

**SKYGOLD VENTURES LTD.**  
**Management Discussion & Analysis**

**FORM 51-102F1**

**For the Period Ending**

**March 31, 2009**

## Skygold Ventures Ltd. MD&A for the period ending March 31, 2009

The following is the management discussion and analysis ("MD&A") of the financial position of Skygold Ventures Ltd. ("Skygold" or the "Company"). The results of operations of the Company should be read in conjunction with the unaudited consolidated financial statements including the notes thereto for the periods ending March 31, 2009 and 2008.

The accompanying unaudited consolidated financial statements and related notes are presented in accordance with Canadian generally accepted accounting principles. These statements, together with the following management's discussion and analysis dated May 28, 2009 ("Report Date"), are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as potential future performance. Please refer to the cautionary notices at the end of this MD&A, especially in regard to forward looking statements.

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

### Overall Performance

Skygold Ventures Ltd. is an exploration stage company engaged in the acquisition, exploration and development of mineral properties. The Company's primary asset is the Spanish Mountain property located approximately 180 kilometres north of Kamloops, British Columbia. The SHG property group, which is both on trend and with similar geological setting to the Spanish Mountain property, is also a focus of exploration.

Under the Plan of Arrangement Agreement with Wildrose Resources Ltd. ("Wildrose") effective June 27, 2008, the Company acquired 100% of the issued and outstanding common shares of Wildrose, thereby, acquiring Wildrose's 30% interest in the Spanish Mountain property. The fair value of the Company's shares was used to determine the purchase price. The acquisition was accounted for using the purchase method of accounting at the date of signing of the definitive agreement. The allocation to the Spanish Mountain mineral property interests acquired amounted to \$26,165,882.

Activity of the Company is generally dependent on the sources of capital and access to funding in the capital markets. While events in the latter part of 2008 have significantly impacted the junior resource sector, the Company has been able to meet its capital obligations and commitments to fund its mineral properties. This was primarily achieved through a short form prospectus offering that was completed in July. The Company raised \$11,031,600 through the issuance of 13,386,000 flow-through common shares and 5,000,000 units. Exploration activity at the Company's projects amounted to \$10,146,338, of which \$8,882,479 was spent on the Spanish Mountain property.

In early 2009, the Company announced an updated resource estimate (NI 43-101 compliant) for the Main zone at the Spanish Mountain project. The updated measured and indicated gold resource is 102.26 million tonnes at an average grade of 0.785 g/t (2.58 million ounces gold) and an inferred resource of 11.65 million tonnes at an average grade of 0.787 g/t (290,000 ounces gold), in each case based on a cut-off grade of 0.50 g/t gold. This updated resource represents an increase of 47% when compared to the initial resource estimate previously completed on April 3, 2008. The expansion of the Main Zone was driven by the efforts of the 2008 diamond drilling program.

Spanish Mountain updated resources (at a 0.50 g/t gold cut-off)

| Classification       | Gold Cut-off (g/t) | Tonnes      | Gold (g/t) | Gold (ounces) |
|----------------------|--------------------|-------------|------------|---------------|
| Measured             | 0.50               | 44,260,000  | 0.826      | 1,180,000     |
| Indicated            | 0.50               | 58,000,000  | 0.754      | 1,410,000     |
| Measured & Indicated | 0.50               | 102,260,000 | 0.785      | 2,580,000     |
| Inferred             | 0.50               | 11,650,000  | 0.787      | 290,000       |

Spanish Mountain updated resources (at a 0.70 g/t gold cut-off)

| Classification       | Gold Cut-off (g/t) | Tonnes     | Gold (g/t) | Gold (ounces) |
|----------------------|--------------------|------------|------------|---------------|
| Measured             | 0.70               | 23,300,000 | 1.038      | 780,000       |
| Indicated            | 0.70               | 24,910,000 | 0.977      | 780,000       |
| Measured & Indicated | 0.70               | 48,210,000 | 1.007      | 1,560,000     |
| Inferred             | 0.70               | 5,790,000  | 0.979      | 180,000       |

