

EUREKA RESOURCES, INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Year and Three Months ended

October 31, 2009

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EUREKA RESOURCES, INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR AND THREE MONTHS ENDED OCTOBER 31, 2009

The following discussion and analysis was prepared as of February 25, 2010 and should be read in conjunction with the Company's annual audited consolidated financial statements and notes thereto for the years ended October 31, 2009 and 2008, both of which have been prepared in accordance with Canadian generally accepted accounting principles.

This Management Discussion and Analysis contains forward-looking statements in particular regarding the future price of certain commodities. Forward-looking statements are statements which relate to future events. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our industry, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

Further information is available on the Company's website, www.eurekaresourcesinc.com, or the SEDAR website, www.sedar.com.

DESCRIPTION OF BUSINESS

Eureka Resources Inc. ("the Company") was incorporated in British Columbia on June 16, 1981, and has one wholly-owned subsidiary, Hawthorne Gold Inc., incorporated in Nevada, USA. The Company is a Vancouver-based mineral exploration company with mineral properties in the Cariboo Mining Division of B.C (see "Mineral Properties" below). The Company is an issuer in British Columbia and Alberta, and trades on the TSX Venture Exchange under the symbol "EUK".

Selected Annual Information

The following table sets forth selected financial information for the Company for the last three completed financial years ended October 31. This information has been derived from the Company's audited consolidated financial statements for each of those years, and should be read in conjunction with those financial statements and the notes thereto.

	As at and for the financial year ended October 31,		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
(a) Total interest income	\$ 114	\$ 70	\$ 82
(b) Loss:			
i) In total	\$ 39,743	\$ 439,875	\$ 244,082
ii) On a per share basis ⁽¹⁾	\$ 0.003	\$ 0.031	\$ 0.019
(c) Total assets	\$ 685,300	\$ 719,836	\$ 577,353
(d) Total liabilities	\$ 14,768	\$ 147,441	\$ 483,074
(e) Total shareholders' equity	\$ 670,532	\$ 572,395	\$ 94,279

⁽¹⁾ *Basic and fully diluted*

Financial Analysis

Year 2009 compared to 2008

The loss in 2009 was \$39,743 compared to \$439,875 in 2008. Stock-based compensation amounted to \$Nil in 2009 compared to \$373,182 in 2008. The higher expense in 2008 relates to 950,000 options that were granted to directors in the 2008 fiscal year. Administration expenses decreased from \$37,332 in 2008 to \$12,283 in 2009. The 2008 costs included fees charged by a director under an agreement effective March 1, 2008, as well as costs of maintaining the Company's website and issuance of news releases. Legal fees decreased to \$17,573 in 2009 from \$29,101 in 2008 as there was significantly increased activity on the Frasergold property and agreements related thereto, as well as increased activity on the Lottie Lake property in 2008. Management fees of \$12,840 (2008 - \$Nil) were incurred with a director for management services provided. The Company recorded a recovery of mineral property cost in 2009 of \$50,000 compared to \$49,938 in 2008, representing option payments received for the Frasergold property, net of exploration costs incurred on the property by the Company.

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Financial Analysis, continued

Year 2008 compared to 2007

The loss in 2008 was \$439,875 compared to \$121,544 in 2007. Stock-based compensation amounted to \$373,182 compared to \$18,750 in 2007. The higher expense in 2008 relates to 950,000 options that were granted to directors in the 2008 fiscal year. Administration expenses increased from \$8,728 in 2007 to \$37,332 in 2008 due to administration fees charged by a director under an agreement effective March 1, 2008, as well as costs of maintaining the Company's website and issuance of news releases. Legal fees decreased in 2008 compared to 2007 as in 2007 there was significantly increased activity on the Frasersgold property and agreements related thereto, as well as increased activity on the Lottie Lake property. The Company recorded a recovery of mineral property cost in 2008 of \$49,938 compared to \$18,200 in 2007, representing option payments received for the Frasersgold property, net of exploration costs incurred on the property by the Company

Quarterly Results

Results for the three months ended October 31, 2009 and 2008 are as follows:

