



Skybridge

DEVELOPMENT CORP

ALYRIS GOLD CORP

**[formerly Alyris Gold Corporation]
Management's Discussion & Analysis
Form 51-102F1**

For the Three Months Ended June 30, 2008

SKYBRIDGE DEVELOPMENT CORP.
[formerly Alyris Gold Corporation]
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Three Months Ended June 30, 2008

Date of Report: August 27, 2008

The following Management's Discussion and Analysis ("MD&A") of Skybridge Development Corp. (the "Corporation" or "Skybridge") should be read in conjunction with the unaudited interim financial statements for the three months ended June 30, 2008 and the notes thereto. The Corporation's financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars. This MD&A was prepared as of August 26, 2008, and all information is current as of such date. Readers are encouraged to read the Corporation's public information filings on SEDAR at www.sedar.com.

This discussion provides management's analysis of Skybridge's historical financial and operating results and provides estimates of Skybridge's future financial and operating performance based on information currently available. Actual results will vary from estimates and the variances may be significant. Readers should be aware that historical results are not necessarily indicative of future performance.

Certain information set forth in this MD&A, including management's assessment of the Corporation's future plans and operations, contains forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Corporation's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be inaccurate and, as such, reliance should not be placed on forward-looking statements. Skybridge's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, if any, that Skybridge will derive there from. Skybridge disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by applicable law.

Description of Business

Skybridge Development Corporation (the "Corporation" or "Skybridge"), was incorporated under the laws of the Province of British Columbia on January 30, 2007. The Corporation completed an initial public offering and commenced trading on the TSX Venture Exchange (the "TSX-V" or "Exchange") on July 17, 2007 and was classified as a Capital Pool Company ("CPC") as defined in the TSX-V Listings Policy 2.4. As a CPC, the principal business of the Corporation was to complete a Qualifying Transaction ("QT") by identifying and evaluating opportunities for the acquisition of an interest in assets or a business, and subsequently negotiating an acquisition or participation subject to receipt of shareholder approval and acceptance for filing by the Exchange.

On November 29, 2007 the Corporation entered into Share Exchange Agreements (the "Agreements") with Alyris Gold Corporation ("Alyris") and its shareholders to acquire 100% of the issued and

outstanding shares of Alyris. Alyris was incorporated under the laws of the Province of Ontario on April 4, 2007. Alyris held a 100% interest in two mineral properties located in Nunavut and Ontario.

On May 9, 2008, the Corporation filed a Filing Statement identifying the Agreements with Alyris and its shareholders as its Qualifying Transaction. The Qualifying Transaction closed on May 26, 2008.

Subsequent to the closing date of May 26, 2008, the Corporation commenced operating in the junior mining sector as a Corporation involved in exploration and development of mineral properties and related activities, and became listed on the Exchange as a Tier 2 mining issuer.

Overview

Blue Caribou

During the quarter ended June 30, 2008, Skybridge Development Corp. actively explored the Blue Caribou property in Western Nunavut, Canada. The Blue Caribou Project is host to a quartz-rich, high-grade copper and molybdenum prospect with accessory silver and gold where individual 2007 surface grab samples returned grades up to 9.60% copper, up to 0.67% molybdenum, up to 110.66 g/tonne silver and up to 3.22 g/tonne gold. The target structure has been mapped on surface for more than one kilometre and the drill-indicated potential resource area is approximately 800m in length. Ground geophysical surveying by the Corporation confirms excellent coincidence of the highest grade copper samples with strong electromagnetic anomalies. The main Blue Caribou structure was never previously drill tested. The Phase 1 drill program has confirmed a new, high grade copper discovery in the Arctic and is designed as a preliminary test of the size and grade potential of the Blue Caribou structure.

Drilling on the Blue Caribou Copper Zone commenced on May 28, 2008. As of June 30, 2008, 20 diamond drill holes totaling 1529.8m were completed. Initial analytical results from Holes BC-08-1 to BC-08-12A represent mineralized intervals with assays from different sections over a total 800m strike length defined thus far with new assays grading up to 4.28% copper over 5.0m (16.4ft) and 3.62% copper over 8.9m (29.3ft) at a 1.0% copper assay cutoff within a broader quartz breccia target horizon (see *Table 1 – July 16, 2008 Press Release*).

