



**Skybridge**

DEVELOPMENT CORP

ALYRIS GOLD CORP

**Management's Discussion & Analysis  
Form 51-102F1**

**For the Three Months Ended March 31, 2008**

**SKYBRIDGE DEVELOPMENT CORP.  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the Three Months Ended March 31, 2008**

**Date of Report: May 30, 2008**

The following management discussion and analysis is a review of operations, current financial position and outlook for our company and should be read in conjunction with the unaudited financial statements for the three month period ended March 31, 2008. Readers are encouraged to review our financial statements in conjunction with this document, copies of which are filed on the SEDAR website available at [www.sedar.com](http://www.sedar.com).

Our company prepares our financial statements in accordance with generally accepted accounting principles in Canada. All dollar figures included herein are quoted in Canadian dollars unless otherwise noted.

**Disclaimer for Forward-Looking Information**

Certain statements in this interim report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of March 31, 2008. These assumptions, which include, management's current expectations, estimates and assumptions about our current mineral property interests, the global economic environment, the market price and demand for minerals and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand for minerals, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in North America regarding mining operations, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below.

**Description of Business**

We were incorporated on January 30, 2007. Following the filing of a final prospectus on May 11, 2007, we were classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual. Subsequent to this date, our principle business was the identification and

evaluation of viable business opportunities with which to consummate a Qualifying Transaction (as that term is defined in Policy 2.4). On November 29, 2007, we entered into share exchange agreements with Alyris Gold Corporation, the founders of our company, and each of the shareholders of Alyris Gold Corporation, whereby we agreed to acquire all of the issued and outstanding shares of Alyris Gold Corporation in consideration for the issuance of 5,450,000 shares of our company. The share exchange transaction closed on May 26, 2008 and constituted our Qualifying Transaction, the terms of which are disclosed in a Filing Statement dated May 9, 2008 and available on SEDAR at [www.sedar.com](http://www.sedar.com).

Following the closing date of the share exchange transaction, our company ceased to be a Capital Pool Company and commenced operations as a junior mining company through Alyris Gold Corporation, our wholly-owned subsidiary, through which we hold a 100% interest in 23 contiguous un-surveyed mineral claims known as the Blue Caribou Property. The property covers 23,515.63 ha (58,106.25 acres) acquired by staking within NTS 76G 2 and 7 quadrangles. The Blue Caribou Property is located in Kitikmeot Region, Nunavut, within Inuit Owned Lands Parcel BB-11/76G, in which the surface rights are owned by Nunavut Tunngavik Incorporated and administered by The Kitikmeot Inuit Association ("KIA"). A permit issued by KIA is required (now issued) to access the Blue Caribou Property. Additional permits are not required for low environmental impact activities such as geological mapping, geochemical sampling and geophysical surveys. Diamond drilling activities, the establishment of a "substantial" camp and fuel caches in excess of 20 drums (at one location) require additional permits. A geological technical report by G.A. Harron and Associates Inc. prepared in compliance with National Instrument 43-101 describes the property in detail and readers are encouraged to read the report in full, a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com) filed on May 9, 2008.

## **Results of Operations**

### *Overall Performance*

During the quarter ended March 31, 2008, our company was classified as a Capital Pool Company and we incurred expenses related to the consummation of our Qualifying Transaction. Subsequent to this date, our company closed the share exchange transaction which dramatically changed our company, financial position and business going forward. As a result, readers should not place undue reliance on the historical financial information contained in this report as it solely relates to our company as a Capital Pool Company for the three months ended March 31, 2008. Readers are encouraged to read the Filing Statement dated May 9, 2008, a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com) in its entirety, including the audited financial information of Alyris Gold Corporation for the period from inception on April 4, 2007 to December 31, 2007 and the pro forma financial information of our company and Alyris Gold Corporation as at December 31, 2007.

Pursuant to the terms of the share exchange agreements, we acquired all of the issued and outstanding shares of Alyris Gold Corporation from its former shareholders in exchange for the issuance of 5,450,000 shares in the capital of our company. In addition, we issued 728,750 share purchase warrants to the former shareholders of Alyris Gold Corporation in exchange for the transfer of all outstanding share purchase warrants of Alyris Gold Corporation to our company. Each share purchase warrant entitles the holder to acquire one common share in the capital of our company for an exercise price of \$0.25 until July 31, 2008. On the closing date, our company cancelled 325,000 stock options and granted 325,000 new stock options to the new directors and officers of our company, each option of which entitles the holder to acquire one common share in the capital of our company at an exercise price of \$0.67 per share for a period of 5 years from the date of grant. We also entered into a share purchase agreement dated November 29, 2007 with Alyris Gold Corporation, the new directors and officers of our company and the founding shareholders of our company, whereby our founding shareholders transferred 2,100,000 shares

of the 2,500,000 shares that were held in escrow pursuant to an escrow agreement dated March 21, 2007 to our new directors and officers at a price of \$0.065 per share.

