

SKYGOLD VENTURES LTD.
Management Discussion & Analysis

FORM 51-102F1

**For the Period Ending
September 30, 2006**

The following management discussion and analysis 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 audited financial statements including the notes thereto for the quarter ending September 30, 2006 and the year ending December 31, 2005.

The accompanying unaudited 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 **November 27, 2006** (“Report Date”), are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to the potential future performance. The information in the MD&A may contain forward-looking statements. These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

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

Overall Performance

Skygold Ventures Ltd. is an exploration company. Skygold’s primary focus is to explore and develop mineral properties until the properties become producing mines. Presently, Skygold is exploring and developing a gold property, called the Spanish Mountain property, located in the interior of British Columbia, Canada, about 180 kilometres north of Kamloops.

During the quarter ending September 30, 2006 the Company acquired a new property (SHG Venture property) comprising five separate properties (923,150 acres) in central British Columbia. The mineral claim land package is on trend and covers ground with a similar geological setting to the Spanish Mountain property.

With the continued interest in the precious and base metal market sectors, the Company has been able to meet its capital obligations and commitments to fund its mineral properties. During the third quarter ending September 30, 2006 the Company closed a financing on April 19, 2006. The financing consisted of a brokered and non-brokered private placement for \$13,461,144.30. On the brokered portion of the placement, the Company issued 3,540,000 flow through units at a price of \$1.50 per unit and 3,480,000 non flow through units at a price of \$1.35 per unit. On the non-brokered portion of the placement, the Company issued 520,962 flow through units at a price of \$1.50 per unit and 1,979,038 non flow through units at a price of \$1.35 per unit, for a combined placement of 4,060,062 flow through units and 5,459,038 non flow through units.

Each flow through unit consists of one flow through common share and one-half of one common share purchase warrant. Each unit consists of one non flow through common share and one-half of one common share purchase warrant. Each whole warrant is exercisable at a price of \$1.60 per common share for a period of 18 months expiring on October 18, 2007.

Proceeds from the offering will be used to finance further exploration on the Spanish Mountain property and for general working capital.

During the period ending September 30, 2006 the Company issued 2,069,367 shares on the exercise of warrants and 1,420,000 shares on the exercise of options, to raise gross proceeds of \$1,202,161.

Administrative expenses for the period ending September 30, 2006 were \$188,720 which is considerably lower than the same period in 2005, which was \$587,363. Most of the difference is attributable to stock-based compensation for 2005 which accounted for \$301,970.

Results of Operations

For the third quarter ending September 30, 2006 the Company incurred operating expenditures of \$188,720 compared to \$587,363 during the same period ending September 30, 2005. Most of the difference is attributable to stock-based compensation which accounted for \$nil (2005 - \$342,288). Other increases were attributed to investor relations expenses of \$63,131 (2005 - \$35,572) and contract wages of \$34,675 (2005 - \$18,600) mainly due to the Company's private placement financing and the extensive work program on the Spanish Mountain property.

Exploration expenditures for the quarter ending September 30, 2006 are \$2,076,982, which includes, \$184,922 in assay costs, \$818,327 in drilling costs, \$349,762 in geological consulting charges, \$130,929 in camp and field support costs and \$152,268 in travel and accommodation. Including previous periods, the Company has spent \$4,620,468 on the Spanish Mountain property and \$450,170 on the newly acquired SHG Venture property.

The focus of this year's exploration program on the Spanish Mountain property will be to extend the current extent of the known gold mineralization, gain a better understanding of the geological setting of the gold mineralization and provide a comparison of the results in the previous diamond drilling and reverse circulation drilling programs. The ultimate goal of the program is to put together a geological model that will allow Skygold/Wildrose to begin the process of defining a gold resource at Spanish Mountain.

The focus of this year's exploration program on the SHG Venture property will be 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.

Subsequent to period ending September 30, 2006, the Company announced that Mr. Jeffrey Pontius has been appointed to the Company's board of directors. Mr. Pontius has over 28 years in mining industry experience with much of his career devoted to the exploration and project development sector. He holds degrees from three Universities in Geology, Environmental Science and Economic Geology. Mr. Pontius has held a variety of management positions with various mining companies including most recently North American Exploration Manager for AngloGold Ashanti and his current position as President and CEO of International Tower Hill Mines Ltd. During his career he has been instrumental in the discovery and development of three mines including the Cripple Creek Deposit with reserves of over 7 million ounces operated by AngloGold Ashanti. Mr. Pontius brings a wealth of exploration discovery and project development knowledge to Skygold during its escalating Spanish Mountain development phase

The Company also announces it has granted director and employee incentive stock options to purchase up to 500,000 shares at a price of \$1.60 for a period of five years.