At the date of this report, the Corporation is awaiting assay results for an additional twelve (12) drill holes on the Blue Caribou Copper Zone intersected at depth, and the four (4) stratigraphic test holes drilled on the historic Blue Caribou Gold zone situated southeast of the Blue Caribou Copper Zone. The Corporation is also awaiting assay results from surface rock and soil sampling by a prospecting crew which was mobilized to help evaluate numerous other electromagnetic airborne geophysical anomalies identified by the Corporation's proprietary MEGATEM airborne geophysical survey flown by Fugro Airborne Surveys in 2007.

Table 1: Drilling Assays Utilizing a 1.0% Copper Assay Cutoff from Blue Caribou Project, Nunavut

Hole no./ Sect/Dip*	Interval (m / ft)	Copper (%)	Moly (%)	Silver (g/t)	Gold (g/t)
	Elbow Zone				
BC08-01/ 1195E/-50	45.5 – 50.0 (4.5 / 14.4)	2.68	.052	27.75	0.310
BC08-02/ 1195E/-70	40.0 – 49.8 (9.8 / 31.3)	3.08	.007	32.25	0.240
BC08-03/ 1195E/-90	45.8 – 54.7 (8.9 / 29.2)	3.62	.028	34.54	0.164
BC08-04/ 1280E/-50	34.8 – 40.7 (5.9 / 19.3)	2.11	.007	16.26	0.368
BC08-05/ 1280E/-90	38.5 – 43.1 (4.6 / 15.1)	3.44	.035	32.03	0.206
BC08-06/ 1038E/-50	29.6 – 34.6 (5.0 / 16.4)	4.28	.174	41.79	0.172
BC08-07/ 1038E/-90	33.0 – 36.0 (3.0 / 9.8)	3.87	.075	36.26	0.352
BC08-08/ 960E/-50	43.0 – 53.0 (10.0 / 32.8)	3.19	.059	35.40	0.152

BC08-09/ 960E/-90	50.0 – 57.0 (7.0 / 23.0)	3.36	.061	29.91	0.187
BC08-10/ 1120E/-60	23.0 – 31.0 (8.0 / 26.2)	1.99	.065	21.40	0.213
BC08-11/ 1120E/-90	27.0 – 32.0 (5.0 / 16.4)	2.02	.068	17.35	0.139
BC08-12/ 480E/-50	Not completed				
BC08-12A 480E/-45	56.6 – 61.1 (4.5 / 14.8) Incl 59.6 – 60.3 (0.7 / 2.3)	4.16 20.45	.193 .005	69.59 355.18	0.056 0.198
BC08-13/ 480E/-70	50.3 – 55.5 (5.2 / 17.1)	2.30	0.035	28.59	0.115
BC08-14/ 480E/-90	50.0 – 54.5 (4.5 / 14.8)	2.48	0.129	37.72	0.103
BC08-15/ 400E/-50	37.8 – 38.8 (1.0 / 3.3)	3.97	0.041	50.16	0.176
BC08-16/ 400E/-70	35.6 – 39.6 (4.0 / 13.1)	1.27	0.043	17.87	0.10

BC08-17/ 400E/-90	32.9 – 33.4 (0.5 / 1.6)	10.47	0.045	184.14	0.114
BC08-17/ 400E/-90	43.4 – 49.0 (5.6 / 18.4)	2.76	0.012	34.17	0.133
BC08-18/ 360E/-70	47.4 – 48.4 (1.0 / 3.3)	2.00	0.059	28.92	0.09
BC08-19/ 360E/-90	52.2 – 53.2 (1.0 / 3.3)	1.20	0.005	16.56	1.004
BC08-20/ 775E/-60	74.1 – 78.8 (4.7 / 15.4)	1.55	0.016	11.40	0.13

