



Skybridge

DEVELOPMENT CORP

ALYRIS GOLD CORP

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

For the Year ended December 31, 2008

SKYBRIDGE DEVELOPMENT CORP.
[formerly Alyris Gold Corporation]
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year ended December 31, 2008

Date of Report: April 16, 2009

The following Management's Discussion and Analysis ("MD&A") of Skybridge Development Corp. (the "Corporation" or "Skybridge") should be read in conjunction with the audited annual financial statements for the year ended December 31, 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 April 16, 2009, 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.

On May 26, 2008 pursuant to the Share Exchange Agreements with Alyris 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 operating 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 December 31, 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

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.

On October 28, 2008 the Corporation received continuance of its articles of incorporation into the Province of Ontario.

Corporate Developments

On February 2, 2009 the Corporation announced the acquisition of the historic "Lavery" property in Red Lake, Ontario. Initial payment obligation at signing of the Definitive Agreement between the parties was \$100,000 and issuance of 250,000 Skybridge shares. Terms of the 48 month option-purchase agreement between Skybridge and the vendor, Mosquito Consolidated Gold Mines Limited ("Mosquito") include annual payments totaling \$500,000, issuance of 1,500,000 common shares of Skybridge along with exploration work commitments totaling \$1,500,000 million. Mosquito retains a 2% Net Smelter Royalty with Skybridge granted the right to purchase half within one year of the final closing of the fully vested option agreement for \$1,000,000. Terms and share issuance remain subject to TSX Venture Exchange and all regulatory approvals.

On February 5, 2009 the Corporation announced that it had entered into a binding letter agreement with Mega Silver Inc. (MSR-TSXV) ("Mega") to combine the two companies through an all share transaction (the "Transaction"). Under the terms of the Transaction, shareholders of Skybridge will receive one (1) Mega common share in exchange for each two and one-half (2.5) Skybridge common shares held. Based upon the number of Skybridge common shares and Mega common shares outstanding as at January 27, 2009 (on an undiluted basis), and upon completion of the Transaction, Mega will issue an aggregate of approximately 8,305,588 Mega common shares to Skybridge shareholders, representing approximately 23% of the 35,222,572 outstanding Mega common shares following the transaction. It is proposed that the Transaction will be effected by way of a three-cornered amalgamation, whereby a wholly-owned subsidiary of Mega will amalgamate with Skybridge and, upon completion of the transaction, the resulting company will be a wholly-owned subsidiary of Mega and will continue to carry out the business of Skybridge. The common shares of Skybridge will be de-listed from the TSX Venture Exchange prior to closing of the Transaction. Completion of the Transaction is subject to a number of conditions, including, but not limited to, a fifteen day due diligence period, the receipt of all required approvals, including approval of the TSX Venture Exchange and Skybridge shareholders at a meeting to be held as soon as practicable during the second quarter of 2009.

On February 17, 2009, the Corporation announced that it has entered into a Letter of Intent in respect of an option to acquire a 100% interest in the “East My-Ritt” property in Red Lake, Ontario from a Joint Venture between Premier Gold Mines Limited and Sabina Silver Corporation (“Vendors”). Terms of the option agreement between Skybridge and the Vendors include cash payments totaling \$250,000, issuance of 1,500,000 common shares of Skybridge along with exploration work commitments totaling \$1,250,000 million. Initial payment obligation at signing of the Definitive Agreement between the parties will be \$50,000 and issuance of 500,000 Skybridge shares. The Vendors retain a 0.5% Net Smelter Royalty with Skybridge and the Vendors jointly retaining the right to buy out underlying royalty provisions on a prorated basis as may be available for purchase. Underlying royalty provisions include 3% Net Smelter Return (NSR) on all 8 claims, as well as a 10% Net Profits Interest (NPI) on six of the claims. Terms and share issuance remain subject to TSX Venture Exchange and all regulatory approvals.

