

**EUREKA RESOURCES, INC.**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Second Quarter Report**

**April 30, 2009**

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**EUREKA RESOURCES, INC.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 2009**

The following discussion and analysis was prepared as of June 26, 2009 and should be read in conjunction with the Company's interim consolidated financial statements and notes thereto for the six and three month periods ended April 30, 2009 and 2008, and the annual audited financial statements and notes thereto for the year ended October 31, 2008, all 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](http://www.eurekaresourcesinc.com) or the SEDAR website, [www.sedar.com](http://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".

### **Financial Analysis**

The loss for the three months ended April 30, 2009 was \$42,977 compared to \$271,549 in the same three months of 2008. In the six months ended April 30, 2009 the loss was \$63,731 compared to \$304,346 in the same period of 2008. The loss for the three and six months ended April 30, 2008 included stock based compensation expense of \$218,271.

Legal fees were substantially higher in the 2008 quarter and six months compared to the current period as a result of additional fees incurred due to significantly increased activity on the Frasergold property and agreements related thereto, as well as increased activity on the Lottie Lake property.

Administration expenses for the three months were \$6,684 compared to \$13,604 in the same three months of last year. During the six months administration expenses were \$12,111 compared to \$22,877 in the 2008 six months. The increase in the 2008 periods was due to advertising and promotional expenses relating to the Company's new website, and the preparation of new investor relations materials.

### **Related Party Transactions**

During the six months ended April 30, 2009 the Company paid or accrued \$7,338 for legal fees to a firm which Lawrence O'Neill is a partner, and paid or accrued \$6,000 to him for consulting fees. As at April 30, 2009, accounts payable includes \$9,360 payable to a director and a legal firm which a partner is a director of the Company.

During the period, the Company issued a total of 903,818 common shares of the Company, at the price of 15 cents per share, in satisfaction of amounts due to related parties.

### **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.

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**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. The impact of the transition to IFRS on the Company's financial statements has not yet been determined.

**Outstanding Share Data**

As at June 30, 2009, there were 15,416,913 common shares outstanding. The Company also has 1,050,000 stock options outstanding at prices ranging from \$0.46 to \$0.50 of which 100,000 expire on August 16, 2009 and 950,000 expire on April 25, 2013.

**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.

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 Frasersgold 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.

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**Mineral Properties, continued**

**Frasergold, continued**

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.

Eureka has not undertaken any independent investigation of the resource estimate since 1994 nor has it independently analyzed the results of the exploration work nor has a qualified person verified the classification of these historical estimates as current mineral resources and reserves in accordance with CIM guidelines, therefore, the historical estimates should not be relied upon. Eureka believes that these historical estimates provide a conceptual indication of the potential of the property and are relevant to ongoing exploration. The historical data reviewed is considered complete and the procedures followed appear reliable, however, the Company has not completed the necessary work to verify the classification of the resource and Eureka is not treating them as current resources and reserves and they should not be relied upon.

Soil and sediment sampling that was carried out in October 2003 has identified anomalous values of gold in the soils in an area 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 April 30, 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, 2006, the Company received a payment on the option agreement of \$25,000 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. This drill program is part of a 30,000 metre diamond drill commitment by Hawthorne on the property. Hawthorne also announced the completion of a 1,300 line-kilometer Airborne Geophysical program. The survey data sets will be used by Hawthorne to outline major geologic units and map structures within these units. The resulting interpretations will guide future 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 and assay results are pending.

Hawthorn 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 area of the Main Zone and potentially along strike further in the south east direction outside of the Main Zone". Sample grades from this work, combined with results from earlier drilling, will form the basis for a resource estimate that is NI43-101-compliant.

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**Mineral Properties, continued**

Mineral property acquisition and exploration costs incurred by Eureka during the quarter ended April 30, 2009 are as follows:

	<b>Fees &amp; Taxes</b>	<b>Assays &amp; Analysis</b>	<b>Supplies &amp; Misc.</b>	<b>Total</b>
Lottie Lake	\$ 21,001	\$ —	\$ —	\$ 21,001
Frasergold	—	—	—	—
<b>Total</b>	<b>\$ 21,001</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 21,001</b>

**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.

**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:

<b>Quarter Ended: Year:</b>	<b>Apr 30 2009</b>	<b>Jan 31 2009</b>	<b>Oct 31 2008</b>	<b>July 31 2008</b>	<b>Apr 30 2008</b>	<b>Jan 31 2008</b>	<b>Oct 31 2007</b>	<b>July 31 2007</b>
Total Revenues	\$ 114	\$ —	\$ —	\$ 4	\$ 66	\$ —	\$ 144	\$ —
Earnings (Loss):								
in total	\$ (42,977)	\$ (20,754)	(120,902)	\$ (17,627)	\$ (271,549)	\$ (29,797)	(24,488)	\$ (13,692)
per share basis <sup>(1)</sup>	\$ (0.003)	\$ (0.001)	(0.008)	\$ (0.001)	\$ (0.020)	\$ (0.002)	(0.002)	\$ (0.001)

<sup>(1)</sup> Basic and fully diluted earnings (loss) per share.

**Future Developments**

The Company is presently investigating potential mineral property acquisitions.

**Investor Relations**

No investor relations firms were retained by the Company during the period ended April 30, 2009.

**Liquidity and Solvency**

During the six month period, the Company incurred a net loss of \$63,731; had an accumulated deficit of \$5,007,347; and working capital of \$55,877.

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.

**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](http://www.eurekaresourcesinc.com) or on the SEDAR website, [www.sedar.com](http://www.sedar.com).