

Jiulian Resources Inc.
Management Discussion and Analysis
For the Three Months Period Ended May 31, 2009
(expressed in Canadian dollars unless otherwise noted)

Date of Report: July 29, 2009

The following Management discussion and analysis (“MD&A”) should be read in conjunction with the audited financial statements of Jiulian Resources Inc. (the “Company”) for the period ended May 31, 2009, including the notes therein. Additional information relevant to the Company is available for review on SEDAR at www.sedar.com.

Forward-Looking Information

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “believe,” or “continue” or the negative thereof or variations thereon or similar terminology. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management are inherently subject to significant business, economic and competitive uncertainties and contingencies. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Overall Performance:

The Company 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 Company 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 Company’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 Company’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 Company has not conducted commercial operations other than activities towards completing a QT.

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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 Company's financial position, results of operations and cash flows, have been included. The Company has not commenced operations and therefore, no segmented information is available.

Results of Operations

As at May 31, 2009, the Company had no revenue to date, the costs incurred relate to its inCompany, listing on the Exchange as a Capital Pool Company and pursuit of a Qualifying Transaction. For the three months period May 31, 2009, the Company incurred general and administrative expenses of \$35,949. With a positive offset by way of interest income received, the net losses in the period were \$32,233. General and administrative expenses for the three months period ended May 31, 2009 consisted of the following:

	Three months ended	
	May 31, 2009	
Legal, Filing and transfer agent fees	\$	10,534
Consulting and Employment expense		18,620
Office & Travel		6,795
Total Expenses:	\$	35,949
Other Items:		(3,716)
Net Loss for the Period:	\$	32,233

Basic and diluted loss per share is (\$0.00) per share for the period ended May 31, 2009, based on the number of weighted average number of shares outstanding.

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information of the Company and is derived from unaudited quarterly financial statements prepared by management. The Company's interim financial statements are prepared in accordance with Canadian GAAP.

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Financial Results	31-May-09	28-Feb-09	30-Nov-08	31-Aug-08
Total Revenue	Nil	Nil	Nil	Nil
Net Loss	-\$32,233	-\$35,975	-\$10,663	-\$23,144
Loss Per Share				
Basic & Diluted	\$0.00	\$0.00	\$0.00	\$0.00
Capital Expenditure	Nil	Nil	Nil	Nil

Financial Results	31-May-08	29-Feb-08	30-Nov-07	31-Aug-07
Total Revenue	Nil	Nil	Nil	Nil
Net Loss	-\$5,813	-\$65,812	5,797	-\$36,345
Loss Per Share				
Basic & Diluted	\$0.00	-\$0.01	\$0.00	-\$0.01
Capital Expenditure	Nil	\$2,243	Nil	Nil

Balance Sheet Data	31-May-09	28-Feb-09	30-Nov-08	31-Aug-08
Cash and Term Deposit	\$1,747,892	\$1,793,793	\$1,821,408	\$1,831,885
Prepaid Expenses	4,650	1,650	1,620	1,620
GST Recoverable	1524	857	4,960	4,358
Total Assets	1,764,938	1,797,282	1,829,171	1,839,247
Shareholders' Equity	\$1,746,504	\$1,778,737	\$1,814,712	\$1,825,375

Balance Sheet Data	May 31, 008	29-Feb-08	30-Nov-07	31-Aug-07
Cash and Term Deposit	\$1,889,761	\$1,894,800	\$1,914,424	\$264,221
Prepaid Expenses	1,620	1,620	2,626	-
GST Recoverable	1,425	4,242	3,140	2,379
Total Assets	1,894,391	1,902,488	1,922,254	267,620
Shareholders' Equity	\$1,848,519	\$1,854,332	\$1,909,143	\$248,962

The financial statements of the Company 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.

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Liquidity

Jiulian Resources Inc. does not currently hold an interest in any other business nor does it have an interest in any fixed assets, other than office equipment directly or indirectly. The Company's activities have been funded through equity financing and the Company 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 Jiulian Resources Inc. will be successful in its endeavors. If such funds are not available or other sources of finance can not be obtained, then the Company will be forced to curtail its activities to a level for which funding is available and can be obtained.

As at May 31, 2009, the Company had positive working capital of \$1,745,632 which included cash, and a redeemable term deposit of \$1,747,892.

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

Capital Resources

As of May 31, 2009, the Company had no commitments for capital expenditures.

Off-Balance Sheet Arrangements

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

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, term deposit, accounts payable and accrued liabilities and due to related party. It is management's opinion that the Company 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

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carrying values.

Credit risk

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

Currency risk

Cash held in foreign currency other than the Canadian dollar is subject to currency risk. The Company is exposed to currency risk by incurring certain expenditures in currencies other than the Canadian dollar. The Company 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.

The Company paid consulting fees to an officer in the amount of \$9,000 during the period.

The transactions with related parties are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Proposed Transactions

With the severe deterioration of commodity and metal market, to protect the shareholders' interest, the Company 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.

On April 9, 2009, the Company announced it has signed an option agreement to acquire up to a 65% interest for a qualified mineral property with Happy Creek Minerals Ltd., a Canadian resource company. The Company is required to make cash payments of \$150,000, issue 700,000 shares and incur \$700,000 expenditures in 3 years to earn a 55% interest, and incur an additional \$500,000 in expenditures in year 4 to earn an additional 10% interest.

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On June 17, 2009, TSX Venture Exchange (the “Exchange”) granted the Company’s request for a six month extension to December 22, 2009 to complete its Qualifying Transaction (“QT”).

On July 27, 2009, the Company’s above referenced QT transaction has been conditionally accepted by the Exchange.

Outstanding Share Data

The following table summarizes the Company’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)
Total	9,320,000	\$ 1,944,950

* As at May 31, 2009, 2,700,000 shares are subject to an escrow agreement and will be released from escrow in stages upon completion of the Company’s qualifying transaction and every six months thereafter.

Issued Stock Options and agents options:

Options Issued	Number	Exercise	
	of Shares	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	\$ 0.36	July 15, 2012
Total	590,000		

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* The agent options were exercised on June 18, 2009, before the expiry date.

Risks and Uncertainties

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

As of the date hereof, the Company QT has been conditionally accepted by TSX Venture Exchange. The Company may not close the Acquisition until at least 7 business days have passed after the Filing Statement is posted (July 28, 2009) to SEDAR. Concurrent with such filing, the Company must issue a news release, which disclosed the scheduled closing date for the Qualifying Transaction as well as the fact that the CPC Filing Statement is available on SEDAR.

"X. Charlie Cheng"
Chief Executive Officer