	<i>Quarters Ended October 31,</i>	
	<i>2009</i>	<i>2008</i>
Administration	\$ 4,177	\$ 7,871
Audit & accounting fees	4,300	3,650
Filing fees	—	1
Insurance	813	812
Interest	—	1,349
Legal fees	2,337	1,329
Management fees	3,210	—
Stock based compensation	—	154,912
Transfer agent	778	916
	15,615	170,840
Recovery of mineral property costs previously written off	(50,000)	(49,938)
	\$ 34,385	\$ (120,902)
Net income (loss) for the quarter	\$ 34,385	\$ (120,902)
Net loss per share	\$ 0.002	\$ (0.008)

The Company recorded income in the fourth quarter of 2009, as a result of the recovery of mineral property costs in the period, offset by low expenses in the quarter. Stock based compensation amounted to \$Nil in the 2009 quarter, compared to \$154,912 in the 2008 quarter. An adjustment was made in the last quarter of 2008 to increase the cost for options granted in the year. Administration expenses in the current quarter were \$4,177 compared to \$7,871 in the 2008 quarter, which was due to administration fees charged by a director under an agreement effective March 1, 2008, as well as costs of maintaining the Company's website and issuance of news releases. Audit and accounting fees were higher in the 2009 quarter compared to 2008 due to variations in work requirements in the current quarter. Legal fees were slightly higher in the current quarter compared to the 2008 quarter due to additional work in 2009. The recovery of mineral property costs in the 2008 and 2007 quarters represents option payments received in excess of the balance of the carrying value of the Frasersgold property.

Liquidity and Capital Resources

During the 2009 fiscal year, the Company incurred a net loss of \$39,743, and at October 31, 2009, had an accumulated deficit of \$4,983,359 and working capital of \$58,866.

The ability of the Company to meet its liabilities as they come due and to continue as a going concern is dependent upon the continuing support of a related party, its ability to raise financing to continue the exploration of its mineral properties and ultimately, the attainment of profitable operations. The Company is in the process of exploring its mineral properties and has not yet determined the existence of economically recoverable ore reserves.

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Operating Activities

Cash flow from operating activities was a use of funds of \$34,842 for the year ended October 31, 2009 compared to a use of funds of \$63,527 in the 2008 year.

Financing Activities

Financing activities in the 2009 year was a source of funds of \$300, representing funds due to a related party. In 2008 financing activities was a source of funds of \$162,000, which included \$162,500 from the issuance of shares, less \$500 paid to a related party.

Investing Activities

During 2009 investing activities amounted to a use of funds of \$42,114 which consisted of \$42,000 of mineral property exploration costs, and an increase of \$114 in the reclamation bond. During the 2008 year, investing activities amounted to a use of funds of \$21,090 which consisted of \$21,024 of mineral property exploration costs and an increase of \$66 in the reclamation bond.

Related Party Transactions

During the year ended October 31, 2009, the Company paid directors' fees totaling \$1,000, (2008 - \$1,000); paid or accrued \$3,807 (2008 - \$5,181) for legal fees to a firm which a partner is a director of the Company; and paid or accrued \$12,840 (2008 - \$5,000) to a director for consulting services, and paid or accrued \$1,625 (2008 - \$1,700) for consulting fees and \$Nil (2008 - \$5,990) for advertising and promotion and paid accounting fees of \$16,098 (2008 - \$14,800) to a company that is related to the CFO of the Company. All amounts were paid in the normal course of business.

As at October 31, 2009, accounts payable includes \$4,368 (2008 - \$4,008) payable to a legal firm of which a partner is a director and \$522 (2008 - \$Nil) to an individual who is related to the CEO of the Company.

During the year ended October 31, 2009 the Company issued a total of 903,818 common shares of the Company, at the price of \$0.15 per share, in satisfaction of amounts due to related parties. Imputed interest of \$2,307 (2008 - \$5,398) on the shareholders' loans has been calculated and included in contributed surplus.

As at October 31, 2009, \$300 (2008-\$135,573) was due to the shareholder for loans made to the company.

Outstanding Share Data

As at February 23, 2010, there were 15,416,913 common shares outstanding. There were also 1,095,000 stock options outstanding to purchase shares of which 950,000 at \$0.46 expire on April 25, 2013; and 145,000 at \$0.20 expire on December 17, 2011.