Operational Overview

Blue Caribou

During 2008, Skybridge Development Corp. actively explored the Blue Caribou copper and gold property in Western Nunavut region of Canada. The Blue Caribou Project is host to a quartz-rich, high-grade copper prospect with accessory molybdenum, silver and gold where individual surface grab samples taken in 2007, 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 exploratory drill program designed as a preliminary test of the size and grade potential of the Blue Caribou structure, completed during the summer field season of 2008 has confirmed a new high grade copper discovery in the Arctic.

On May 28, 2008, drilling commenced on the Blue Caribou Project and was completed as of August 25, 2008. During that time, 37 diamond drill holes totaling 3614.8 m were completed on two exploration targets on the property. The Blue Caribou Copper Zone had 33 holes completed totaling 2790.8m of drilling. Four other drill holes were completed on the Blue Caribou Deformation Zone, host of several gold occurrences. As of mid October, 2008, all analytical results have been received and disclosed publicly. A National Instrument 43-101 compliant, inferred resource estimate is in preparation for the Blue Caribou Copper Zone, for public release in the second quarter of 2009.

Blue Caribou Copper Zone: Analytical results from Holes BC08-1 to BC08-32 showed that the Blue Caribou Copper Zone drilling successfully intersected high grade copper mineralization in all holes over a 940m strike length and 200m down dip. Thirty-three drill holes were drilled on the Copper Zone, but for technical reasons one hole BC08-12 had to be aborted before intersecting the Zone and was restarted as Hole BC08-12A. Table 1 summarizes the Copper Zone intersections at a 1% copper cut off. The estimated weighted average grade from all 32 holes that intersected the Copper Zone with a minimum true width of 2 metres is 2.73% Cu, 0.06% Mo, 30.86 g/t Ag, and 0.19 g/t Au over an average true width of 4.32m at a 1.0% copper assay cutoff within a broader quartz vein breccia target horizon (see previously reported assay results in *Tables 1 of the following Press Releases dated July 16, 2008, August 18, 2008, and September 14, 2008*). Specific gravity of the quartz and chalcopyrite mineralization averages 2.87.

Management postulated that the Blue Caribou Copper Zone mineralization with evidence of brecciation and local iron-rich alteration could potentially reflect part of a larger Iron Oxide Copper Gold (IOCG) mineral system. IOCG systems (e.g. Olympic Dam) are host to some of the world's largest concentrations of copper and gold.

Table 1: Blue Caribou Copper Zone Drilling Composite Assays > 1% Copper ≥ 2m TW

Blue Caribou Copper Zone Drilling Composite Assays > 1% Copper									
<u>Hole No</u>	<u>From</u>	<u>To</u>	<u>Length</u>	<u>True Width</u>	<u>Cu(%)</u>	<u>Mo(%)</u>	<u>Ag(g/t)</u>	<u>Au(g/t)</u>	<u>SG</u>
BC08-01	45.5	50.0	4.5	4.40	2.68	0.05	27.75	0.31	2.84
BC08-02	40.0	49.8	9.8	9.55	3.08	0.01	32.25	0.24	2.98
BC08-03	45.8	54.7	8.9	7.71	3.62	0.03	34.54	0.16	2.93
BC08-04	34.8	40.7	5.9	5.67	2.11	0.01	16.26	0.37	2.79
BC08-05	38.5	43.1	4.6	3.98	3.44	0.04	32.03	0.21	2.93
BC08-06	29.6	34.6	5.0	4.89	4.28	0.17	41.79	0.17	2.83
BC08-07	33.0	36.0	3.0	2.65	3.87	0.08	36.26	0.35	2.86
BC08-08	43.0	53.0	10.0	9.78	3.19	0.06	35.40	0.15	2.98
BC08-09	50.0	57.0	7.0	6.10	3.36	0.06	29.91	0.19	2.81
BC08-10	23.0	31.0	8.0	8.00	2.00	0.07	21.40	0.21	2.81
BC08-11	27.0	32.0	5.0	4.37	2.02	0.07	17.35	0.14	2.78
*BC08-12A	56.6	61.1	4.5	4.28	4.16	0.19	69.59	0.06	2.80
BC08-13	50.3	55.5	5.2	5.12	2.30	0.04	28.59	0.12	2.86
BC08-14	50.0	54.5	4.5	3.90	2.47	0.13	37.72	0.10	2.88
BC08-15	37.8	39.9	2.1	2.00	2.26	0.06	31.96	0.12	2.86
BC08-16	35.6	39.6	4.0	4.00	1.27	0.04	17.87	0.10	2.78
BC08-17	31.8	34.4	2.6	2.28	2.59	0.03	46.63	0.08	2.84
**BC08-17	43.4	49.0	5.6	4.90	2.76	0.01	34.17	0.13	2.84
BC08-18	46.0	49.0	3.0	3.00	1.01	0.02	15.44	0.05	2.85
***BC08-19	52.2	54.4	2.2	2.00	0.76	0.00	10.74	0.49	2.79
BC08-20	74.1	78.8	4.7	4.50	1.55	0.02	11.45	0.14	2.78
BC08-21	85.0	88.0	3.0	2.70	1.46	0.03	17.55	0.13	2.87

