

BEAR LAKE GOLD LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE 1ST QUARTER ENDED DECEMBER 31, 2008

The following management's discussion and analysis ("MD&A") of the operations, results, and financial position of Bear Lake Gold Ltd. dated February 16, 2009, covers the 1st quarter ended December 31, 2008 and should be read in conjunction with the unaudited consolidated financial statements and related notes for the three-month period ended December 31, 2008 (the "December 31, 2008 consolidated financial statements"). Readers should also refer to the Company's MD&A for the year ended September 30, 2008 and the consolidated financial statements for the years ended September 30, 2008 and 2007.

The December 31, 2008 consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Canada ("Canadian GAAP") following the same accounting policies and methods of computations as the consolidated financial statements for the years ended September 30, 2008 and 2007, except for the application of the modifications made to the General Standards of Financial Statement Presentation, as more fully described in the section entitled Changes in Accounting Policies.

All financial results are expressed in Canadian dollars unless otherwise indicated.

On September 16, 2008, NFX Gold Inc. ("NFX") and Maximus Ventures Ltd. ("Maximus") completed a business combination pursuant to a plan of arrangement (the "Transaction"). On the same day, NFX changed its name to Bear Lake Gold Ltd. ("Bear Lake" or the "Company"). Since Maximus has been identified as the acquirer for accounting purposes, the consolidated financial statements of Bear Lake are a continuation of the consolidated financial statements of Maximus, with the comparative information being that of Maximus.

On September 23, 2008, Bear Lake proceeded with the consolidation of its share capital on a two-for one basis. This consolidation resulted in each shareholder of the Company receiving one post-consolidation share for every two pre-consolidation common shares held. The number of shares, warrants and options as well as earnings per share data presented in this MD&A have all been adjusted to reflect the impact of this share consolidation.

BUSINESS OVERVIEW

Bear Lake is engaged in the exploration for gold in North America. Its primary assets are (i) a 100% interest in the Bear Lake, Cheminis, Fernland and Barber Larder projects and a 75% interest in the Swansea property, all of which form the Larder Lake gold project located in the Larder Lake area of eastern Ontario, (ii) an option to earn a 75% interest from Hope Bay Mining Ltd. (wholly-owned by Newmont Mining Corporation) in two properties on the Hope Bay gold belt located in Nunavut, (iii) an option to acquire a 50% interest in four properties known as the Lemoyne North Project in the James Bay area, in Québec and (iv) an option from a privately-held company to earn a 60% interest in the Unity property located in Idaho, USA. The Company is in the process of exploring its mineral projects and has not yet determined whether these properties contain mineral resources or mineral reserves. To this date, the Company has not generated any revenues from operations.

Exploration Activities

During the 1st quarter ended December 31, 2008, the Company incurred deferred exploration expenditures of \$1,132,989 compared to \$497,263 in 2007. A total of \$861,070 was incurred on the Larder Lake properties in Ontario, and \$271,311 was spent on the Unity property in Idaho. Of the total amount in deferred exploration expenditures incurred during the period, \$888,884 was spent on drilling and \$106,690 related to management, administration and labor costs.

Larder Lake Project, Ontario, Canada

On December 19, 2008, Bear Lake announced a Phase 1 exploration program at Larder Lake for its fiscal year 2009. During this Phase 1 program, the Company has planned a total of 11,000 meters of drilling for expenditures of \$1.7 million. Since October 2008, 5,369 meters of diamond drilling were completed at Larder Lake, of which 4 holes totaling 4,838 meters investigated the Bear Lake gold zone exclusively.

Progress on the program was slower than anticipated due to technical difficulties in drilling holes at-depth through difficult ground conditions. On January 22, 2009, the Company announced that the drilling contractor managed to drill successfully through the bad ground area associated with a fault located about half way between the carbonate and the flow mineralized zones at Bear Lake. This bad ground area is located at a safe distance from the mineralized zones. This fault was responsible for the abandonment of several deep holes drilled in 2008. These missing intercepts are important for a thorough evaluation of the Bear Lake zone. The Company anticipates returning in the next few weeks to most of the previously abandoned holes and deepen them to test the second mineralized zone without having to re-drill the holes entirely.