* See Surface Compilation Plan at

[http://www.skybridgedevelopment.com/i/pdf/Skybridge Blue Caribou Update Aug 12-08.pdf](http://www.skybridgedevelopment.com/i/pdf/Skybridge%20Blue%20Caribou%20Update%20Aug%2012-08.pdf)

The Corporation has also conducted four stratigraphic test holes on its distinct “Blue Caribou Gold Zone”, a series of historical gold values located 5km and 9km southeast of the Blue Caribou Copper Zone, grading up to 7.3 g/t gold (grab) in the “North Zone” and 67.71 g/t gold (grab) in the “South Zone”. The gold occurrences were identified from a review of historical data assessment files on the Corporation’s 50,000 acre property and reported in the Corporation’s independent NI 43-101 technical report filed on SEDAR (May 8, 2008). There is no record of any previous drilling. The gold occurrences have also been examined and sampled in the field by Skybridge personnel and appear to be associated with highly altered host rocks containing swarms of quartz veins. They appear to line up with an 8km long magnetic high and several electromagnetic conductors identified by the Corporation in its proprietary airborne magnetic and electromagnetic MEGATEM survey flown by Fugro Airborne Surveys. The preliminary stratigraphic drill test of the Blue Caribou Gold Zone is also part of the Corporation’s current Phase 1 minimum 3000m drill program.

The Corporation has taken measures to ensure a high level of quality assurance and quality control (Qa/Qc) for the Blue Caribou drill program. All drill core is geologically logged and processed by Skybridge personnel. One half of the split core sample is bagged, tagged, and sent for copper, molybdenum, silver and gold analysis to Accurassay Laboratories, an ISO certified facility in Thunder Bay, Ontario. All samples shipped from the site are kept secure through a chain-of-custody procedure. The remaining split core is stored on-site. A system of blanks, standards and duplicates are inserted in the core sample stream to ensure precision, accuracy and freedom from contamination.

Reverse Takeover (RTO)

Pursuant to the Agreements and the closing of the Qualifying Transaction, the Corporation acquired 100% of the issued and outstanding shares of Alyris (5,450,000 common shares in total) in exchange for one common share of the Corporation for each Alyris share and the Corporation substituted Alyris warrants issued and outstanding (728,750 warrants in total) with the Corporation's warrants (the "Skybridge QT Warrants") on similar terms and conditions. The Corporation also canceled 325,000 of its 450,000 options and granted these options to new directors and officers of the resulting issuer, whereby each option is exercisable into one share of the Corporation at a price of \$0.67 per share for a period of 5 years from the date of grant.

The Corporation also entered into a Share Purchase Agreement dated November 29, 2007 with Alyris and eight Alyris shareholders. On the closing date of the Qualifying Transaction, the shareholders of the Corporation transferred 2,100,000 of the 2,500,000 escrowed shares to eight Alyris shareholders at a price of \$0.065 per share.

Legally, the Corporation is the parent of Alyris. However, as a result of the transaction described above, control of the combined companies passed to the former shareholders of Alyris. This type of exchange is referred to as a reverse takeover ("RTO"). An RTO transaction involving a non-public enterprise and a non-operating public corporation is a capital transaction in substance, rather than a business combination. That is, the transaction is equivalent to the issue of shares by the non-public operating enterprise for the net monetary assets of the non-operating public corporation, accompanied by a recapitalization of the non-public operating enterprise. Application of RTO accounting means the financial statements of the combined entity are issued under the name of Skybridge Development Corporation but are considered the continuation of the financial statements of Alyris Gold Corporation. The issued capital of the entity at June 30, 2008 is that of Alyris, while the legal capital structure remains that of Skybridge.

The cost of an acquisition should be based on the fair value of consideration given, except where the fair value of the consideration given is not clearly evident. In such a case, the fair value of the net assets acquired is used.