BC08-22	14.3	19.2	4.9	4.61	3.45	0.02	38.03	0.47	2.83
BC08-23	14.4	18.4	4.0	3.59	3.64	0.02	39.23	0.16	2.94
BC08-24	88.1	94.1	6.0	5.35	3.39	0.13	52.35	0.28	2.83
BC08-25	37.2	39.4	2.2	2.15	1.31	0.30	19.52	0.13	2.74
BC08-26	38.9	41.0	2.1	2.00	1.02	0.00	15.95	0.04	2.71
BC08-27	86.5	89.5	3.0	2.96	3.08	0.03	30.69	0.19	2.87
BC08-28	93.3	97.3	4.0	3.60	4.35	0.01	28.53	0.16	2.91
BC08-29	85.1	94.1	9.0	8.77	2.65	0.02	29.89	0.21	3.01
**BC08-29	97.2	99.3	2.1	2.00	1.57	0.03	47.90	0.18	2.70
BC08-30	102.8	105.0	2.2	2.00	2.08	0.29	24.29	0.18	2.90
BC08-31	78.0	80.0	2.0	2.00	1.19	0.07	17.68	0.08	2.81
BC08-32	77.6	79.8	2.2	2.00	2.28	0.08	33.15	0.19	2.80
Total IW			156.9	146.81	2.74	0.06	30.99	0.19	2.86
Total TW			4.6	4.32	2.73	0.06	30.86	0.19	2.87

* BC08-12 was lost short of target and re-drilled as BC0812A

**BC08-29 and **BC080-17 have an upper and lower intersection > 1% Cu over 2m IW

*** BC08-19 included for completeness

- See Surface Compilation <http://www.skybridgedevelopment.com/i/pdf/Presentation.pdf>

The press releases announcing the previous assay results can be found on the corporate website at

Holes BC08-01 -12a: see Press Release dated July 16, 2008 - <http://www.skybridgedevelopment.com/i/pdf/2008-07-16-NR1.pdf>

Holes BC08-13-20: see Press Release dated August 18, 2008 - <http://www.skybridgedevelopment.com/i/pdf/2008-08-18-NR.pdf>

Holes BC08-21-24: see Press Release dated September 8, 2008 - <http://www.skybridgedevelopment.com/i/pdf/2008-09-08-NR.pdf>

Holes BC08-25-32: see Press Release dated October 14, 2008 - <http://www.skybridgedevelopment.com/i/pdf/2008-10-14-NR.pdf>

Blue Caribou Deformation Zone Gold System: The Corporation also completed four stratigraphic test holes on its distinct Blue Caribou Deformation Zone. This Deformation Zone exposed for 9.5 kilometres is host to the Blue Caribou North and South Gold Zones initially identified by a series of historical gold values, grading up to 7.3 g/t gold (grab) in the “North Zone” and 67.71 g/t gold (grab) in the “South Zone” located 5km and 9km southeast of the Blue Caribou Copper Zone.