Changes in Accounting Policies and Recent Accounting Pronouncements

Section 1400, General Standards of Financial Statement Presentation

In June 2007, the CICA amended Section 1400 to include requirements to assess an entity's ability to continue as a going concern and disclose any material uncertainties that cast doubt on its ability to continue as a going concern. The mandatory effective date is for annual and interim financial statements for years beginning on or after January 1, 2008. This new requirement was adopted by the Company effective November 1, 2008. The adoption of this Section did not have an impact on the financial statements other than disclosure in the notes to the financial statements in Note 1.

EIC – 173, Credit Risk and the Fair Value of Financial Assets and Liabilities

In January 2009, the Emerging Issues Committee ("EIC") issued EIC -173 "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities." This abstract requires companies to take counterparty credit risk into account when measuring the fair value of financial assets and liabilities, including derivatives. This new standard is effective for the Company's annual consolidated financial statements for the year ended October 31, 2009. The Company has performed an assessment as of October 31, 2009 and believes there to be no impact on its financial statements.

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Changes in Accounting Policies and Recent Accounting Pronouncements, continued

EIC – 174, Mining Exploration Costs

On March 27, 2009, the CICA approved EIC-174 “Mining Exploration Costs.” This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. This new standard is effective for the Company’s annual consolidated financial statements for the year ended October 31, 2009. The accounting treatment provided for in EIC-174 has been applied in the preparation of these financial statements and did not have an impact on the valuation of the Company’s mineral properties.

New Accounting Standards Not Yet Adopted

International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board (ACSB) adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies are expected to converge with International Financial Reporting Standards (“IFRS”) by the end of 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS on the Company’s financial statements cannot be reasonably estimated at this time.

Business combinations, consolidated financial statements and non-controlling interests

In January 2009, the CICA issued Section 1582 “Business Combinations” to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards (“IFRS”). The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. This standard will impact the Corporation’s financial statements if the Corporation enters into business acquisition in the future.

The CICA concurrently issued Section 1601 “Consolidated Financial Statements” and Section 1602 “Non-Controlling Interests” which replace Section 1600 “Consolidated Financial Statements. Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 “Business Combinations”. The adoption of these standards is not expected to have any material impact on the Corporation’s financial statements except that the Corporation enters into business acquisition in the future.

Mineral Properties

The Company’s mineral property interests are located in the Cariboo Mining Division of B.C., namely the Frasersgold Project, and the Lottie Lake Project, that cover extensive areas of volcanic rock of the Slide Mountain terrain, known to host copper-bearing massive sulphide deposits. During the year 2004, the Company acquired by staking an additional 39 claim blocks as an extension to the Frasersgold Property and completed an extensive geophysical soils and sampling program covering areas of proposed extension of the Au horizon. The Company also conducted a program on the Lottie Lake Project, the purpose of which was to identify direction of glacial transport of sulphide boulders on the property and hence to localize the area of likely in situ mineralization. The Company abandoned a number of claims in the Lottie Lake Property, in order to focus on the best areas of potential for discoveries.

As a result of these changes, the Frasersgold Project now consists of 18 claims covering approximately 2,866 hectares and the Lottie Lake Project consists of 11 claims covering approximately 3,000 hectares.

Lottie Lake

Eureka consolidated its holdings on this property to surround the original discovery known as the M-7 Pit.

In 2005 a series of trenches were dug to establish the direction of the glacial flow. This directional flow was established with boulders increasing in size toward potential VMS bedrock.

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Mineral Properties, continued

Lottie Lake, continued

The following are results of three grab samples from boulders in the pits dug in the overburden taken at locations from 100 meters to 200 meters west of the M-7 Pit in the direction which is believed to represent the glacial flow:

	Cu %
Sample from Pit #2	3.198
Sample from Pit #3	7.263
Sample from Pit #4	20.432

Minor silver and cobalt values were noted. The samples were collected by Company personnel and the results were sent to Acme Laboratories in Vancouver for ICP analysis. Detailed exploration results for the Lottie Lake project are currently under review.