Bear Lake plans to complete a resource estimate for the Larder Lake project as soon as the drill-hole density is sufficient to meet National Instrument 43-101 requirements.

In order to accelerate the pace of the 2009 Phase 1 exploration program, the Company also announced that it had mobilized a third drill to investigate additional targets on the project. These targets are all located within the same rock units that host most of the gold occurrences along the Cadillac-Larder Lake Break, including the former Kerr Addison mine located 5 km to the east. As of this date, 1 hole is in progress in the Barber Larder area.

Hope Bay Project, Nunavut, Canada

Under the terms of an option and joint venture agreement dated September 10, 2004 between the Company and Hope Bay Mining Ltd. ("HB Mining") (a subsidiary of Newmont Mining Corporation), the Company can earn a 75% interest in the Chicago and Twin Peaks areas in the Hope Bay gold belt in Nunavut, by funding cumulative minimum exploration expenditures of \$3,250,000 by October 31, 2007 (which commitment has been met), \$5,250,000 by October 31, 2009, and \$7,250,000 by October 31, 2010.

During the option period, exploration work at Hope Bay is performed by HB Mining under work programs and budgets prepared by HB Mining and approved by the Company. Management of both companies are currently working on a work program and budget for 2009. It is anticipated that the work to be done in 2009 will test promising gold targets in the Twin Peaks/Discovery area.

Unity Project, Idaho, USA

On July 31, 2007, the Company entered into an option agreement with Unity GoldSilver Mines Inc. (a privately-held company) ("Unity") to earn a 60% interest in the Unity Property located in Idaho, USA. To earn its interest, the Company must incur US \$1,000,000 in exploration and development work and complete a positive feasibility study by November 2010. At December 31, 2008, the Company had incurred a cumulative amount of \$950,853 on the Unity Project.

Results from the 2008 drilling program are under evaluation and a decision is pending regarding the follow-up program. Due to the weather conditions, the project is and will remain inaccessible until the spring of 2009.

Qualified Person

The above technical information was reviewed by Mr. Bernard Boily, Vice President Exploration for the Company, a qualified person under the NI 43-101 regulation.

Selected Consolidated Financial Information

	December 31, 2008	September 30, 2008
	\$	\$
Balance Sheet		
Cash and cash equivalents (bank overdraft)	3,955,582	(35,289)
Asset-backed commercial paper ("ABCP")	2,991,386	3,434,386
Bank loan	(3,197,663)	(1,702,932)
Mineral properties and deferred exploration expenses	37,351,487	36,203,683
Total assets	46,487,508	42,209,505
Shareholders' equity	39,828,172	35,452,397
	1st Quarter ended December 31,	
	2008	2007
	\$	\$
Administration expenses	251,644	351,777
Interest income	(17,682)	(24,616)
Interest expense	15,690	-
Unrealized loss on marketable securities	177,820	-
Impairment charge on ABCP	443,000	100,000
Future income tax recovery	(1,317,384)	(1,569,520)
Net earnings	<u>446,912</u>	<u>1,142,359</u>
Basic and diluted earnings per share	0.01	0.03
Cash flows		
Operating activities	(48,965)	(266,909)
Investing activities	(2,195,283)	(461,500)
Financing activities	6,235,119	3,134,988

The December 31, 2008 consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Continued operations of the Company are dependent on its obtaining amended repayment terms on its current temporary credit facility (see section entitled ABCP and temporary credit facility) and/or obtaining additional financing, through various means including but not limited to equity financing.

Since its incorporation, the Company has not paid any cash dividends on its outstanding common shares. Any future dividend payment will depend on the Company's financial needs to fund its exploration programs and any other factor that the board may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

Results of Operations

During the 1st quarter ended December 31, 2008, the Company reported net earnings of \$446,912 (\$0.01 per share) compared to net earnings of \$1,142,359 (\$0.03 per share) during the corresponding period in 2007.

Administrative expenses totaled \$251,644 during the 1st quarter ended December 31, 2008 compared to \$351,644 during the comparative period ended December 31, 2007; the decrease in expenses is attributable to lower stock-based compensation, partially offset by higher management and administration expenses.