New surface assays received during the 2008 field season from these Blue Caribou Gold occurrences, have extended the historic gold mineralization within this north-trending structural corridor to approximately 9.5km on the Blue Caribou claims. Values up to 28.755 g/t gold were received from a series of grab samples. A summary of these gold values using a 0.5g/t gold cutoff received from 104 grab samples is provided in Table 2.

**Table 2: Blue Caribou Gold Zone Grab Samples
(greater than 0.5 g/t gold)**

Sample#	Sample_Name	Gold (g/t)
746031	GOLD-31	0.7400
746077	2GOLD-31	0.7760
746117	TWIN-13	0.8060
746063	2GOLD-17	0.8260
746112	TWIN-8	0.9760
746121	TWIN-17	1.0260
746070	2GOLD-24	1.3160
746054	2GOLD-7	1.3810
746067	2GOLD-21	1.7790
746016	GOLD-16B	2.0930
746110	TWIN-6	2.3520
746107	TWIN-3	3.1820
746013	GOLD-13	5.4810
746086	2GOLD-41	5.5640
746116	TWIN-12	7.1820
746113	TWIN-9	11.4170
746115	TWIN-11	13.6260
746030	GOLD-30	28.5570
746006	GOLD-6	28.7550

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 drilling in the Blue Caribou Project area previous to Skybridge. 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. The gold occurrences are located within a variably altered and structurally deformed mappable mafic volcanic unit with a 9.5km long magnetic high and several co-incident electromagnetic conductors identified by the Corporation in its proprietary airborne magnetic and electromagnetic MEGATEM survey flown by Fugro Airborne Surveys. This preliminary stratigraphic drill test of the Blue Caribou Gold Zone was also part of the Corporation’s current Phase 1 drill program. This structural gold system is typical of most Archean-aged lode gold deposits such as Timmins, Ontario.

Values from four stratigraphic test holes collared at broad multi-kilometre spacings in the gold corridor consistently encountered sheared and carbonate altered volcanics in contact with sedimentary rocks. Assay results were from quartz veining and silicified and altered volcanics. A complete listing of the gold assays at a 0.5 g/t cut-off is provided in Table 3. Gold hole locations are shown at www.skybridgedevelopment.com/i/pdf/Presentation.pdf.

Table 3: Blue Caribou Gold Zone Drill Results – 0.5g/t Au assay cutoff

LOCATION (Azm/dip)	AREA	METERAGE (metres / feet)	GOLD (g/t)
SK08-01 7231420N 295/-50	North Gold Zone	46.5 – 50.7 (4.2 / 13.8)	0.99
SK08-01		73.0 – 74.0 (1.0 / 3.3)	3.63
SK08-01		75.0 – 76.5 (1.5 / 4.9)	0.582
SK08-01		84.5 – 86.4 (1.9 / 6.2)	0.587
SK08-01		98.5 – 99.2 (0.7 / 2.3)	0.711
SK08-02 7227290N 210/-50	South Gold Zone	38.5 – 40.0 (1.5 / 4.9)	0.572
SK08-02		107.0 – 108.5 (1.5 / 4.9)	1.23
SK08-03 7233300N 270/-50	Gold Zone & EM Anomaly (1.9km north of North Gold Zone)	80.0 – 81.5 (1.5 / 4.9)	0.626
SK08-03		86.0 – 87.5 (1.5 / 4.9)	0.782
SK08-03		105.5 – 107.0 (1.5 / 4.9)	0.738
SK08-03		156.5 – 158.0 (1.5 / 4.9)	0.579
SK08-03		164.0 – 165.5 (1.5 / 4.9)	0.639
SK08-04	Gold Zone & EM Anomaly	114.5 – 116.0 (1.5 / 4.9)	0.607