Frasergold

The Company holds a 100% interest in 18 claims underlying the Frasergold Project area. This includes two claims which were acquired during the year ended October 31, 2007 for \$4,000 cash and 40,000 common shares of the Company.

The Frasergold property had previously been the subject of a report prepared by John Kerr, P.Eng. in September of 1994 indicating proven reserves of 3.5 million tons and drill indicated resources of 12.5 million tons with significant geological potential. The average grade established at that time was 0.062 ounces per ton gold. These are historical estimates only (i.e. not compatible with NI43-101) and were based on extensive diamond drilling.

Soil and sediment sampling that was carried out in October 2003 identified anomalous values of gold in the soils in an area southeast of the Main zone, not previously explored.

During the year ended October 31, 2006, The Company signed an arm's-length option agreement with Hawthorne Gold Corp. ("Hawthorne"), a B.C. Company unrelated to the Company, whereby Hawthorne may earn a 51-per-cent interest in the property by expending \$3.5-million on the exploration of the property, making payments totalling \$175,000 to the Company and completing a feasibility study on or before July 31, 2010. Hawthorne can earn an additional 9-per-cent interest in the property by arranging production financing on completion of a feasibility study. A joint venture will be formed upon Hawthorne earning its interest and during the earn-in phase an advisory committee will be established. Hawthorne (TSX-V: HGC) is a public British Columbia mineral exploration corporation. To October 31, 2009, the Company has received payments on the option agreement totaling \$175,000 which was recorded as a recovery of mineral property costs.

In May, 2007, Hawthorne entered into an option agreement ("Agreement") with Dajin Resources Corp. ("Dajin") – TSX-V: DJI to acquire eighteen mineral claims covering 7,930 hectares. These claims are adjacent to the Hawthorne optioned Frasergold Property owned by the Company. Certain mineral claims in the Dajin Option fall within the two kilometer perimeter surrounding the optioned Frasergold Property.

In June, 2007, Hawthorne entered into an option agreement ("Agreement"), subject to regulatory approval, to acquire a mineral claim from Bob Bourdon ("Bourdon") that is located in the historic Cariboo Gold Mining District of central British Columbia. This property is located between the Hawthorne optioned Frasergold Property and the newly optioned Dajin property. The mineral claim optioned from Bourdon falls within a two kilometer 'Area-of-Interest' clause and is an expansion of the original optioned Frasergold Property.

In September, 2007, Hawthorne commenced a 5,000 metre drill program on the Frasergold Property as part of their formal commitment.. Hawthorne also announced the completion of a 1,300 line-kilometer Airborne Geophysical program. The survey data sets were used by Hawthorne to outline major geologic units and map structures within these units. The resulting interpretation served to guide drilling and resource expansion activities. The airborne survey was carried out on the Frasergold property and on the adjoining properties optioned from Dajin and Bourdon. Existing underground exploratory workings were resampled as part of the 2007 program.

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Mineral Properties, continued

Frasergold, continued

Hawthorne continued their exploration of the Frasergold and surrounding properties during the summer of 2008, completing an additional 58 diamond drill holes (10,405m) that “extended the gold system into the south east part of the Main Zone and along strike further in the south east direction beyond the Main Zone”.

The results of Hawthorne’s exploration activities on Frasergold have been combined with all previously available exploration information and form the basis of a NI43-101 report by K. V. Campbell and G. H. Giroux entitled “Report on the 2007 and 2008 Drill Programs on the Frasergold Project”, dated November 15, 2009. The report summarizes the state of knowledge concerning the geology of the property and surrounding area, details of the drill information available including quality control information, and a detailed accounting of a gold resource estimate for the property. A part of that resource estimate is summarized in the table below—further details are available in the report on the Sedar website where estimates for various cutoff grades are available..