The fair value of net assets acquired, totaling \$3,996,257 has been allocated as follows:

Cash	4,014,828
Accounts Receivable	4,868
Prepaid expenses	10,000
Equipment	1,319
Accounts payable	<u>(34,758)</u>
Total net assets to be allocated	<u>3,996,257</u>
Purchase consideration:	
5,450,000 Common shares issued	3,958,362
728,750 Share purchase warrants issued	37,895

Summary of Quarterly Results

The following table sets out selected quarterly financial data for the six most recently completed interim quarters following incorporation on January 30, 2007:

	2008	2008	2007	2007	2007	2007
Quarter	Second	First	Fourth	Third	Second	First
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Revenue	801	5,121	6,694	-	-	-
Expenses	696,068	88,345	34,699	7,204	-	-
Income (loss) from continuing operations	(695,267)	(83,224)	(28,005)	(7,204)	-	-
Income (loss) from continuing operations per Common share (basic and diluted)	(0.11)	(0.02)	(0.01)	(0.00)	-	-
Net income (Loss)	(695,267)	(83,224)	(28,005)	(7,204)	-	-
Net income (Loss) per Common share (basic and diluted)	(0.11)	(0.02)	(0.01)	(0.00)	-	-

Results of operations for the 3 month period ending June 30, 2008

Net loss for the quarter ended June 30, 2008 was \$695,267 as compared to \$NIL for the same period of the previous year. The increase in net loss over the corresponding quarter of the prior year was due to the inactive nature of Alyris Gold Corporation during the period.

Of the \$696,068 in operating expenses incurred during the quarter ended June 30, 2008 \$330 related to non-cash charges for amortization. Of the remaining \$695,738 in operating expenses, \$508,460 related to general and administrative expenses, \$64,000 to interest penalties related to flow-through financings, \$29,353 to professional fees and \$93,925 to compensation adjustments related to stock options granted during the period.

Exploration and development programs during the quarter ended June 30, 2008 resulted in \$1,618,769 in related expenditures. One hundred percent of the \$1,618,769 incurred during the quarter was in relation to the Phase 1 drilling program at the Corporation's Blue Caribou Project. located in Nunavut, Canada.

Of the \$3,091,250 in flow-through financing raised in 2007, \$1,987,158 in exploration expenditures has been expended to date. The Corporation is committed to incurring an additional \$1,104,092 in exploration expenditures prior to December 31, 2008.

The Corporation is currently evaluating the results of the first phase of its two phase exploration program on the Blue Caribou Property. The Corporation has filed a geological technical report prepared in compliance with National Instrument 43-101 which describes the two phase exploration program in detail. A copy of the report is available on SEDAR at www.sedar.com filed on May 9, 2008.

Liquidity and Capital Resources

The Corporation's cash and cash equivalents balance was \$2,976,436 at June 30, 2008 compared to \$14,749 at December 31, 2007. Current assets at June 30, 2008 were \$3,444,103 compared to \$576,916 at December 31, 2007 and total assets were \$5,465,941 compared to \$951,805. The \$4,514,136 increase in total assets relates primarily to cash received in relation to financings completed concurrent with the reverse takeover transaction.

Operating activities

During the three months ended June 30, 2008, the Corporation reported \$65 in cash used in relation to operating activities. This is representative of the increase in cash provided by changes in non-cash working capital balances most notably of which is a significant increase in accounts payable.

Investing activities

Exploration expenditures of \$1,618,769 incurred during the period were offset by \$317,221 in proceeds generated from the sale of short-term investments and an increase of \$173,854 in non-cash working capital balances related to investing resulting in a reported balance of \$1,132,218 used in investing activities.

Financing activities

During the three months ended June 30, 2008 the Corporation closed a non-brokered private placement of 2,100,000 non-flow-through common shares at \$0.65 per share for gross proceeds of \$1,365,000 and an additional 10,000 flow-through shares at a price of \$0.75 per flow-through share for gross proceeds of \$7,500. In addition \$2,613,750 of funds held in trust was released upon completion of the Qualifying Transaction. Completion of the Qualifying Transaction and concurrent financings resulted in net cash provided from financing activities of \$4,011,744.