Interest income totaled \$17,682 during the 1st quarter ended December 31, 2008 compared to \$24,616 during the corresponding period in 2007, due to lower returns earned in 2008 compared to 2007. Interest expense of \$15,690 related to the temporary credit facility was incurred during the 1st quarter ended December 31, 2008 (nil during the comparative period).

An unrealized loss on marketable securities of \$177,820 was charged to earnings during the 1st quarter ended December 31, 2008 compared to nil during the comparative period in 2007.

An impairment charge against the value of ABCP held in an amount of \$443,000 was recorded during the 1st quarter ended December 31, 2008 (\$100,000 during the comparative period in 2007) (see more detailed discussion under *Asset-backed Commercial Paper* section).

Following the renouncement to flow-through share subscribers of eligible exploration expenditures in the amount of \$4,005,000 at December 31, 2008, the Company recorded, in accordance with applicable accounting policies, a future income tax recovery of \$1,241,550 (\$1,569,520 during the comparative period in 2007 on the renouncement to flow-through share subscribers of \$4,600,000 in eligible exploration expenditures) with a corresponding decrease to capital stock. A future income tax recovery of \$75,834 was also recorded during the 1st quarter ended December 31, 2008, based on the loss incurred the quarter and applied against the future income tax liability.

Selected Quarterly Financial Information

Period ended	Revenues (\$000)	Net earnings		Net earnings
		(loss)	(loss)	(loss) per share
		(\$000)		(\$)
December 2008	17.7	446.9	(1)	0.01
September 2008	0.9	(696.5)	(2)	(0.02)
June 30, 2008	6.4	(321.2)		(0.01)
March 31, 2008	21.2	(765.2)	(3)	(0.02)
December 31, 2007	24.6	1,142.4	(4)	0.03
September 30, 2007	19.5	(1,835.5)	(5)	(0.07)
June 30, 2007	63.6	(169.6)	(6)	-
March 31, 2007	43.1	(57.1)	(7)	-

(1) Includes an impairment charge on ABCP of \$443,000, an unrealized loss on marketable securities of \$177,820 and a future income tax recovery of \$1,317,384.

(2) Includes stock-based compensation cost of \$206,228, an impairment charge on ABCP of \$100,000 and an unrealized loss on marketable securities of \$94,130.

(3) Includes an impairment charge on ABCP of \$200,000.

(4) Includes an impairment charge on ABCP of \$100,000 and a future income tax recovery of \$1,569,520.

(5) Includes a write-down of deferred exploration expenses and mineral properties of \$855,228 and an impairment charge on ABCP of \$950,000.

(6) Includes a loss on marketable securities of \$40,000 and a write-down of deferred exploration expenses and mineral properties of \$77,265. The previously reported net loss of \$229,600 was adjusted to reflect a decrease in loss from marketable securities.

(7) Includes a gain related to marketable securities of \$170,150. The previously reported net loss of \$265,800 was adjusted to reflect an increase in gain related to marketable securities.

ABCP and temporary credit facility

At December 31, 2008, the Company held \$4,784,400 of non-bank sponsored ABCP (before accounting for an impairment charge). In mid-August 2007, the Canadian third-party ABCP market was hit by a liquidity disruption and since that time, no transactions within an active market have been entered into involving the ABCP securities held by the Company. On August 16, 2007, a group representing banks, asset providers and major investors agreed, pursuant to the Montreal Accord, to a standstill period in respect of ABCP sold by 23 conduit issuers. A Pan-Canadian Investors Committee (the "Committee") was subsequently established to oversee the proposed restructuring process and on March 20, 2008, the Committee released its proposed restructuring plan through an Information Statement in respect of a Plan of Compromise and Arrangement (the "Plan"), pursuant to the Companies Creditors Arrangement Act ("CCAA"). Noteholders approved the Plan on April 25, 2008 and Justice Campbell, presiding over the restructuring under the CCAA, approved the Plan on June 5, 2008. On August 18, 2008, the appeals court of Ontario confirmed Justice Campbell's decision, following various appeals, and on September 19, 2008, the Supreme Court of Canada released a decision denying leave to appeal from the decision of the Ontario Court of Appeal. On January 21, 2009, the Plan was fully implemented following the agreement to certain enhancements to the Plan.

