. The Company has not designated any hedging relationships.

1.13 Financial Instruments and Other Instruments

For cash and equivalents, accounts receivable, marketable securities, and accounts payable and accrued liabilities, the carrying amounts of these financial instruments approximate their fair value.

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 statements.

The recoverability of the amounts capitalized for the mineral properties under exploration is dependent upon the determination of economically recoverable ore reserves, the ability to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

1.14 Other MD&A Requirements

Disclosure of Outstanding Share Capital (as at April 30, 2008)

	<u>Number of shares</u>	<u>Value</u>
Common Shares issued	148,289,700	\$ 41,081,214

	<u>Number of shares</u>	<u>Potential cash generated at exercise</u>
Incentive Stock Options	12,851,000	\$ 3,337,780
Warrants	91,167,916	\$ 59,291,471

Additional Disclosure

The Company is a venture issuer that has not had significant revenue from operations in either of its last two financial years. The Company has capitalized all expenditures relating to the exploration of its mineral properties. Details of deferred expenditures for each property are as follows:

Summary of Mineral Properties – April 30, 2008

Refer to the financial statements and notes of the Company.

Other Information

On January 14, 2008, the Company announced the appointment of Brian Grant, PGeo. as President, Chief Operating Officer, and Director of the Company. In addition, David Baker will move to the position of Chairman, and Chief Executive Officer.

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Subsequent Events

- On June 4, 2008, the Company announced that further to its press release dated March 28, 2008 regarding to a letter of intent with Hunter Dickinson (Acquisitions) Inc. (“HD”) (Note 6(k)), HD and the Company have decided to suspend discussions regarding a possible joint venture for the exploration of the Raglan District Properties in Northern Quebec until Wardrop Engineering Inc. completes a National Instrument 43-101 compliant resource estimate report for the Getty and Sylvie showings. There is no certainty as to whether an agreement, whether on the previously announced terms or at all, will be reached and any transaction will remain subject to due diligence by HD, approval of the TSX Venture Exchange, board approvals and the execution of definitive documentation.
- On June 18, 2008, the Company closed its non-brokered private placement previously announced on April 8, 2008 and increased the size on May 30, 2008. The Company issued 21,887,000 units at a price of \$0.125 per unit for gross proceeds of \$2,735,875. Each unit consists of: (a) one common share; and (b) one common share purchase warrant. Each warrant is exercisable into one common share of the Company for a period of one year from the closing at an exercise price of \$0.25.

The Company plans to use the proceeds from the private placement for general working capital purposes. Certain insiders participated in the brokered private placement. A finder’s fee of \$11,875 and 1,020,000 units was payable in connection with a portion of the private placement. All of the securities issued pursuant to the private placement are subject to a hold period expiring four months and one day from the closing date.

- On June 20, 2008, the Company announced that it had entered into a letter of intent (the “LOI”) with Jilin Jien Nickel Industry Co., Ltd. of Panshi, Jilin, China (“Jien”) with respect to a joint venture for the exploration and development of the Company’s Raglan District Properties (the “Property”) comprising some 891,000 acres in Northern Quebec. The LOI is subject to due diligence by Jien which must be completed within 45 days, approval of the TSX Venture Exchange, board approvals and the execution of definitive documentation. Pursuant to the letter of intent:

- Jien may earn a 50% interest in the Property by providing funding of \$45 million over three years for exploration on the property (plus any funds rebated by the government for expenditures during the first two years), with a minimum expenditure in the first year of \$12.5 million, a minimum of \$15 million in the second year plus any rebates for expenditures in the first year and a minimum expenditure in the third year of \$17.5 million plus any rebates for expenditures in the second year.
- Upon Jien acquiring a 50% interest, any government rebate from exploration expenditures in the third year will be applied to a fourth year work program and other costs will be funded 50% by Jien and 50% by the Company.
- Jien may earn an additional 10% interest by funding and completing a pre-feasibility study.
- Jien may earn an additional 10% interest by funding and completing a bankable feasibility study.
- Jien may earn an additional 5% interest by providing the Company its share of financing for development on commercial terms (at the Company's request) in which case the Company will repay its share of the debt from a portion of the net cash flow from production.

Jien has advanced \$5 million to the Company as an advance on the first year's minimum expenditure. If the Company or Jien decide not to enter into definitive documentation, the Company will repay the \$5 million advance plus interest at LIBOR by no later than December 31, 2008. The Company will repay this amount from rebates from the Quebec government.

Jien is one of China's largest producers of nickel, copper and cobalt sulphates, as well as other nickel (Ni) products including Ni chloride, Ni fluoride, Ni acetate, Ni hydroxide, Ni matte and electrolytic Ni. With profitable operations spanning exploration, mining, smelting, refining, and research, Jien brings extensive experience, technical expertise and financial resources to the benefit of a joint-venture with the Company.

The Company has terminated discussions with Hunter Dickinson with respect to a possible joint venture on the Property.

- On July 18, 2008, the Company announced that pursuant to the company's stock option plan, an aggregate of 5,000,000 incentive stock options had been granted to certain directors, officers, employees and consultants. The options have an exercise price of \$0.125 with a five year term.

- On August 7, 2008, the Company announced that further to its news release of June 20, 2008 announcing the execution of a letter of intent (the “LOI”) with Jilin Jien Nickel Industry Co., Ltd. (“Jien”), that the Company and Jien have agreed to extend the date by which the obligations set out in the LOI, including the completion and signing of a joint venture agreement, must be completed to August 15, 2008. In consideration of the extension of the LOI and to continue funding the current exploration program in Raglan, Jien has provided the Company with an additional \$1.5 million. If the Company or Jien decide not to enter into definitive documentation, the Company will repay the \$1.5 million, together with the \$5 million previously advanced under the LOI, plus interest at LIBOR, by no later than December 31, 2008. The Company will repay this amount from rebates from the Quebec government. The transaction remains subject to approval of the TSX Venture Exchange, board approvals and the execution of definitive documentation.