The Main Zone updated resource estimate at a cut-off grade of 0.3 g/t gold is as follows:

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| Classification       | Gold Cut-off (g/t) | Tonnes      | Gold (g/t) | Gold (ounces) |
|----------------------|--------------------|-------------|------------|---------------|
| Measured             | 0.30               | 77,110,000  | 0.641      | 1,590,000     |
| Indicated            | 0.30               | 133,610,000 | 0.547      | 2,350,000     |
| Measured & Indicated | 0.30               | 210,710,000 | 0.581      | 3,940,000     |
| Inferred             | 0.30               | 24,760,000  | 0.574      | 460,000       |

During the twelve month period ending December 31, 2008 the Company raised gross proceeds of \$11,031,600 through a short form prospectus offering. The Company issued 5,000,000 units and 13,386,000 flow-through common shares. Each unit was priced at \$0.60 and consisted of one common share and one-half of one common share purchase warrant. Each full warrant is exercisable at a price of \$0.70 for a period of 24 months from closing. Each flow-through share was priced at \$0.60. Under the agent's over-allotment option, the Company raised gross proceeds of \$43,200 by issuing 360,000 share purchase warrants at a price of \$0.12 per share purchase warrant.

Administrative costs for the period total \$260,476 which represents a 61% decrease over administrative costs for the same period in 2008 (\$673,076). Most of the decrease was due to costs associated with contract wages \$90,608 (2008 - \$174,766), investor relations \$61,928 (2008 - \$99,333). Consulting fees \$28,059 (2008 - \$111,019) and legal \$9,527 (2008 - \$188,638) that are significantly lower than in 2008. This decrease is primarily a result of the Company's reduced corporate and exploration activity in comparison to the first quarter of 2008.

### Spanish Mountain

Spanish Mountain is located in south-central B.C. near the historic placer mining town of Likely, approximately 15 kilometres northeast of the Mount Polley mine and 30 kilometres north of Cariboo Rose Resource's Woodjam project. The property covers 161 mineral claims (4,000 hectares) and two placer claims.

The focus of exploration over the past four years has been to expand the current size of the known zone of gold mineralization at Spanish Mountain. A gold bearing trend has been projected for over 2000 metres in length by 600 metres wide and remains open to the north, south and depth. Much of the drilling between 2005-2007 concentrated on exploring the Main Zone of potential bulk mineable style mineralization as well as to test for mineralization on geochemical and geophysical anomalies away from the Main Zone. The 2008 drill program was designed to continue testing for Main Zone mineralization to the east and west of the zone and to better define the mineralized zone to update the gold resource. Limited drilling was carried out in the Cedar Creek and Placer areas to test geochemically anomalous gold zones.

The program was successful in delineating the eastern and western limits of the Main Zone and delivered a new resource which marked a 47% increase in size over the previous resource. The program was also successful in establishing a new geological and mineralization model which has led to new targets to the north, south and below the Main Zone resource.

Drilling began on the Ropes of Gold ("R.O.G.") target area and has led to the recognition of a central structure which may be linked back to the Main Zone. The R.O.G drill program now hosts a small portion of the inferred resource on the property and remains open for follow-up drilling.

All assay results have been received for the 2008 drill program and an updated resource estimate was reported on March 18, 2009. A new 3-D geological and mineralization model was also completed in 2009. Other work on the property in 2008 included continuing environmental monitoring stations (weather and water quality) and detailed geological mapping and sampling.

### SHG Property Group, B.C.

In July 2006, Skygold acquired a 100% interest in 816 claims, the SHG (Sediment Hosted Gold) property group, comprising four separate properties with a combined area of more than 373,000 hectares (923,000 acres) in central British Columbia. These individual properties are: Prince George, Manson Creek, Spanish Creek and MT. The Dunkley property though not contiguous is considered part of the Prince George property due to its proximity. All of the properties are on trend and cover ground with a similar geological setting to the Spanish Mountain property.