At December 31, 2008, the Company estimated the fair value of the ABCP it holds and applied a total net impairment charge of \$1,793,000, including \$1,350,000 which had been recorded in prior periods. Additional information on the Company's estimation of fair value is included in note 6 to the December 31, 2008 consolidated financial statements.

On January 21, 2009, following the implementation of the restructuring plan, the Company received new notes of various classes issued by a trust referred to as Master Asset Vehicle 2, including senior notes (Class A1 and A2 notes) in the amount of \$2,949,000, which have been assigned an investment grade rating of A by DBRS Limited ("DBRS") and subordinated Class B and C notes in the amount of \$290,000, which have not been rated by DBRS. The Class A1 and A2 notes will pay interest and Class B and C notes will accrue interest with payments to be made only after the Class A1 and A2 notes have been fully repaid. The Company also received \$1,545,000 of notes referred to as Ineligible Asset Tracking Notes, which intent is to track the performance and repayment of the related underlying assets in certain conduits that have significant exposure to US residential mortgage market.

On August 30, 2007 (with subsequent amendments), as a result of the ABCP situation described above, the Company entered into a temporary credit facility of \$3,250,000 to fund working capital requirements. The facility is secured by the Company's investments in ABCP. As at December 31, 2008, the Company had drawn an amount of \$3,197,663 from the facility, which bears interest at prime less 1.50% and matures on March 31, 2009.

As a result of the implementation of the ABCP Plan, the Company and its lender are in the process of finalizing the required documentation to put in place a proposal received from the lender which would convert the temporary credit facility into two facilities, one with a minimum 2-year term and the other with a minimum 3-year term and which would, subject to certain conditions, limit the Company's losses to between 25% and 55% of the new notes received in exchange of the ABCP previously held.

Liquidity and Capital Resources

The Company had working capital of \$464,458 at December 31, 2008 compared to a negative working capital of \$3,338,763 at September 30, 2008. During the 1st quarter ended December 31, 2008, the Company had a negative operating cash flow of \$48,965 and it invested a total of \$2,195,283 on its mineral properties.

On October 23, 2008, the Company completed a brokered private placement for total gross proceeds of \$4,905,980. A total of 13,350,000 flow through common shares (the "FT Shares") at \$0.30 per FT Share and 3,003,267 units (the "Units") at \$0.30 per Unit have been issued. Each Unit issued consists of one common share of Bear Lake and one non transferrable common share purchase warrant, with each warrant exercisable to acquire one common share at \$0.40 per share until October 23, 2010. The Agents elected to receive their 5% commission in a combination of \$60,400 in cash and 616,330 Units. The Agents also received a total of 817,663

non-transferrable warrants to purchase up to 817,663 common shares of the Company at a price of \$0.30 per share until October 23, 2010.

On October 22, 2008, the Company entered into an agreement with each of its financial advisors to settle amounts owed to them for fees charged to the Company in connection with the business combination completed on September 16, 2008. In settlement of the amounts owed, totalling \$425,000, the Company issued an aggregate of 1,416,666 units of the Company at a price of \$0.30 per unit, with each such unit comprised of one common share of the Company and one non-transferable share purchase warrant entitling the holder to acquire one common share at \$0.40 per share until October 23, 2010.

At January 31, 2009, the Company has approximately \$3.7 million of available liquidity, including the unused portion of the ABCP-related credit facility. The Company's treasury is invested in highly liquid, low risk, short-term interest-bearing investments with maturities of 30 days or less. The Company has no cash flow generating operation and manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day projection, 180-day and 360-day lookout periods. The Company's ability to continue funding its exploration programs and to meet its corporate and administrative obligations is dependent on its obtaining amended repayment terms on its current temporary credit facility and/or obtaining additional financing, through various means including but not limited to equity financing. The amount and timing of additional funding will be impacted by, among others, the strength of the capital markets. In addition, the current economic environment has made access to capital increasingly difficult. Although the Company has been successful in the past in obtaining required financing, there can be no assurance that the Company will be able to access such financing or that it will be available on acceptable terms. In the event that the Company is not successful in raising sufficient funds, it may need to substantially reduce its activities.

