

**Jiulian Resources Inc.**  
**Management Discussion and Analysis**  
**For the Nine Month Period Ended November 30, 2008**  
**(expressed in Canadian dollars unless otherwise noted)**

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**Date of Report: January 29, 2009**

The following management's discussion and analysis of financial condition and results of operation ("MD&A") should be read in conjunction with the audited financial statements and notes thereto of Jiulian Resources Inc. (the "Corporation") for the year ended February 28, 2008 and for the nine months ended November 30, 2008. Additional information relevant to the Corporation is available for review on SEDAR at [www.sedar.com](http://www.sedar.com).

Certain statements contained in the following 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.

**Overall Performance:**

The Corporation was incorporated on October 17, 2006 under the laws of British Columbia as a Capital Pool Company ("CPC") as 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 21, 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 CPC Policy 2.4) ("QT") within twenty four months following the date of listing of the Corporation's shares on the Exchange as defined in the CPC Policy.

The QT must be approved by the Exchange, and in the case of a Non Arms Length Qualifying Transaction shareholder approval must be obtained in accordance with the CPC Policy. The Corporation has not conducted commercial operations other than activities towards completing a QT.

All financial information in this MD&A is prepared in accordance with Canadian generally accepted accounting principles and all dollar amounts are expressed in Canadian dollars unless otherwise indicated

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.

# Jiulian Resources Inc.

## Management Discussion and Analysis

For the Nine Month Period Ended November 30, 2008

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### Results of Operations

As at November 30, 2008, the Corporation had no revenue, all costs incurred relates to its incorporation, listing on the Exchange as a Capital Pool Company and pursuit of a Qualifying Transaction. For the three month period November 30, 2008, the Corporation incurred general and administrative expenses of \$33,002. With a positive offset by way of interest income received, the net losses in the period were \$10,663. General and administrative expenses for the three month period ended November 30, 2008 consisted of the following:

	Three months ended November 30, 2008
Accounting and legal	\$ 3,174
Filing and transfer agent fees	887
Employment and consultant expenses	18,620
Office and travel	10,321
Total expenses:	\$ 33,002
Other income:	(22,339)
Net loss for the period:	\$ (10,663)

Basic and diluted loss per share is (\$0.00) per share for the quarter ended November 30, 2008, based on the number of weighted average number of shares outstanding.

### Summary of Quarterly Results

Financial Results	November 30, 2008	August 31, 2008	May 31, 2008	February 29, 2008
Total Revenue	Nil	Nil	Nil	Nil
Net Loss	(10,663)	(23,144)	(5,813)	(\$65,812)
Loss Per Share				
Basic & Diluted	(0.00)	(0.00)	(0.00)	(\$0.01)
Capital Expenditure	Nil	Nil	Nil	\$2,243

Financial Results	November 30, 2007	August 31, 2007	May 31, 2007	February 28, 2007
Total Revenue	Nil	Nil	Nil	Nil
Net Loss	5,797	(\$36,345)	(25,974)	(13,784)
Loss Per Share				

# Julian Resources Inc.

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Basic & Diluted	(\$0.00)	(\$0.01)	(\$0.01)	(\$0.01)
Capital Expenditure	Nil	Nil	Nil	Nil

Balance Sheet Data	November 30, 2008	August 31, 2008	May 31, 2008	February 29, 2008
Cash and Cash Equivalents	\$ 1,821,408	\$ 1,831,885	\$ 1,889,761	\$1,894,800
Prepared Expenses	1,620	1,620	1,620	1,620
GST Recoverable	4,960	4,358	1,425	4,242
Total Assets	1,827,988	1,837,863	1,894,391	1,902,488
Shareholders' Equity	1,814,712	1,825,375	1,848,519	\$1,854,332

Balance Sheet Data	November 30, 2007	August 31, 2007	May 31, 2007	February 28, 2007
Cash and Cash Equivalents	\$1,914,424	\$264,221	\$105,615	\$141,246
Prepared Expenses	2,626	-	-	-
GST Recoverable	3,140	2,379	1,617	48
Total Assets	1,922,254	267,620	107,232	141,294
Shareholders' Equity	\$1,909,143	\$248,962	\$95,242	\$121,216

The financial statements of the Corporation have been prepared in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates, which have been made using careful judgment. Actual results may differ from these estimates.

