

**DECADE RESOURCES LTD.**  
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)  
for the year ended April 30, 2009

**Introduction**

Decade Resources Ltd. (“the Company”) is a TSX Venture Exchange listed company. The Company is in the exploration stage and is engaged in the acquisition and exploration of mineral properties in British Columbia and Saskatchewan. The Company also holds an oil and gas drilling licence in British Columbia.

This discussion and analysis of financial position, results of operations and cash flows of Decade Resources Ltd. for the year ended April 30, 2009 includes information up to and including August 28, 2009 and should be read in conjunction with the Company’s annual audited financial statements for the year ended April 30, 2009. All dollar figures are in Canadian dollars.

For additional information, the reader is encouraged to review the Company’s statutory filings on [www.sedar.com](http://www.sedar.com).

**Disclosure Controls and Procedures & Internal Controls Over Financial Reporting**

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company’s board of directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The audit committee meets with management to review the financial statements and the MD&A, and to discuss other financial, operating and internal control matters.

**Cautionary Statement Regarding Forward-Looking Statements**

Certain statements contained in this MD&A constitute “forward-looking statements”. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which 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 such 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 and uncertainties set forth in this MD&A.

The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

**Overall Performance**

**Mineral Properties:**

The Company’s mineral properties are located near Stewart in Northwestern British Columbia and Wollaston Lake in Northeastern Saskatchewan.

Exploration and development costs on the Company’s mineral properties during the year ended April 30, 2009 were \$19,484.

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**Silver Crown**

On December 1, 2006, the Company entered into an option agreement with Silver Grail Resources Ltd. and Teuton Resources Corp. to earn a 100% interest in the Silver Crown Property. The Company can earn a 100% interest in the Silver Crown Property by spending up to \$1,500,000 on exploration expenditures on the property within five years of the date of the agreement, by making cash payments totalling \$100,000 (\$25,000 paid) within five years of the date of the agreement, by issuing 100,000 common shares of the Company at the date of signing the agreement (issued) and by issuing an additional 200,000 common shares on or before November 17, 2010. On commencement of commercial production the Silver Crown Property will be subject to a 2% net smelter return royalty in favour of the optionors.

The Company has completed drill 9 holes totalling over 4,500 ft. on the Silver Crown property. Total exploration and development costs incurred on the Silver Crown property to April 30, 2009 are \$463,703.

The Company negotiated a one year extension of the November 17, 2008 cash payment due on the Silver Crown option agreement which is now due on November 17, 2009.

**Red Cliff**

On November 19, 2008, the Company entered into an option agreement with a company with directors in common with the Company to acquire a 60% interest in the Red Cliff gold/copper property located in the Cassiar district approximately 25 miles north of Stewart, British Columbia. In order to earn the 60% interest the Company must incur exploration expenditures on the property of \$500,000 in the first year, \$500,000 in the second year and \$250,000 in the third year. To April 30, 2009, some initial road clearing and geological costs were incurred totalling \$9,270.

**Wollaston Lake**

By a purchase agreement dated April 27, 2007, the Company purchased a 100 % interest in eight mineral claims located in the Wollaston Lake area of Saskatchewan in consideration of the issuance of 450,000 common shares of the Company valued at \$45,000. The value was determined by the market price of the shares when issued. The Company has paid \$17,400 in staking costs and incurred exploration and development costs of \$46,536 on the Wollaston Lake claims. During the year ended April 30, 2009, the Company wrote off all costs incurred on these claims totalling \$108,936.

**Tiger Lily**

During the year ended April 30, 2008, the Company wrote off costs incurred on these claims totalling \$25,413.

**Hot Peach and Hot Cherry**

During the year ended April 30, 2008, the Company wrote off all costs incurred on these claims totalling \$25,263.

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**Kechika**

During the year ended April 30, 2008, the Company wrote off all costs incurred on these claims totalling \$40,373.