7232030N 260/-50	(600m north of North Gold Zone – SK0801)		
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Holes SK0801 to SK0804 (incl.): refer to Press Release dated October 14, 2008 - <http://www.skybridgedevelopment.com/i/pdf/2008-10-14-NR.pdf>

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 was geologically logged and processed by Skybridge personnel. One half of the split core sample was 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 rigorous QA/QC program consisted of the regular insertion of blanks, standards and duplicates into the core sample stream assured precision, accuracy and integrity of the laboratory process.

In 2009, plans are to complete an in-house NI-43-101 compliant inferred resource estimate for the Copper Zone, and conduct DeepEM geophysical techniques to identify and map a thicker, higher grade core of copper mineralization, followed by deep drill testing to provide a scope of the extent of the rich mineralization. Geological mapping, sampling and drill testing is required to evaluate the large gold system in the vicinity of the high grade surface grab samples.

Summary of Quarterly Results

The following table sets out selected quarterly financial data for the most recently completed interim quarters following incorporation on April 4, 2007:

	2008	2008	2008	2008	2007	2007	2007	2007
Quarter	Fourth	Third	Second	First	Fourth	Third	Second	First
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Revenue	2,023	4,123	801	5,121	6,694	-	-	-
Expenses	25,271	685,515	696,068	88,345	22,707	19,196	-	-
Loss from continuing operations	(23,248)	(681,392)	(695,267)	(83,224)	(16,013)	(19,196)	-	-
Loss from continuing operations per common share (basic and diluted)	(0.01)	(0.07)	(0.11)	(0.02)	(0.01)	(0.01)	-	-
Net income (loss)	368,210	(691,462)	(695,267)	(83,224)	(16,013)	(19,196)	-	-
Net income (loss) per common share (basic and diluted)	0.04	(0.07)	(0.11)	(0.02)	(0.01)	(0.01)	-	-

Results of operations for the period ending December 31, 2008

Net loss for the year ended December 31, 2008 was \$1,107,743 as compared to \$35,209 for the same period of the previous year. The increase in net loss was due to the minimal activity taking place in Alyris Gold Corporation during the previous period.

Of the \$1,495,199 in operating expenses incurred during the year ended December 31, 2008, \$1,049 related to non-cash charges for amortization. Of the remaining \$1,494,150 in operating expenses, \$963,982 related to general and administrative expenses, \$136,466 to professional fees and \$336,213 to compensation adjustments related to stock options granted during the period, and \$57,489 related to flow through interest expense.

Exploration and development programs during the year ended December 31, 2008 resulted in \$3,771,852 in related expenditures. One hundred percent of the \$3,741,782 incurred during the year was in relation to the Phase 1 drilling program at the Corporation's Blue Caribou Project, located in Nunavut, Canada. On July 31, 2008, the Corporation terminated its earn-in agreement with Andrew Tims on the Long Lake property. Deferred exploration costs totaling \$10,070 related to the Long Lake Property have been charged to operations during the year.

Of the \$3,091,250 in flow-through financing raised in 2007, the Corporation has incurred \$3,091,250 in exploration expenditures to date, therefore fulfilling its obligation in relation to the flow through share renunciation.

Liquidity and Capital Resources

The Corporation's cash and cash equivalents balance was \$597,682 at December 31, 2008 compared to \$14,749 at December 31, 2007. Current assets at December 31, 2008 were \$985,611 compared to \$576,916 at December 31, 2007 and total assets at December 31, 2008 were \$5,127,076 compared to \$951,805 at December 31, 2007. The \$4,175,271 increase in total assets relates primarily to cash received in relation to financings completed concurrent with the reverse takeover transaction, and funds held in trust for the financing completed December 31, 2007 which have since been invested in mineral properties.