### Liquidity

Julian Resources Inc. does not currently hold an interest directly or indirectly in any other business nor does it have an interest in any fixed assets, other than office equipment. The Corporation's activities have been funded through equity financing and the Corporation expects it will continue to be able to utilize this source of financing until it develops cash flow from future operations.

There can be no assurance that the Corporation will be successful in its endeavors. If such

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funds are not available or other sources of finance can not be obtained, then the Corporation will be forced to curtail its activities to a level for which funding is available and can be obtained.

As at November 30, 2008, the Corporation had positive working capital of \$1,813,529 which included cash, and a redeemable deposit.

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. 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 \$15,000 per month on average, offset to some extent by interest income.

Management believes the Corporation has sufficient funds to complete its goal of completing a Qualifying Transaction. The Corporation does not have any long term debt or capital lease commitments.

### **Capital Resources**

As of November 30, 2008, the Corporation had no long term commitments for capital expenditures and no off-balance sheet arrangements.

### **Off-Balance Sheet Arrangements**

Jiulian Resources Inc. has not entered into any off balance sheet agreements.

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

The Corporation's financial instruments consist of cash, a term deposit, accounts payable, accrued liabilities and due to related party. 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.

### **Credit risk**

The Corporation does not believe it is subject to any significant credit risk although cash is held with a major financial institution.

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**Currency risk**

Cash held in foreign currency other than the Canadian dollar is subject to currency risk. The corporation is exposed to currency risk by incurring certain expenditures in currencies other than the Canadian dollar. The Corporation does not use derivative instruments to reduce its currency risk.

**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.

**Proposed Transactions**

With the severe deterioration of commodity and metal market, to protect the shareholders' interest, the Corporation decided to suspend its proposed transaction, which was previously announced in a news release dated December 20, 2007, with the Inner Mongolia Tuoye Mining Development Co. China ("Tuoye"), for the acquisition and earn-in of up to a 98% equity interest in Tuoye's nickel-copper exploration property in Inner Mongolia, China.

The Corporation is in the process of negotiating and entering into a letter of intent for a qualified mineral property with a Canadian resource company. The transaction is expected to constitute an arm's length resource "Qualifying Transaction" in accordance with the policies of the Exchange.

The Corporation intends that trading of its common shares will remain halted during the period.

**Outstanding Share Data**

The following table summarizes the Corporation's outstanding share data as of the date of this Management Discussion and Analysis:

Issued Common Shares:

	Common Shares	
	Outstanding	Amount
Seed shares *	2,700,000	\$135,000
IPO shares	2,000,000	200,000
Private placements	4,620,000	1,663,200
Share issuance costs	-	(53,250)
<b>Total</b>	<b>9,320,000</b>	<b>\$ 1,944,950</b>

\* As at November 30, 2008, 2,700,000 shares are subject to an escrow agreement and will be released from escrow in stages every six months thereafter upon completion of the Corporation's qualifying transaction.

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Issued Stock Options:

Options Issued	Number of Shares	Exercise Price	Expiry Period
Granted to Agent	200,000	\$ 0.10	June 21, 2009
Granted to Directors and officers	350,000	\$ 0.10	June 19, 2012
Granted to Directors and officers	40,000	\$ 0.10	July 15, 2012
<b>Total</b>	<b>590,000</b>		

**Risks and Uncertainties**

Financial risks include commodity prices, interest rates and the Canadian/United States exchange rate, all of which are beyond the Corporation's control.

As of the date hereof, the Corporation has not completed a Qualifying Transaction pursuant to the policies of the TSX Venture Exchange, and there can be no assurance the Corporation will be able to complete a Qualifying Transaction within the time period permitted or at all.

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

**“X. Charlie Cheng”**  
Chief Executive Officer