The land package was acquired from the Hunter Exploration Group ("HEG"). Utilizing geological, geochemical and geophysical data, HEG targeted areas with a similar geological setting to the Spanish Mountain deposit. Under the terms of the agreement Skygold has made a one time payment to HEG of \$300,000 and has issued 525,000 units. Each unit consists of one common share of Skygold and one share purchase warrant. The warrants are convertible over a two year period at \$1.60 in year one and \$2.00 in year two. HEG will retain a 2% NSR (Net Smelter Royalty), of which Skygold can buy back 1% for \$1,000,000.

The focus of the 2006 exploration program on the SHG property group was to complete a reconnaissance scale exploration program consisting of geochemical sampling, geological mapping and prospecting to develop specific exploration targets for follow-up in 2007.

Based on the results of the 2006 program which developed specific targets for follow-up in 2007, the SHG property group was consolidated to approximately 140,000 hectares by allowing peripheral claims around the Prince George property to lapse. These lapsed claims were not considered prospective for mineralization.

The Company has undertaken diamond drilling, geological mapping, soil and silt sampling, trenching and prospecting on all of the properties within the SHG Property Group. The SHG Property Group has been subdivided into four claim groups or properties. Separate work programs were carried out on each property and are highlighted below.

1. Manson Creek Property

Results of the 2006 heavy mineral sampling program identified 12 drainages strongly anomalous in gold as well as a number of weaker gold anomalies and, on separate drainages, a strong platinum anomaly and a strong palladium anomaly.

Geochemical sampling in 2007 has outlined a large area (approximately 5 kilometres by 4 kilometres) of anomalous gold trends parallel to major geological contacts and structures. Contact parallel mineralization is recognized at Skygold's Spanish Mountain Project and is a common element in many large Sediment Hosted Vein ("SHV") deposits around the world. The anomalies occur in discrete trends parallel to major geological contacts and structures and are composed of multiple or single point anomalies greater than 40 ppb gold with spot values as high as 766 ppb or 0.76 g/t gold.

In September, 2008 an airborne geophysical survey was flown over a portion of the Manson Creek property. Results from the geophysical survey, along with the 2007 geochemical sampling were used to plan and complete an 8 hole 1585 metre drill program. The drill program was successful in indentifying alteration zones within favorable host rocks, but did not return any significant gold intercepts. Although the results were poor, other areas of the property remain un-tested and will be explored with mapping, trenching and sampling in 2009.

2. Prince George Property

Work conducted by Skygold in 2006 outlined anomalous to strongly anomalous gold values in stream sediments and soil sampling. In 2007, follow-up soil sampling on a detailed grid has outlined a large gold soil geochemical anomaly with values up to 935 ppb or 0.935 g/t gold. The anomaly covers the entire 300 x 350 metre grid so the ultimate size of the anomaly is still unknown. Reconnaissance panning on the property has returned angular coarse gold grains indicating a very near source for the gold mineralization. Recent silt sampling in this area has returned gold values as high as 14092 ppb or 14.092 g/t gold. This anomaly is part of an anomalous gold trend, defined by silt, till and soil samples at least 4 kilometres long and remains open.

During September, 2008 a hand pitting program was completed to further test the nature of the gold mineralization within the large geochemical anomaly. Hand dug samples were run through a sluice box on site, partially panned and the concentrates sent to a lab for analysis. The results indicate that free gold in very low concentrations is present within a sandy till that underlies the anomaly. No further work was completed on this property in 2008. The 2009 program will consist of trenching, sampling and geological mapping.

3. Spanish Creek Property

Results from 2006 work identified a gold soil anomaly up to 700 metres wide with values ranging from 20 ppb to 500 ppb which was traced over a length of 800 metres and remains open in all directions. This anomaly occurs in the same area where historical work identified a significant gold geochemical anomaly extending 1500 metres by 600 metres. Reconnaissance sampling in other areas of the property has identified additional gold soil anomalies and a strong heavy mineral anomaly in drainage in the Bosk Lake area.