Spanish Mountain Property, Likely, B.C.

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

Wildrose's Woodjam project. The property covers 161 mineral claims (4,000 hectares) and two placer claims.

The primary objective for the 2006 drilling program is to complete a preliminary assessment of the anomalous trends identified in the 2003, 2004 and 2005 drilling exploration programs. Targets for the 2006 program are being selected on a basis of soil and geophysical surveys completed in 2003 and on mechanical trenching and the drill program completed in 2004 and in particular, the detailed drill program completed in 2005.

While the drilling during the 2005 phase of work has focused on the bulk mineable potential at Spanish Mountain, drilling has also begun to show continuity between high grade mineralization like that intersected in the upper portion of hole #264 (**6.4 metres of 10.8 gpt gold**).

Many of the deeper holes drilled in 2005 intersected more than one zone of gold mineralization. It is still not clear whether this is a result of multiple mineralized zones or structural repetitions of a single zone. In either case it opens up the potential of continuing to intersect additional zones at depth. Gold mineralization has now been expanded to over 1200 metres north-south, 300 metres east-west and to a depth of 200 metres and remains open in all directions.

The focus of 2006 diamond drill program will be to expand the current size of the known zone of gold mineralization at Spanish Mountain. A gold bearing trend has been projected for over 1200 metres in length by 250 metres wide and remains open in all directions. Much of the drilling in 2005 concentrated on exploring this Main Zone of potential bulk mineable style mineralization. The purpose of the 2006 drill program will be threefold. Holes will be located on the peripheries of the Main zone to increase its overall size; internal holes will be drilled to better define average grades and exploratory holes will be located on geochemical and geophysical anomalies away from the Main zone. The ultimate goal of the program is to define the geological model with adequate drill density that will allow Skygold/Wildrose to begin the process of defining a gold resource at Spanish Mountain.

Results to date continue to intersect and expand significant gold mineralization within the Main Zone. Drill hole 289 has intersected the widest interval of Lower Zone mineralization on the property. Highlights of the latest results within the Main Zone include hole 289 which was drilled to test the western extent of the central part of the zone. The hole intersected both upper and lower zone mineralization with the upper zone averaging **38.75 metres of 1.36 g/t gold** and the lower zone which averaged **109.5 metres of 1.02 g/t gold including 69.0 metres of 1.42 g/t gold which also included 42.0 metres of 2.02 g/t gold**. A higher grade section between the upper and lower zone averaged **9.0 metres of 5.78 g/t gold**. The entire mineralized intercept in this hole averaged **300.25 metres of 0.87 g/t gold**.

Holes 286, 287 and 288 were drilled to test the eastern extent of the central part of the Main Zone. Holes 287 and 288 intersected **30.0 metres of 1.04 g/t gold and 26.5 metres of 1.06 g/t gold** respectively. Hole 286 intersected wide zones of lower grade mineralization. Holes 286 and 287 also intersected a lower zone at the bottom of the holes which averaged **7.5 metres of 1.34 g/t gold and 30.0 metres of 0.76 g/t gold including 4.5 metres of 1.97 g/t gold** respectively.

The mineralization intersected in holes 287, 288 and 289 has increased the width of the central portion of the Main Zone by at least 150 metres which increases the overall width to over 350 metres. It is now believed that the 1.2 kilometres north-south corridor of mineralization represented in earlier

Skygold Ventures Ltd. MD&A for the period ending September 30, 2006

interpretations has a significant east-west component. The Company has planned to drill up to 30,000 metres during the 2006 field season.

Please refer to the Company's website at www.skygold.ca for the latest drill hole data.

SHG Venture Property, B.C.

The Company has also acquired a large land package comprising of five separate properties in central British Columbia. The land package covers ground within a similar geological setting to the Spanish Mountain project.

The land package consists of over 373,000 hectares (923,000 acres) of land acquired by the Hunter Exploration Group (HEG) in the fall of 2005. HEG recognized the potential regional significance of the Spanish Mountain deposit being explored by Skygold and Wildrose. Utilizing geological, geochemical and geophysical data, HEG targeted areas with a similar geological setting to the Spanish Mountain deposit. HEG is in the process of completing a reconnaissance scale exploration program consisting of geochemical sampling, geological mapping and prospecting. The focus of this program is to develop specific exploration targets for follow-up in 2007. As part of the acquisition agreement Skygold will be operator and will utilize the HEG crews to complete the first phase of exploration.