**Oil and Gas Property:**

**Pink Mountain**

The Company acquired a 100% interest in an oil and gas license located in British Columbia from a company with directors in common with the Company for \$153,858 and the possible future issuance of 1,000,000 common shares. The shares are to be issued if and when the property is placed into commercial production of more than 50 barrels of oil per day, including barrels of oil equivalent in natural gas, for 30 consecutive days. During the year ended April 30, 2009, the Company incurred exploration and development expenditures of \$60,466 on the Pink Mountain property. These expenditures included an airborne gas detection survey over the property.

**Selected Annual Information**

The following financial data is selected information for the most recently completed fiscal years:

	April 30, <u>2009</u>	April 30, <u>2008</u>	April 30, <u>2007</u>
Total revenues	\$ -	\$ -	\$ -
Net loss for the year	\$ (359,112)	\$ (405,455)	\$ (15,776)
Basic loss per share	\$ (0.03)	\$ (0.05)	\$ (0.01)
Total assets	\$ 1,078,281	\$ 876,006	\$ 533,599
Total long-term liabilities	\$ -	\$ -	\$ 20,264
Cash dividends per share	\$ -	\$ -	\$ -

**Results of Operations**

The following discussion should be read in conjunction with the financial statements and related notes thereto for the year ended April 30, 2009.

The Company incurred a net loss of \$359,112 for the year ended April 30, 2009 compared to a net loss of \$405,455 for the year ended April 30, 2008.

General and administrative expenses for year ended April 30, 2009 were \$454,715 compared to \$339,211 for the year ended April 30, 2008. Significant differences in comparison to the prior year were an increase in stock based compensation of \$75,518 due to more options vesting in the current year, an increase in management fees of \$25,600 due to a full year with two directors charging fees to the Company and an increase in investor relations of \$14,000 in support of financing efforts.

Other items for the year ended April 30, 2009 included \$108,936 for the write-off of the Wollaston Lake property while other items for the year ended April 30, 2008 included \$91,049 for the write-offs of the Kechika, Tigerlilly and Hot Peach and Hot Cherry properties.

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Cash used in operations for the year ended April 30, 2009 was \$332,822 compared to \$143,232 for the year ended April 30, 2008. The 2009 figure was higher due to the increase in management fees and investor relations and to the fact that the Company paid down its accounts payable and accrued liabilities from the prior year by \$157,791. Cash used in investing activities for the year ended April 30, 2009 was \$379,950 compared to \$434,764 during the year ended April 30, 2008 due to reduced exploration and development costs.

**Summary of Quarterly Results**

The following summary of quarterly results is derived from the Company's unaudited interim financial statements:

	Q4 Apr. 30, <u>2009</u>	Q3 Jan. 31, <u>2009</u>	Q2 Oct. 31, <u>2008</u>	Q1 Jul. 31, <u>2008</u>
Total revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss) for the quarter	\$ (234,595)	\$ 55,229	\$ (76,946)	\$ (102,800)
Basic and diluted loss per share	\$ (0.01)	\$ 0.00	\$ (0.01)	\$ (0.01)

	Q4 Apr. 30, <u>2008</u>	Q3 Jan. 31, <u>2008</u>	Q2 Oct. 31, <u>2007</u>	Q1 Jul. 31, <u>2007</u>
Total revenues	\$ -	\$ -	\$ -	\$ -
Net income (loss) for the quarter	\$ (175,341)	\$ (159,439)	\$ (19,139)	\$ (51,536)
Basic and diluted loss per share	\$ (0.02)	\$ (0.02)	\$ (0.00)	\$ (0.01)

**Liquidity and Capital Resources**

At April 30, 2009, the Company had working capital of \$2,523. The Company's working capital increased by \$89,052 during the year ended April 30, 2009. To date, the Company has been able to fund operations and resource property exploration through equity financings. The current financial equity market conditions and the inhospitable funding environment make it difficult to raise capital through the private placements of shares. The junior resource industry has been severely affected by the world economic situation as it is considered speculative and high-risk in nature, making it even more difficult to fund. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with any financing ventures.