Work in 2007 included trenching and rock sampling in the area of the large soil anomaly. The results indicated the soil anomaly was probably derived from a very local source. Trenching uncovered boulders, thought to be near bedrock, of argillite with quartz veining and sulphide mineralization. The 2007 work helped to define a clear northeast – southwest trend to the soil anomaly.

A 2008 drill program designed to test the soil geochemical anomaly was completed in September. In total, 7 holes in 1554.69 metres were completed. 5 of these holes intersected gold mineralization with the most significant being hole SC005 which intersected 2.5 metres of 45.49 g/t gold including 0.5 metres of 233 g/t gold. This hole is interpreted to lie within a corridor which extends for approximately 600 metres long within which there may be several sub-parallel gold bearing structures. A 2009 drill program is planned to follow-up these results.

4. MT Property

The 2006 heavy mineral sampling program identified strong gold anomalies along two placer gold creeks which appear to have a well-defined source in the central portion of the property. A separate RGC sample (420 ppb) provided a second target area on the claims. Work in 2007 included follow-up soil and rock sampling. Results from the MT property did not warrant holding the land position and as a result this property was allowed to lapse in January of 2008.

**Results of Operations**

Expenses for the three month period ending March 31, 2009 totaled \$260,476 representing a significant decrease of 61% over 2008 (\$673,076). In 2008, the increased expenses primarily related to the Company's corporate activity of the business combination with Wildrose Resources Ltd. and of the marketing efforts in connection with the short form prospectus financing.

Interest income totaled \$8,913 which was significantly lower than 2008 (\$43,356) and was derived from funds invested in Guaranteed Investment Certificates (GICs) and Bankers Acceptances with interest rates adversely affected by the financial crisis. The Company has no exposure to Asset Backed Commercial Paper.

On June 27, 2008, the Company completed the business combination with Wildrose whereby all of the issued and outstanding shares of Wildrose were acquired by the Company on the basis that shareholders receive 0.82 common shares of the Company in exchange for 1.0 common share of Wildrose. To be consistent with the Canadian Institute of Chartered Accountant Handbook rule 1581.25 the Company valued the transaction based on the value assigned to each share issued by the Company based on the average closing market price of the Company's shares over the two-day period before and after March 6, 2008, the date the definitive agreement was signed and announced. Using the purchase method of accounting, the purchase consideration is \$20,110,356.

On June 13, 2008 Christopher Lattanzi and James Clare were appointed directors of the Company.

Mr. Lattanzi is a mining engineer and was President of Micon International Limited, mineral industry consultants from its founding in 1988 to mid-2005. He has been active in the consulting area since 1967 when he joined David S. Robertson & Associates, Micon's predecessor firm. Prior to joining Robertson & Associates, he was in charge of mine design and operation for Canada's first oil sands operation. He has directed or participated in the preparation of feasibility studies for mineral deposits in Canada, the United States, Africa, Europe and Asia. These projects have involved base metals, precious metals and potash, and initial capital expenditures of up to about \$500 million. Mr. Lattanzi recently served as Chairman and lead director of Meridian Gold Corp. prior to that company's merger with Yamana Resources Inc.

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Mr. Clare is a lawyer at Fraser Milner Casgrain LLP in Toronto specializing in Mining, Corporate Securities, and Mergers and Acquisitions. Mr. Clare has worked at the Ontario Securities Commission in the Corporate Finance Branch and on numerous resource transactions in the resource sector. He has significant experience in Canadian and international public and private corporate finance transactions, representing both issuers and underwriters. He has also advised public issuers on general corporate and securities law matters including stock exchange listings, continuous disclosure obligations and other regulatory compliance issues. Mr. Clare also serves as a director of Riverside Resources Inc.