Under the terms of the agreement Skygold will make a one time payment to HEG of \$300,000 and issue 525,000 units. Each unit will consist of one common share and one share purchase warrant. The warrants are convertible over a two year period and are convertible at \$1.60 in year one and \$2.00 in year two. HEG will retain a 2% NSR (Net Smelter Royalty), Skygold can buy back 1% for \$1,000,000.

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:

	Revenue \$	Income (Loss) \$	Income (Loss) per share \$
September 30, 2006	Nil	(70,603)	0.00
June 30, 2006	Nil	(2,196,668)	(0.06)
March 31, 2006	Nil	(194,985)	(0.01)
December 31, 2005	Nil	(13,670)	0.00
September 30, 2005	Nil	(583,685)	(0.02)
June 30, 2005	Nil	(97,199)	0.00
March 31, 2005	Nil	(119,576)	(0.01)
December 31, 2004	Nil	(108,308)	0.00
September 30, 2004	Nil	(30,277)	0.00

Fluctuations in the Company's expenditures reflect the seasonal variations of exploration and the ability of the Company to raise capital for its projects. During the period ending September 30, 2006, the Company was engaged in surface exploration on the Spanish Mountain property and the SGH Venture property. Additionally, stock-based compensation and funding activities, coupled with investor relation activities, also increased expenses.

Liquidity

Skygold Ventures Ltd. MD&A for the period ending September 30, 2006

The consolidated financial statements are prepared on a 'going concern' basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As of September 30, 2006, the Company had working capital of \$12,141,826 (2005 - \$1,192,780) and an accumulated deficit of \$4,193,108 (2005 - \$1,730,852). The continued operations of the Company will depend on its ability to raise sufficient capital to complete its exploration projects and establish profitable future operations or realize proceeds from disposition of the properties.

The Company also has the following outstanding options and warrants:

Security	Number	Exercise Price	Expiry (dd-mm-yy)
Options	200,000	\$0.10	23-12-09
Options	850,000	\$0.42	22-07-10
Options	2,050,000	\$1.60	02-06-11
Warrants	1,142,521	\$0.50	09-08-07
Warrants	86,640	\$0.40/0.50	09-08-06/07
Warrants	5,517,625	\$1.60	18-10-07

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 \$5,070,638 including acquisition costs of \$340,000.

Transactions with Related Parties

- (a) The Company paid or accrued \$252,347 (2005 - \$81,401) for office and administrative costs and \$3,082,980 (2005 - \$533,679) for exploration costs to a company in which a director is a principal. As at September 30, 2006, the Company owed \$612,056 to this company.
- (b) The Company paid or accrued \$13,500 (2005 - \$13,500) for management fees and \$23,100 (2005 - \$19,447) for rental of premises to company in which a director is a principal. As at September 30, 2006, the Company owed \$7,773 to this company.
- (c) The Company paid \$49,978 (2005 - \$52,458) in legal fees to a firm in which an officer is a principal.

Changes in Accounting Policies including Initial Adoption

Effective January 1, 2004, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants, Section 3870 "Stock-Based Compensation and Other Stock-Based Payments" for accounting for stock-based compensation expense whereby all stock-based payments to directors, employees and non-employees, including awards that are direct awards of stock, call for settlement in cash or other assets, or stock appreciation rights that call for settlement by the issuance of equity instruments, granted on or after January 1, 2004, are accounted for using the fair value based

method, and are recorded as an expense in the period the stock-based payments are vested or the awards or rights are granted.

The change in accounting for stock based compensation has been adopted on a retroactive basis without restatement of the prior period's loss. An adjustment has been made to the opening deficit balance to record the fair value of those options granted, and which vested, to directors and employees prior to January 1, 2004.

Prior to January 1, 2004, the Company elected not to follow the fair value based method of accounting for stock options granted to directors and employees. No compensation expense was recognized when stock options were granted if the exercise price of the options granted was at market value. Any consideration paid by directors and employees on exercise of stock options or purchase of shares was credited to share capital. Additional disclosure of the effects of accounting for stock-based compensation to directors and employees as compensation expense, using the fair value based method, was disclosed as pro-forma information.

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

Skygold Ventures Ltd. MD&A for the period ending September 30, 2006

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.

On Behalf of the Board,
Skygold Ventures Ltd.

“Doug Fulcher”

Doug Fulcher,
President