Operating activities

During the year ended December 31, 2008, the Corporation reported \$1,379,507 in cash used in relation to operating activities. The most significant non-cash charges to earnings include the compensation adjustment for stock options granted of \$336,213, write down of mineral properties of \$10,070, and the impact of Ontario tax harmonization of \$29,399. The most significant non-cash credits to earnings include a tax recovery of \$414,857.

Investing activities

Exploration expenditures of \$3,771,852 were incurred during the period. As well, during the year the Corporation redeemed \$530,721 of temporary investments, and purchased a \$75,000 Guaranteed Investment Certificate (GIC) maturing July 28, 2009, yielding 2.15%. This GIC is held as security for a stand-by letter of credit held with the Royal Bank of Canada.

Financing activities

During the year ended December 31, 2008 the Corporation completed the Reverse Takeover Transaction providing \$4,014,828 in cash, the Corporation also completed a private placement providing \$1,187,500, and the Corporation received \$175,303 in proceeds from the exercise of share purchase warrants.

Subsequent Events

As of January 1, 2009 the terms of the employment agreement with the President/CEO of the Corporation were revised such that he would dedicate fifty (50) percent of his working time to the Corporation.

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 and 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.

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.

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.

Business Combinations / Consolidated Financial Statements / Non-Controlling Interests

In January 2009, the CICA adopted sections 1582, "*Business Combinations*", 1601, "*Consolidated Financial Statements*", and 1602, "*Non-Controlling Interests*" which superseded current sections 1581, "*Business Combinations*" and 1600, "*Consolidated Financial Statements*". These sections will be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Earlier adoption is permitted. If an entity applies these sections before January 1, 2011, it is required to disclose that fact and apply each of the new sections concurrently. These new sections were created to converge Canadian GAAP to IFRS.

Going Concern

The consolidated financial statements have been prepared on the basis of Canadian generally accepted accounting principles applicable to a going concern. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, the ability to realize assets and discharge liabilities in the normal course of business for the foreseeable future and the ability of the Corporation to raise additional capital. Specifically, the recovery of the Corporation's investment in mineral properties and related deferred expenditures is dependent upon the discovery of economically recoverable reserves, the ability of the Corporation to obtain necessary financing to develop the properties and establish future profitable production from the properties, or from the proceeds of their disposition.

The Corporation's ability to continue as a going concern is dependent upon the continued financial support of its shareholders, and the Corporation's ability to acquire additional equity financing. Based on its prior demonstrated ability to raise capital management believes that the Corporation's capital resources should be adequate to continue operating and maintain its current business strategy during the coming year. In addition on February 5, 2009 the Corporation announced that it had entered into a binding letter agreement with Mega Silver Inc. (MSR-TSXV) ("Mega") to combine the two companies through an all share transaction (the "Transaction"). Under the terms of the Transaction, shareholders of Skybridge will receive one (1) Mega common share in exchange for each two and one-half (2.5) Skybridge common shares held. Based upon the number of Skybridge common shares and Mega common shares outstanding as at January 27, 2009 (on an undiluted basis), and upon completion of the Transaction, Mega will issue an aggregate of approximately 8,305,588 Mega common shares to Skybridge shareholders, representing approximately 23% of the 35,222,572 outstanding Mega common shares following the transaction. It is proposed that the Transaction will be effected by way of a three-cornered amalgamation, whereby a

wholly-owned subsidiary of Mega will amalgamate with Skybridge and, upon completion of the transaction, the resulting company will be a wholly-owned subsidiary of Mega and will continue to carry out the business of Skybridge.

However, if the Corporation is unable to raise additional capital in the near future, management expects that the Corporation will need to modify its work plans. The financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Corporation be unable to continue as a going concern.

Off-Balance Sheet Arrangements

The Corporation did not have any off-balance sheet arrangements during the year ended December 31, 2008 or as of the date of this report.

Related Party Transactions

The following are the related party transactions recorded at the exchange amount as agreed to by the parties:

[a] Included in general and administrative expenses are amounts totaling \$8,292 (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 \$241,080 (2007 - \$nil) for accounting and management services provided by The Alyris Group, a company related to the Corporation through a common officer.