The Company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to its shareholders. As long as the Company is in the exploration and development stages of its mining properties, it is not the intention of the Company to contract debt obligations to finance its work programs, except in exceptional circumstances, as has occurred in the case of contracting a credit facility to partially offset the impact of the ABCP situation, as described above. In the past, the Company has relied mostly on equity financing to meet its cash requirements and it will continue to rely on equity financing to fund its exploration activities. The Company's long-term financial success is highly dependent on management's ability to discover economically viable deposits and to obtain additional financing to fund the development of such deposits.

Off-Balance Sheet Arrangements

As of December 31, 2008, the Company has no off-balance sheet arrangements.

Related Party Transactions

During the 1st quarter ended December 31, 2008, the Company paid or accrued administration expenses of \$76,243 (\$36,003 in 2007) to Reunion Gold Corporation, a company with a common director and management, providing administrative services.

The amount due to Reunion Gold Corporation of \$31,516 at December 31, 2008 (\$83,021 at September 30, 2008) is non-interest bearing and has no specific repayment terms.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Book value of Mining Properties

At the end of each period, management reviews the carrying value of its resource properties to determine whether any write-down is necessary. Following this analysis, no write-down was deemed necessary as at December 31, 2008.

Changes in Accounting Policies

In June 2007, the CICA modified **Section 1400, *General Standards of Financial Statement Presentation***, in order to require that management make an assessment of the Company's ability to continue as a going concern over a period which is at least, but is not limited to, twelve months from the balance sheet date and to disclose any material uncertainties that cast doubt on its ability to continue as a going concern. These new requirements are effective for fiscal years beginning on or after January 1, 2008 and consequently, the Company has applied them as of October 1, 2008.

In February 2008, the CICA published **Section 3064, *Goodwill and Intangible Assets***, to replace Section 3062, Goodwill and Other Intangible Assets. Publication of this new Section also resulted in the withdrawal of Section 3450, *Research and Development Costs* and consequential amendments to certain recommendations in the CICA Handbook. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets by profit-oriented enterprises. The application of this new section on October 1, 2008 had no impact on the Company's financial statements.

International Financial Reporting Standards ("IFRS")

The Accounting Standard Board (AcSB) of the CICA has adopted a new strategy for convergence with IFRS for public companies. As confirmed by the AcSB on February 13, 2008, the conversion requires publicly accountable enterprises to fully adopt IFRS in 2011. The changeover date to IFRS is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The intention is presently to adopt IFRS, as published by the International Accounting Standards Board (IASB), without modification.

The Company's management is presently assessing the full impact that the adoption of IFRS will have on its financial statements and will continue to invest in training in order to ensure a timely conversion. In light of existing IFRS applicable to companies in the exploration stage, the Company does not anticipate significant changes to its existing accounting policies.

Financial Instruments

The Company's financial instruments at December 31, 2008 consist of cash and cash equivalents, marketable securities, amounts receivable, ABCP, bank loan, accounts payable and accrued liabilities and due to a related party. Other than marketable securities and ABCP, the fair value of these financial instruments approximates their carrying value. Other than ABCP and bank loan, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The Company's exposure to interest and credit risks arising from its ABCP is fully described in note 6 to these consolidated financial statements. A plus or minus 10% change in the value of the marketable securities would affect earnings by approximately \$11,000. A plus or minus 1% change in the prime lending rate would affect earnings by approximately \$32,000 over a 12-month period.

The Company has limited exposure to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates, as the amount of expenditures in foreign currency is not significant (approximately US \$233,000 during the 1st quarter ended December 31, 2008). The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Outstanding Share Data

As at February 16, 2009, the Company has:

- a) 82,369,302 common shares issued and outstanding;
- b) 11,918,059 share purchase warrants outstanding with exercise prices ranging from \$0.30 to \$0.80 per share, expiring by October 2010; and
- c) 7,325,000 stock options outstanding with exercise prices ranging from \$0.20 to \$1.60 and expiring between November 2009 and September 2013.

On January 30, 2009, the Company's Board of Directors a) confirmed that 217,500 of the 232,500 stock options granted on March 4, 2008 to two senior executives and an employee of the Company pending year-end performance review by the Compensation Committee have become exercisable; these options are exercisable for a period of five years at \$0.68 per share, the market closing price on the day preceding the grant; the remaining 15,000 stock options granted on March 4, 2008 will be cancelled; b) granted a total of 1,657,500 stock options to directors, officers and consultants of the Company; each stock option is exercisable at a price of \$0.275 per share for a period of 5 years from the date of grant; and c) 615,000 stock options which are subject to specific vesting conditions to be reviewed by the Compensation Committee of the Board, and will not be exercisable prior to a 2009 year-end performance review; these options will be exercisable for a period of five years at \$0.275 per share, the market closing price on the day preceding the grant.

