

FORM 51-102F1
Management Discussion and Analysis
Jiulian Resources Inc.
Six Months Ended August 31, 2007

The following discussion and analysis is prepared as at October 26, 2007 and should be read in conjunction with the unaudited financial statements of Jiulian Resources Inc. (the "Corporation") for the period ended August 31, 2007 including the notes therein. These interim financial statements have been prepared by management and have not been reviewed by the Company's independent external auditor. Additional information relevant to the Corporation is available for review on SEDAR at www.sedar.com.

Certain statements contained in the following Management Discussion and Analysis ("MD&A") may 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 Corporation 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.

General Overview

The Corporation was incorporated on October 17, 2006 under the laws of British Columbia as a Capital Pool Company ("CPC") defined in CPC Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The Corporation completed its initial public offering ("IPO") on June 19, 2007, and its shares were listed and commenced trading on the Exchange on June 4, 2007, under the symbol "JLR.P". The Corporation's principal purpose is to identify and evaluate businesses and assets with a view to completing a "Qualifying Transaction" (as defined in Policy 2.4) within twenty four months following the date of listing of the Corporation's shares on the Exchange as defined in the CPC Policy.

These interim financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. All dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

In the opinion of management, all adjustments consisting of normal recurring adjustments, considered necessary for a fair presentation of the Corporation's financial position, results of operations and cash flows, have been included. The Corporation has not commenced operations and therefore, no segmented information is available.

Results of Operations

As at August 31, 2007, the Corporation had no active business operations. For the three month period and six month period ended August 31, 2007, the Corporation incurred general and administrative expenses of \$47,305 and \$74,112, respectively. With a positive offset by way of interest income received, the net losses in those two periods were \$46,280 and \$72,254 respectively. General and administrative expenses for the three month and six month period to the ending date of August 31, 2007 consisted of the following:

	Three months ended	Six months ended
	August 31, 2007	August 31, 2007
Professional fees	\$ 4,317	\$ 10,450
Share Issuance/filing fees	29,228	49,801
Office & Travel	13,760	13,861
Total in CAD\$	\$ 47,305	\$ 74,112

Loss per share has not been presented since the outstanding shares at February 28, 2007 are escrow shares that are contingently returnable and are excluded from the loss per share calculation.

Basic and diluted loss per share is \$0.03 per share as at August 31, 2007, based on the number of weighted average number of shares outstanding.

Liquidity

As at August 31, 2007 and February 28, 2007, the Corporation had positive working capital of \$247,941 and \$121,216, respectively, including \$264,662 and \$141,246 in cash or cash equivalent.

On June 19, 2007, the Corporation completed the IPO and received net proceeds of \$165,341.33 from Leede Financial Markets Inc. (the “agent”), after deducting agent’s fees, commissions and related tax. Pursuant to the agency agreement, the agent received a commission of 10% of the gross proceeds.

While the Corporation is a CPC, no more than 30% of the gross proceeds from the sale of securities issued by the Company may be used for general and administrative purposes (including IPO related expenses) with the balance to be available for specified expenses in connection with the identification and evaluation of assets or businesses in connection with initiating and completing a Qualifying Transaction. To date, the Corporation has incurred \$41,233 in permitted general and administrative expenses. The Corporation estimates that its monthly permitted general and administrative expenses going forward until the completion of a Qualifying Transaction, as ultimately anticipated, will be less than \$7,000 per month on average, offset to some extent by interest income.

Capital Resources and Off-Balance Sheet Arrangements

As of August 31, 2007, the Corporation had no commitments for capital expenditures and no off-balance sheet arrangements.

Financial Instruments and Other Instruments

The Corporation's financial instruments consist of cash, term deposit and accrued liabilities. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair values of these financial instruments approximate their carrying values.

Related Party Transactions

The Company received a loan from a director of the Company in the amount of \$10,078. The loan is unsecured, non-interest bearing and has no specific date of repayment. Accordingly the fair value cannot be determined.

Share Capital

On incorporation, 2,700,000 common shares were issued at a price of \$0.05 per share for proceeds of \$135,000. The 2,700,000 common shares were placed in escrow pursuant to an Exchange prescribed CPC escrow agreement and will be released in accordance with the terms of the escrow agreement.

On June 19, 2007, the Corporation completed its IPO of 2,000,000 common shares at \$0.10 per share for total proceeds of \$200,000.

The Corporation is authorized to issue an unlimited number of common shares. As at August 31, 2007 and as date of this reporting, there were 4,700,000 common shares issued and outstanding respectively in the capital of the Corporation. Of the 4,700,000 shares, there are 2,000,000 free-trading shares and the other 2,700,000 shares are held in escrow.

On June 19, 2007, the Corporation granted 350,000 stock options and 200,000 agent's options respective as detailed in the notes to the financial statements.

Proposed Transactions

The Corporation issued a press release on July 31, 2007, which was undated on August 10, 2007, wherein the Corporation announced a non-brokered private placement of up to

4,500,000 common shares of the Corporation at a price of \$0.36 per share for gross proceeds of up to \$1,620,000. The private placement has been delayed but is still in process with regulatory acceptance yet to be obtained. While there are no assurances that the private placement will complete, management do expect to complete the private placement shortly. The proceeds will be added to working capital.

Internal Controls over Financial Reporting

There have not been any changes to the internal controls over financial reporting or any other factors during the period ended August 31, 2007, that have materially affected, or are reasonably likely to materially affect, the internal control over financial reporting of the Corporation.

Risks and Uncertainties

As of the date hereof, the Corporation has not identified a Qualifying Transaction, and there can be no assurance the Corporation will be able to identify a suitable Qualifying Transaction within the time period permitted.

Any Qualifying Transaction will be subject to Exchange acceptance and may be subject to shareholder approval.

“X. Charlie Cheng”
President, CEO & CFO