[c] Included in accounts receivable are amounts totaling \$5,000 (2007 - \$nil) relating to expenses paid on behalf of an officer of the Corporation.

[d] Included in accounts receivable are amounts totaling \$12,045 (2007 - \$nil) relating to expenses paid on behalf of Source Exploration Corp., a company related to the Corporation through a common officer and director.

[e] Included in prepaids and deposits are amounts totaling \$42,000 (2007 - \$nil) relating to a wage advance provided to an officer of the corporation.

Commitments

The following is a summary of the commitments of the Corporation as at December 31, 2008:

	2009	2010	2011	Total
Contracts	\$361,620	\$361,620	\$180,810	\$904,050

Flow-through renunciation

As at December 31, 2007, the Corporation had renounced \$3,091,250 in flow-through related resource expenditures to investors. The Corporation had until February 28, 2008 to incur the related expenditures before monthly interest charges began to accrue on unspent funds. Interest charges incurred by the Corporation as a result of this income tax legislation were charged to income in the period incurred. Of the \$3,091,250 in flow-through financing raised in 2007 the Corporation incurred \$3,091,250 in exploration expenditures, therefore fulfilling its obligation in relation to the flow through share renunciation. On May 27, 2008 the Corporation issued 10,000 flow-through shares for gross proceeds of \$7,500. On September 30, 2008 the Corporation issued 1,250,000 flow-through common shares for gross proceeds of \$437,500. The Corporation is required to renounce the related tax benefits to investors prior to December 31, 2008, and incur related expenditures prior to December 31, 2009.

Financial Instruments and Other Instruments

Financial instruments consist of cash and cash equivalents, temporary investments, accounts receivable and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying value due to the short term to maturity, 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 December 31, 2008, 20,013,970 common shares were issued and outstanding.

Warrants

At December 31, 2008 the Corporation had 179,780 broker warrants with an exercise price of \$0.10 expiring July 19, 2009, 80,000 finders warrants with an exercise price of \$0.30 expiring September 30, 2009, and 2,500,000 share purchase warrants with an exercise price of \$0.55, expiring March 30, 2010 and subject to a 30 day, reduced exercise period in the event that Skybridge's share price closes above \$0.55 for a period of 20 consecutive trading days.

During the year ended December 31, 2008, 698,750 share purchase warrants were exercised, and 30,000 share purchase warrants expired on July 31, 2008. As well, 20,220 broker warrants were exercised leaving a balance at December 31, 2008 of 179,780 broker warrants outstanding, exercisable at \$0.10 and expiring July 19, 2009. As a part of the September 30, 2008 private placement, the Corporation issued 2,500,000 share purchase warrants exercisable at \$0.55, and expiring March 30, 2010. These warrants are subject to a 30 day, reduced exercise period in the event that Skybridge's share price closes above \$0.55 for a period of 20 consecutive trading days. All 2,500,000 share purchase warrants were outstanding at year end. Also with the September 30, 2008 private placement, the Corporation issued 80,000 broker warrants with an exercise price of \$0.30 and expiring September 30, 2009. All 80,000 share purchase warrants were outstanding at year end.

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. On July 30, 2008 the Corporation granted 950,000 options to purchase common shares of the Corporation to certain officers, directors, employees and consultants of the Corporation, of which 887,500 vested during the period. The options have an exercise price of \$0.65 per share and expire July 30, 2013. The fair value assigned to the 1,212,500 vested stock options was \$336,213 and was estimated using the Black-Scholes pricing model. At December 31, 2008, there were 1,400,000 stock options 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 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 financial resources, and as a mineral exploration company has no source of operating cash flow. The Corporation 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, that the terms of such financing will be favourable or that the proposed transaction with Mega will be completed. Failure to complete the transaction or obtain 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

April 16,2009