On July 2, 2008, Rupert Legge was appointed director of the Company. Mr. Legge is currently the Senior Vice President, Legal Affairs and Corporate Secretary for Plutonic Power Corporation, a company listed on the Toronto Stock Exchange that is developing "run of river" hydro-electric power generation projects. Prior to joining Plutonic in January 2008, Mr. Legge practiced securities and corporate finance law for more than 20 years at a major Vancouver law firm.

No incentive stock options were issued in 2008.

### **Summary of Quarterly Results**

The selected consolidated information set out below has been gathered from the previous eight quarterly financial statements for each respective financial period and is based on Canadian GAAP (in Canadian dollars):

|                    | <b>Revenue \$</b> | <b>Income (Loss) \$</b> | <b>Income (Loss) per share \$</b> |
|--------------------|-------------------|-------------------------|-----------------------------------|
| March 31, 2009     | Nil               | (251,563)               | (0.00)                            |
| December 31, 2008  | Nil               | 540,010                 | 0.01                              |
| September 30, 2008 | Nil               | (377,150)               | (0.00)                            |
| June 30, 2008      | Nil               | (408,834)               | (0.01)                            |
| March 31, 2008     | Nil               | (393,304)*              | (0.01)                            |
| December 31, 2007  | Nil               | 1,271,110               | 0.03                              |
| September 30, 2007 | Nil               | (173,772)               | (0.00)                            |
| June 30, 2007      | Nil               | (116,342)               | (0.00)                            |

\*Re-stated

Fluctuations in the Company's expenditures reflect the seasonal variations of exploration and the ability of the Company to raise capital for its projects. For example, most exploration activities occur in the summer months with an attendant increase in greater general and administrative expenses over the same period. Periods ending in December typically have fourth quarter adjustments resulting from future income tax recoveries or stock based compensation amounts for incentive stock options or warrants.

While most periods incur losses given the stage of the Company, the gains in December 31, 2008 and 2007 resulted from a future income tax recovery of \$887,581 and \$1,759,878, that offset the losses for the respective years.

For the three month period ending March 31, 2009, administrative expenses including interest income totaled \$251,563 along with exploration costs totaling \$173,055. Including exploration costs from previous periods the Company has expended \$47,506,223 on its exploration projects. Of that amount, \$44,028,579 has been spent on the Spanish Mountain property and \$3,477,644 on the SHG property.

### **Liquidity**

As of March 31, 2009, the Company had working capital of \$5,914,250 (2008 - \$3,771,420) and an accumulated deficit of \$5,420,494 (2008 - \$5,030,504).

At the period ending March 31, 2009, the Company had 87,009,515 shares outstanding and share capital of \$48,381,886. As at the date hereof, the Company has 87,009,515 shares outstanding and a share capital of \$48,381,886.

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At March 31, 2009, the Company had the following outstanding options and share purchase warrants available for exercise:

| Security | Number    | Exercise Price | Expiry (dd-mm-yy) |
|----------|-----------|----------------|-------------------|
| Options  | 200,000   | \$0.10         | 23-12-09          |
| Options  | 750,000   | \$0.42         | 22-07-10          |
| Options  | 127,100   | \$0.59         | 03-01-11          |
| Options  | 1,920,000 | \$1.60         | 02-06-11          |
| Options  | 500,000   | \$1.50         | 01-11-11          |
| Options  | 1,189,000 | \$1.22         | 10-01-12          |
| Options  | 82,000    | \$1.56         | 17-04-12          |
| Options  | 164,000   | \$1.49         | 28-05-12          |
| Options  | 213,200   | \$1.59         | 05-06-12          |
| Options  | 300,000   | \$1.25         | 11-12-12          |
| Warrants | 820,000   | \$1.34         | 30-04-09          |
| Warrants | 1,195,090 | \$0.60         | 31-07-09          |
| Warrants | 2,860,000 | \$0.70         | 31-07-10          |

Outstanding obligations include rent of office space, which is in the third year of a six-year lease ending March 31, 2013. The cost of the premises is shared primarily between the Company and four other companies. The Company's proportionate share of minimum annual rental payments under this arrangement is approximately payable as follows: 2009 - \$23,642, 2010 - \$25,858, 2011 - \$26,597, 2012 - \$26,597, and 2013 - \$6,649. The Company has commitments with respect to its leased vehicles. The minimum lease payments required under such leases are \$29,158 in 2009.