Changes in Accounting Policies including Initial Adoption

Assessing Going Concern

The Accounting Standards Board (“AcSB”) amended CICA Handbook Section 1400, to include requirements for management to assess and disclose an entity’s ability to continue as a going concern. This section applies to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The adoption of this section will not have an impact on the financial statements.

Financial Instruments

The AcSB issued CICA Handbook Section 3862, *Financial Instruments – Disclosures*, which requires

entities to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The principles in this section complement the principles for recognizing, measuring and presenting financial assets and financial liabilities in Section 3855, *Financial Instruments – Recognition and Measurement*, Section 3863, *Financial Instruments – Presentation*, and Section 3865, *Hedges*. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The AcSB issued CICA Handbook Section 3863, *Financial Instruments – Presentation*, which is to enhance financial statement users' understanding of the significance of financial instruments to an entity's financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

Capital Disclosures

The AcSB issued CICA Handbook Section 1535, which establishes standards for disclosing information about an entity's capital and how it is managed. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. Our Corporation is currently assessing the impact of the above new accounting standards on our financial positions and results of operations.

Future accounting changes

International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards (IFRS) over an expected five-year transitional period. In February 2008, the AcSB announced that 2011 is the transition date for publicly listed companies to use IFRS, which will replace Canadian GAAP.

The effective date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Corporation for the year ended December 31, 2010. While the Corporation has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Off-Balance Sheet Arrangements

The Corporation did not have any off-balance sheet arrangements during the three months ended June 30, 2008 or as of the date of this report.

Related Party Transactions

The following are the related party transactions, other than previously mentioned within these financial statements, recorded at the estimated fair value as agreed to by the parties:

[a] Included in general and administrative expenses are amounts totaling \$1,109 (2007 - \$nil) for corporate secretarial services provided to the Corporation by companies related to the Corporation through a common officer.

[b] Included in general and administrative expenses are amounts totaling \$60,270 (2007 - \$nil) for accounting and management services provided by the Alyris Group, a corporation related to the Corporation through a common officer.

[c] Included in accounts payable is \$357,000 related to a working capital loan provided to Alyris Gold Corporation prior to the close of the Qualifying transaction by a director of the Corporation. The loan was repaid in July 2008.

Subsequent Events

On July 30, 2008 Skybridge granted 950,000 options to purchase common shares of the Corporation to certain officers, directors, employees and consultants of the Corporation. The options have an exercise price of \$0.65 per share and expire July 30, 2013.

Financial Instruments and Other Instruments

Financial instruments consist of cash and cash equivalents, accounts receivable, prepaid expenses and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Outstanding share data

Common Shares

The Corporations shares are listed on the TSX Venture Exchange under the symbol "SBD". Authorized share capital consists of an unlimited number of common shares without par value. As at June 30, 2008 15,747,500 common shares were issued and outstanding.

Warrants

On May 26, 2008, the Corporation issued 728,750 share purchase warrants to the former shareholders of Alyris Gold Corporation in exchange for their 728,750 outstanding share purchase warrants. The fair value assigned to the share purchase warrants of \$37,895 was estimated using the Black-Scholes pricing model. At June 30, 2008 526,250 of the 728,750 warrants issued remained outstanding.

Stock Options

On May 26, 2008 the Corporation and certain former directors agreed to cancel 325,000 stock options and re-issue such options to the new directors and officers of the Corporation. Each of the new options entitles the holder to acquire one share in the capital of the Corporation at the exercise price of \$0.67 for a

period of five years from the date of grant. The fair value assigned to the share stock options of \$93,925 was estimated using the Black-Scholes pricing model. At June 30, 2008 one hundred percent of the 450,000 stock options issued remain outstanding.

Risk Factors

An investment in the Corporation involves a number of risks. You should carefully consider the following risks and uncertainties in addition to other information in this interim report in evaluating the Corporation and its business before making any investment decision in regards to the common shares of the Corporation. The Corporations' business, operating and financial condition could be harmed due to any of the following risks. The risks described below are not the only ones facing the Corporation. Additional risks not presently known to us may also impair business operations.