During the three months ended July 31, 2008, the Company issued 10,000 common shares at \$0.20 per share pursuant to the exercise of the share purchase warrants for proceeds of \$2,000.

During the three months ended October 31, 2008, the Company issued 1,100,665 common shares pursuant to a private placement of 1,100,665 units at \$0.15 per unit for gross proceeds of \$165,100. Share issue costs of \$10,850 were incurred on the private placement which includes a charge of \$4,340 for the fair value of the agent's warrants.

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During the three months ended January 31, 2009, the Company issued 563,000 and 2,852,940 common shares pursuant to private placements of 563,000 and 2,852,940 units at \$0.15 and \$0.17 per unit respectively for gross proceeds of \$569,450. Share issue costs of \$104,661 were incurred on these private placements which includes a charge of \$37,012 for the fair value of the agent's warrants and compensation units.

***Subsequent to April 30, 2009:***

The Company completed a private placement of 1,416,666 units at \$0.06 per unit for proceeds of \$85,000. Each unit contained one common share and one share purchase warrant entitling the holder thereof the right to purchase an additional common share at \$0.10 per share for two years. Proceeds from the private placement will be used for working capital. There was no commission payable in connection with the private placement.

The Company completed a private placement of 3,000,000 units at \$0.05 per unit for proceeds of \$150,000. Each unit contained one flow-through common share and one share purchase warrant entitling the holder thereof the right to purchase an additional common share at \$0.10 per share for two years. Proceeds from the private placement will be used for exploration and development of the Company's resource properties. There was no commission payable in connection with the private placement.

The Company received \$95,446 of refundable mining tax credits from the Province of British Columbia.

**Off Balance Sheet Arrangements**

None.

**Transactions with Related Parties**

The Company incurred the following charges by directors of the Company or by companies with directors in common with the Company for the years ended April 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Mineral properties – deferred exploration costs		
Advances	\$ 3,000	\$ 32,000
Drilling	-	238,510
Geological	5,000	18,073
Oil and gas property – acquisition costs	-	153,858
Management fees	<u>48,000</u>	<u>22,400</u>
	<u>\$ 56,000</u>	<u>\$ 618,699</u>

At April 30, 2009, accounts payable and accrued liabilities include \$Nil (2008: \$161,294) due to directors of the Company or to companies with directors in common with the Company.

At April 30, 2009, the Company had advanced \$300,000 for a drilling and exploration program which is currently being undertaken on its Red Cliff property by another public company with common directors.

### **Fourth Quarter**

During the fourth quarter, management of the Company decided to abandon its interest in eight mineral claims located in the Wollaston Lake area of Saskatchewan. The Company wrote off all costs incurred on these claims totalling \$108,936.

### **Proposed Transactions**

None.

### **Critical Accounting Estimates**

Significant accounts that require estimates as the basis for determining the stated amounts include mineral properties and stock-based compensation.

The recoverability of the amounts capitalized for the undeveloped mineral properties and the oil and gas property is dependent upon the determination of economically recoverable reserves, confirmation of the Company's interest in the underlying claims, the ability of the Company to obtain the necessary financing to complete development of the properties and on future profitable production or proceeds from the disposition properties.

At April 30, 2009, management considers that no impairment provision is required to the carrying costs of its remaining mineral properties or the oil and gas property.

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

### **Changes in Accounting Policies**

The Company's significant accounting policies are summarized in Note 2 to its April 30, 2009 annual audited financial statements.

### ***Adoption of New Accounting Standards***

#### Capital Disclosures and Financial Instruments – Disclosures and Presentation

On December 1, 2006, the CICA issued three new accounting standards: Handbook Section 1535, Capital Disclosures, Handbook Section 3862, Financial Instruments – Disclosures, and Handbook Section 3863, Financial instruments – Presentation. The Company adopted these standards effective for its annual financial statements for the Company's reporting period beginning on May 1, 2008.

Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

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The new Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

***Recent Pronouncements***

International Financial Reporting Standards (“IFRS”)

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 (“GAAP”) and 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 GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of May 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended April 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be estimated at this time.

Goodwill and Intangible Assets

The AcSB issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company will adopt the new standards for its fiscal year beginning May 1, 2009. It establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The Company is currently evaluating the impact of the adoption of this new Section on its financial statements.

**International Financial Reporting Standards (“IFRS”)**

The Company will be required to report utilizing IFRS effective on May 1, 2011. In order to accomplish this, the Company will need to have a comparative statement prepared utilizing IFRS available for July 31, 2010. Effectively this means that IFRS will need to be implemented May 1, 2010 with an opening balance sheet.

The Company’s CFO and CEO are beginning to familiarize themselves with IFRS. In addition, the audit committee will determine whether additional training for its directors and officers is necessary.

During the remainder of 2009, the Company will determine which International Accounting Standards will affect our financial statements and if there are any choices to be made in the adoption of the new standards.

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

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk. The Company reduces its credit risk on cash and cash equivalents by placing these instruments with institutions of high credit worthiness.

#### Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable and accrued liabilities are all current and due within 90 days of the balance sheet date. The Company ensures that it has sufficient capital to meet its short-term financial obligations.

### **Risks and Uncertainties**

In addition to the risks and uncertainties outlined earlier in this management discussion, the Company is also subject to other risks and uncertainties including the following:

#### General Risk Associated with the Mining Industry

Mining exploration is an inherently risky business with no guarantees that further exploration will result in an economically viable mine. Among the risks faced by the Company are such things as title risk, competition risk, financing risk, permitting risk, commodity price risk and environmental regulation risk.

Mining activities involve risks which careful evaluation, experience and knowledge may not eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations. Management attempts to mitigate its exploration risk through a strategy of possible joint ventures with other companies which balances risk while at the same time allows properties to be advanced.

#### Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals are intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

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**Disclosure of Outstanding Share Data**

a) <u>Issued:</u>	<u>Number</u>	<u>Amount</u>
Balance, April 30, 2009	<u>14,316,605</u>	<u>\$ 1,302,035</u>
Balance, August 28, 2009	<u>18,733,271</u>	<u>\$ 1,537,035</u>

b) Share Purchase Warrants:

At April 30, 2009, the Company had 4,616,305 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

<u>Number of Warrants</u>	<u>Weighted Average Exercise Price</u>	<u>Expiry Date</u>
1,144,065	\$0.20	October 27, 2010
619,300	\$0.20	November 26, 2010
<u>2,852,940</u>	<u>\$0.25</u>	December 15, 2010
<u>4,616,305</u>	<u>\$0.23</u>	

At August 28, 2009, the Company had 9,032,971 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

<u>Number of Warrants</u>	<u>Weighted Average Exercise Price</u>	<u>Expiry Date</u>
1,144,065	\$0.20	October 27, 2010
619,300	\$0.20	November 26, 2010
2,852,940	\$0.25	December 15, 2010
1,416,666	\$0.10	June 24, 2011
<u>3,000,000</u>	<u>\$0.10</u>	July 15, 2011
<u>9,032,971</u>	<u>\$0.17</u>	

c) Compensation Units:

At April 30, 2009 and August 28, 2009, the Company had 285,294 compensation units outstanding. Each compensation unit is exercisable at \$0.17 into one common share and one share purchase warrant entitling the holder thereof the right to purchase an additional common share at \$0.25 until December 15, 2010.

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d) Share Purchase Options:

At April 30, 2009 and August 28, 2009, the Company had 1,960,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held as follows:

<u>Number of Options</u>	<u>Weighted Average Exercise Price</u>	<u>Expiry Date</u>
1,550,000	\$0.45	May 15, 2012
<u>410,000</u>	<u>\$0.11</u>	April 23, 2014
<u>1,960,000</u>	<u>\$0.38</u>	