### **Capital Resources**

The Company's primary capital assets are mineral property assets. The Company capitalizes all costs related to the mineral properties until the properties are abandoned and written-off. The Company's mineral property agreements are non-binding and to date, the Company has spent \$47,506,223 including acquisition costs of \$27,992,079.

### **Transactions with Related Parties**

1. The Company was charged \$90,608 (2008 - \$81,266) for contract wages and administrative and management services, \$149,706 (2008 - \$4,294,728) for exploration costs, \$17,661 (2008 - \$12,698) for rental of premises, \$232 (2008 - \$39,508) for property costs and equipment, and \$44,628 (2008 - \$104,574) for the reimbursement of general and administrative expenses to companies in which a director is a principal. As March 31, 2009, \$112,540 (2008 - \$2,375,837) was owed to those companies and included in accounts payable.
2. The Company paid \$9,614 (2008 - \$7,762) to a director for consulting fees.

### **Financial Instruments and Other Instruments**

The Company has designated its financial instruments as follows:

- Cash and term deposits as held-for-trading;
- Amounts receivable as loans and receivables;
- Deposit for reclamation and security deposit as held-to-maturity; and
- Accounts payable and accrued liabilities as other financial liabilities

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The carrying amounts of the Company's financial instruments approximate their fair values due to the short-term maturity of these financial instruments. The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk refers to the potential that a counterparty to a financial instrument will fail to discharge its contractual obligations and arises principally from the Company's holdings of cash and term deposits. The Company manages credit risk, in respect of term deposits, by purchasing highly liquid, short-term investment grade securities held at a major Canadian financial institution. In regards to amounts receivable, the Company is not exposed to significant credit risk as they are due from governmental agencies. Concentration of credit risk exists with respect to the Company's cash and term deposits as all amounts are held at a single major Canadian financial institution. The Company's concentration of credit risk and maximum exposure thereto is as follows:

|                            | <b>2009</b>         | <b>2008</b>         |
|----------------------------|---------------------|---------------------|
| Term deposits              | \$ 3,053,639        | \$ 3,010,003        |
| Cash held in bank accounts | 284,795             | 411,731             |
|                            | <b>\$ 3,338,434</b> | <b>\$ 3,421,734</b> |

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Term deposits currently earn interest at a fixed rate of 0.42 and 0.57% ( 2008 – 3.409%) and mature on April 6 and 24, 2009, respectively (2008 – April 25, 2008).. The credit risk associated with cash and term deposits is minimized substantially by ensuring that these financial assets are placed with major Canadian financial institutions with strong investment grade ratings by a primary ratings agency.

The Company has no asset backed securities.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet commitments. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet its liabilities when due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company maintains sufficient cash and term deposits at March 31, 2009 in the amount of \$3,338,434 and receivables of \$2,760,641 in order to meet short-term liabilities. At March 31, 2009, the Company had accounts payable and accrued liabilities of \$219,819, which will be paid in fiscal 2009.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate, foreign currency and other price risk.

(i) Interest rate risk

The Company's cash held in bank accounts and term deposits earn interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of March 31, 2009.

(ii) Foreign currency risk

The Company's operations are located in Canada and accordingly, the Company is not exposed to significant foreign currency risk.

(iii) Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign exchange risk. The Company is not exposed to significant other price risk.

### **Proposed Transactions**

There are no proposed transactions.

### **First Quarter Adjustments**

There are no significant adjustments for the first quarter.