Risks and Uncertainties

Exploration and mining risks

The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. Unprofitable efforts may result from the failure to discover mineral deposits or if mineral deposits are found, such deposits may be insufficient in quantity and quality to return a profit from production. There are currently no known bodies of commercial ore on the Company's projects and it is impossible to ensure that the exploration programs planned by the Company will result in a profitable commercial mining operation. Substantial expenses will be required to establish mineral resources through drilling, to develop metallurgical processes, to construct mining and processing facilities and to extract the metal from the mineral resources.

Financial risk

The Company has no history of earnings. The Company's projects are in the exploration stage only. The Company does not expect to receive revenues from operations in the foreseeable future, if at all. The Company expects to incur losses until such time as its prospect or any other properties the Company may acquire enter into commercial production and generate sufficient revenues to fund its continuing operations. Given the nature of capital market demand for speculative investment opportunities, there is no assurance that additional financing will be available at all or available on terms acceptable to the Company. In addition, the current economic downturn and global credit crisis has made access to capital even more difficult. There are currently no markets for the restructured notes received in exchange of the ABCP. Therefore, there is a significant amount of uncertainty in estimating the amount and the timing of cash flows that the Company may be able to receive from the disposal of these restructured notes.

Risk on uncertainty of title

Although the Company has taken steps to verify title to the 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 and non-compliance with regulatory requirements.

Environmental risk

The Company is subject to various environmental incidents that can occur during exploration work. The Company maintains an environmental management system including operational plans and practices.

Gold Price Volatility

The market price of the Company's common shares, its financial results and its exploration, development and mining activities may in the future be significantly and adversely affected by declines in the price of gold. Gold prices are volatile, can fluctuate widely and are affected by numerous factors beyond the control of the Company such as industrial and jewellery demand, forward sales by producers, the sale or purchase of gold by central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and other foreign currencies, and global or regional political and economic conditions. The price of gold has fluctuated widely in the past and future price declines in the market value of gold could cause continued exploration, development of and commercial production from the Company's properties to be impracticable.

Permits and licences

Although the Company is entitled to carry out its current drilling programs, the Company cannot be certain that it will receive the necessary permits on acceptable terms to conduct further exploration and to develop its projects. The failure to obtain such permits, or delays in obtaining such permits, could increase the Company's costs and delay its activities, and could adversely affect the operations of the Company.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and can produce economically. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Conflicts of Interest

Certain directors of the Company are also directors, officers or shareholders of other natural resource companies. Situations may arise where the directors of the Company may be in competition with the Company. Any conflicts of interest will be subject to and governed by the law applicable to directors' conflicts of interest. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors and officers of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Forward Looking Statements

This MD&A may contain forward-looking statements or information, within the meaning of Canadian securities laws. Forward-looking information does not relate to historical facts; it reflects the Company's views as of the date of this MD & A and is subject to a number of known and unknown risks and uncertainties beyond the Company's control. These include, without limitation, uncertainties related to: the effects on the Company of the current equity and credit market disruption; the Company's ability to raise sufficient financing to fund its planned work in a timely manner and on acceptable terms; the uncertainty in estimating the amount and the timing of cash flows that the Company may be able to receive from the disposal of the notes received in exchange of the ABCP; the possibility that required permits may not be obtained in a timely manner or at all; changes in planned work resulting from weather, logistical, technical or other factors; potential resources, exploration results, costs and supply of material relevant to the mining industry, and future plans and objectives of the Company. Many factors, both known and unknown, may cause the actual results, levels of activity, performance or achievement of the Company to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward looking statements and information.

Additional Information and Continuous Disclosure

This MD & A has been prepared as at February 16, 2009. Additional information on the Company is available through regular filings of press releases and financial statements on SEDAR (www.sedar.com) and on the Company's web site (www.bearlakegold.com).