Summary of Frasergold resource at a 0.5 g/t Au cut-off

Zone	Class	Au Cutoff (g/t)	Tonnes > Cutoff (tonnes)	Grade > Cutoff		
				Au (g/t)	Au (grams)	Au Ounces
Main	Measured	0.50	5,600,000	0.812	4,500,000	145,000
Main	Indicated	0.50	9,570,000	0.755	7,200,000	231,000
Main	M+I	0.50	15,170,000	0.776	11,800,000	379,000
Main	Inferred	0.50	8,270,000	0.670	5,500,000	177,000
NW	Inferred	0.50	19,180,000	0.740	14,200,000	457,000
SE	Inferred	0.50	43,000	0.632	27,000	900
Total	Inferred	0.50	27,493,000	0.718	19,727,000	634,900

The 2009 Frasergold resource estimate is based on a total of 160 diamond drill holes and 242 reverse circulation holes, sampling a combined 49,691 metres. The drilling was completed by Eureka and optionees from 1983 to 1993 and Hawthorne Gold in 2007 and 2008. Hawthorne geologists determined three dimensional solids for a high grade zone surrounded by a lower grade envelope and two less densely drilled estensions: one projecting the mineralization to the northwest and the other to the southeast. Individual drill hole assays were tagged, sample statistics were run and erratic high assays were capped for each zone. Uniform 5-metre down-hole composites were formed and modelled using pairwise relative semivariograms. Blocks 10 x 10 x 5 m³ were estimated for gold by a combination of ordinary and indicator kriging. The bulk density was established from 128 core samples measured at site. Blocks were classified as measured, indicated or inferred based on grade continuity as established from the semivariogram analysis.

These published resources represent a length of about 1.5 kilometres of a 10-kilometre long zone on the Frasergold property that is anomalous in gold that has been defined by exploration to date.

Mineral property acquisition and exploration costs incurred by Eureka during the year ended October 31, 2009 are as follows:

	Fees & Taxes	Assays & Analysis	Supplies & Misc.	Total
Lottie Lake	\$ 42,000	\$ —	\$ —	\$ 42,000
Frasergold	—	—	—	—
Total	\$ 42,000	\$ —	\$ —	\$ 42,000

Caution Regarding Mineral Properties

The Company is in the process of exploring its resource properties and has not yet determined whether the properties contain minerals or mineral reserves that are economically recoverable. The recoverability of the amounts shown for resource properties and any related deferred costs is dependent on the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development and future profitable production from the properties or proceeds from the disposition thereof.

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Summary of Quarterly Results

The following tables summarize information derived from the Company's financial statements for each of the eight most recently completed quarters:

Quarter Ended: Year:	Oct 31 2009	July 30 2009	Apr 30 2009	Jan 31 2009	Oct 31 2008	July 31 2008	Apr 30 2008	Jan 31 2008
Total Interest Income	\$ —	\$ —	\$ 114	\$ —	\$ —	\$ 4	\$ 66	\$ —
Earnings (Loss):								
in total	\$ 34,385	\$ (10,397)	\$ (42,977)	\$ (20,754)	\$ (120,902)	\$ (17,627)	\$ (271,549)	\$ (29,797)
per share basis ⁽¹⁾	\$ 0.002	\$ (0.001)	\$ (0.003)	\$ (0.001)	\$ (0.008)	\$ (0.001)	\$ (0.020)	\$ (0.002)

⁽¹⁾ Basic and fully diluted earnings (loss) per share.

Trends, Risks and Uncertainties

The Company is exposed to fluctuations in world metals prices, particularly for gold and copper, over which it has no control. Lower prices could cause the Company to discontinue exploration of its properties, as it could make it difficult to raise funds.

Annual General Meeting

The Company is planning to hold its Annual General Meeting on April 26, 2010 at 10 AM.

Future Developments

The Company is presently investigating potential mineral property acquisitions.

Investor Relations

No investor relations firms were retained by the Company during the years ended October 31, 2009 and 2008.

Corporate Matters

Sheryl A. Jones was appointed CFO on December 29, 2009.

Subsequent Events

Subsequent to October 31, 2009, the Company:

- Granted stock options to directors and officers of the Company to purchase a total of 145,000, each at an exercise price of \$0.20 per share for a two-year period, pursuant to the Company's stock option plan;
- Entered into a month to month agreement with a related party whereby office space, parking and office services will be provided to the Company for a rate of \$1,489 per month.

Approval

The Board of Directors of the Company has approved this Management Discussion and Analysis. Additional information is available on the Company's website, www.eurekaresourcesinc.com, or the SEDAR website, www.sedar.com.