### **Outstanding Share Data**

As at March 31, 2009, the Company had the following common shares, stock options and warrants outstanding:

|   |            |
|---|------------|
| <b>Common shares</b>                    | 87,009,515 |
| <b>Stock options</b>                    | 5,445,300  |
| <b>Warrants</b>                         | 4,875,090  |
| <b>Fully Diluted shares outstanding</b> | 97,329,905 |

### **Off-balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

### **Disclosure Controls and Internal Controls Over Financial Reporting**

The Company's President & Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company.

In accordance with the requirements of Multilateral Instrument 52-109, Certification and Disclosure in the Company's annual and interim filings, evaluations of the design and operating effectiveness of disclosure controls and procedures and the design effectiveness of internal control over financial reporting were carried out under the supervision of the CEO and CFO as of the end of the period covered by this report.

The CEO and CFO have concluded that the design and operation of disclosure controls and procedures were adequate and effective to provide reasonable assurance that material information relating the Company would have been known to them and by others within those entities. The CEO and CFO have also concluded that the Company's internal controls over financial reporting are designed effectively, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

While there were no changes that occurred for the most recent fiscal period that have materially affected the Company's internal control procedures, the CEO and CFO will continue to attempt to identify areas to improve controls and intend to incorporate such improvement over the next fiscal period.

### **International Financial Reporting Standards ("IFRS")**

In February 2008, the Accounting Standards Board of the CICA confirmed that IFRS will replace Canadian GAAP for publicly accountable enterprises for fiscal years beginning on or after January 1, 2011. As a result, the conversion from Canadian GAAP to IFRS will be applicable to the Company's reporting for the first quarter of fiscal 2011 for which current and comparative information will be prepared on an IFRS basis. In light of these requirements, the Company has developed an IFRS transition project plan.

The Company's plan includes four phases: analysis, design and planning, solution development and implementation. The project timeline anticipates completing the analysis phase early in calendar 2009. At this point in the project, the Company is not able to reasonably estimate the financial reporting impact of the transition to IFRS.

### **Changes in Accounting Policies and Initial Adoption**

The CICA has issued the following new Handbook sections that were effective on January 1, 2008 for the Company:

- Section 3862, "Financial Instruments - Disclosures"
- Section 3863, "Financial Instruments - Presentation"
- Section 1535, "Capital Disclosures"

Section 3862 modifies the disclosure requirements for Section 3861, "Financial Instruments – Disclosure and Presentation", including required disclosure for the assessment of the significance of financial instruments for an entity's financial position and performance and of the extent of risks arising from financial instruments to which the Company is exposed and how the Company manages those risks. Section 3863 carries forward the presentation requirements of Section 3861.

Section 1535 establishes standards for disclosing information about an entity's capital and how it is managed. The entity's disclosure should include information about its objectives, policies and processes for managing capital and disclose whether it has complied with any capital requirements to which it is subject and the consequences of non-compliance.

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

In June 2007, the CICA amended Handbook Section 1400, "General Standards of Financial Statement Presentation", which requires management to make an assessment of the Company's ability to continue as a going-concern. When financial statements are not prepared on a going-concern basis, that fact shall be disclosed together with the basis on which the financial statements are prepared and the reason why the Company is not considered a going-concern. The new section was effective for years beginning on or after January 1, 2008.

#### **Other Requirements**

Additional disclosure of the Company's technical reports, material change reports, news releases, and other information can be obtained on SEDAR.

#### **Risks and Uncertainties**

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant source of operating cash flow and no revenues from operations. None of the Company's mineral properties currently have reserves. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish ore reserves.

The property interests owned by the Company, or in which it has an option to earn an interest are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Company's mineral properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously held an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

**Cautionary Notices**

The Company's consolidated financial statements for the period ended March 31, 2009, and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, *Continuous Disclosure Obligations* of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future exploration plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "RISKS AND UNCERTAINTIES" in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading "RISKS AND UNCERTAINTIES" and to those that may be discussed as part of particular forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that 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 the forward-looking statements. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

On Behalf of the Board,  
**Skygold Ventures Ltd.**

*"Brian Groves"*

Brian Groves,  
President