Exploration and Mining Risks

The Corporation is engaged in mineral exploration and development activities. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. The long-term profitability of our operations will be in part directly related to the cost and success of our exploration programs, which may be affected by a number of factors beyond our control.

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Corporation has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral resources, any of which could result in work stoppages, damage to property, and possible environmental damage.

Hazards such as unusual or unexpected formations and other conditions such as formation pressures, fire, power outages, labour disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable machinery, equipment or labour are involved in mineral exploration, development and operation. We may become subject to liability for pollution, cave-ins or hazards against which we cannot insure or against which we may elect not to insure. The payment of such liabilities may have a material, adverse effect on our financial position.

The Corporation relies upon consultants and others for exploration and development expertise. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, allowable production, importing and exporting of minerals and environmental protection.

Financing Risks

The Corporation is limited in both financial resources, and sources of operating cash flow and has no assurance that additional funding will be available to us for further exploration and development of our projects or to fulfill our obligations under any applicable agreements. There can be no assurance that we will be able to obtain adequate financing in the future or that the terms of such financing will be

favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of our projects with the possible loss of such properties.

Regulatory Requirements

Even if our mineral properties are proven to host economic reserves of mineral resources, factors such as governmental expropriation or regulation may prevent or restrict mining of any such deposits or repatriation of profits. The Blue Caribou Property is located in the Kitikmeot Region, Nunavut. The Corporation may acquire other properties in other jurisdictions or countries. Any changes in regulations or shifts in political conditions are beyond the control of the Corporation and may adversely affect our business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, environmental legislation and mine safety.

Uninsurable Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Corporation may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Corporation.

No Assurance of Titles

It is possible that any of our properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects.

Permits and Licenses

The operations of the Corporation may require licenses and permits from various governmental authorities. There can be no assurance that such licenses and permits as may be required to carry out exploration, development and mining operations at our projects will be granted.

Competition

The mineral industry is intensely competitive in all its phases. We compete with many companies possessing greater financial resources and technical facilities than the Corporation for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees.

In addition, there is no assurance that a ready market will exist for the sale of commercial quantities of ore. Factors beyond the control of the Corporation may affect the marketability of any substances discovered. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Corporation not receiving an adequate return on invested capital or losing our investment capital.

Environmental Regulations

Our operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect our operations.

Stage of Development

The Corporation is in the business of exploring for, with the ultimate goal of producing, mineral resources from our mineral exploration properties. None of our properties have commenced commercial production and we have no history or earnings or cash flow from our operations. As a result of the foregoing, there can be no assurance that we will be able to develop any of our properties profitably or that our activities will generate positive cash flow. We are unlikely to enjoy earnings or pay dividends in the immediate or foreseeable future. A prospective investor in the Corporation must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of our management in all aspects of the development and implementation of our business activities.

Markets for Securities

There can be no assurance that an active trading market in our securities will be established and sustained. The market price for our securities could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of our peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Corporation. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the mining sector, which have often been unrelated to the operating performance of particular companies.

Reliance on Key Individuals

Our success depends to a certain degree upon certain key members of the management. It is expected that these individuals will be a significant factor in our growth and success. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Corporation.

Geopolitical risks

The Corporation may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on future exploitation and production, price controls, export controls, currency availability, income taxes, delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on mineral exports, increased financing costs, and site safety. In addition, legislative enactments may be delayed or announced without being enacted and future political action that may adversely affect the Corporation cannot be predicted.

Any changes in regulations or shifts in political attitudes that may result, among other things, in significant changes to mining laws or any other national legal body of regulations or policies are beyond the control of the Corporation and may adversely affect its business. The possibility that future governments may adopt substantially different policies, which might extend to the expropriation of assets, cannot be ruled out.

Additional Information

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com, or on the Corporation's web-site at www.skybridgedevelopment.com

(signed) John Seaman

Chief Financial Officer

Thunder Bay, Canada

August 27, 2008