During the three months ended March 31, 2008, we incurred expenses of \$64,617 as compared to expenses of \$21,929 during the three months ended March 31, 2007. The most significant expenses incurred during the three months ended March 31, 2008 consisted of legal expenses of \$54,808 and transfer agent and filing fees of \$6,622. The significant rise in expenses during the three months ended March 31, 2008 resulted from increased legal fees incurred in connection with the closing of the share exchange agreements and consummation of our Qualifying Transaction which occurred on May 26, 2008. Similarly, net loss during the three months ended March 31, 2008 was \$64,617, or \$0.03 per share, compared to \$21,929, or \$0.02 per share, during the three months ended March 31, 2007.

#### *Summary of Quarterly Results*

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

	Three months ended March 31, 2008	Three months ended December 31, 2007	Three months ended September 30, 2007	Three months ended June 30, 2007	From inception (January 30, 2007) to March 31, 2007
Total expenses	\$64,617	\$1,229	\$41,378	\$31,661	\$21,929
Net loss	\$64,617	\$1,229	\$41,378	\$31,661	\$21,929
Basic and diluted net loss per share	\$0.03	\$0.00	\$0.03	\$0.00	\$0.00

#### *Summary of Results During Prior Five Quarters*

During the past five quarters since incorporation on January 30, 2007, our company incurred expenses as a Capital Pool Company seeking out business opportunities in order to consummate a Qualifying Transaction. Following our entry into the share exchange agreements dated November 29, 2007, our expenses substantially increased due to the legal costs necessary to conduct due diligence and consummate the transaction. The closing of the Qualifying Transaction occurred on May 26, 2008, and management expects legal fees to decrease following this date. Following the closing of the Qualifying Transaction, our company commenced operations as a junior mining company engaged in the exploration of our Blue Caribou Property. Management anticipates that costs related to the exploration of our property interests will rise considerably as discussed under the heading "Liquidity and Capital Resources".

#### *Three Months Ended March 31, 2008 Compared to Three Months Ended March 31, 2007*

During the three months ended March 31, 2008, we incurred expenses of \$64,617 as compared to expenses of \$21,929 during the three months ended March 31, 2007. The most significant expenses incurred during the three months ended March 31, 2008 consisted of legal expenses of \$54,808 and transfer agent and filing fees of \$6,622. The significant rise in expenses during the three months ended March 31, 2008 resulted from increased legal fees incurred in connection with the closing of the share exchange agreements and consummation of our Qualifying Transaction which occurred on May 26, 2008.

Similarly, net loss during the three months ended March 31, 2008 was \$64,617, or \$0.03 per share, compared to \$21,929, or \$0.02 per share, during the three months ended March 31, 2007.

### **Liquidity and Capital Resources**

As at March 31, 2008, we had cash of \$4,060,382, \$3,964,535 of which was held in trust pending the closing of the Qualifying Transaction. On March 31, 2008, we had working capital of \$4,027,514. Subsequent to the three months ended March 31, 2008, we closed the Qualifying Transaction and the \$3,964,535 was released from trust and paid to our company. Due to the amount of our current working capital and the addition of funds that are anticipated to be raised in the additional financing as described below, we anticipate we will have sufficient working capital for the next twelve month period. Until our property interests generate profits sufficient to maintain our operations, the ability of our company to meet our financial liabilities and commitments is primarily dependent upon the continued issuance of equity to new or existing shareholders. Our company plans to raise any additional capital required to satisfy our operational requirements primarily through the private placement of our equity securities. There is no assurance that our company will be able to obtain further funds required for our continued working capital requirements.

During the three months ended March 31, 2008, we closed a non-brokered private placement of 3,485,000 flow-through common shares at a price of \$0.75 per share for gross proceeds of \$2,613,750. Subsequent to the three months ended March 31, 2008, we closed a non-brokered private placement on May 26, 2008 by offering 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.

Our company intends to carry out a two phase exploration program on our Blue Caribou Property, the first phase of which is anticipated to cost approximately \$1,000,000 and the second phase is anticipated to cost approximately \$2,750,000 for a total exploration cost of \$3,750,000. Our company 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](http://www.sedar.com) filed on May 9, 2008. Our company intends to use our current working capital and funds received from the additional financing as described below in order to complete the proposed exploration program.

#### *Additional Financing*

We have entered into a letter agreement dated February 13, 2008 with Canaccord Capital Corporation regarding an additional financing of up to \$3,750,000. The financing contemplates the issuance of up to 1,600,000 Short Form Offering Document Units (each, a "SFOD Unit") at a price of \$1.25 per SFOD Unit to raise up to \$2,000,000, each SFOD Unit of which consists of one share and one half of one transferable warrant (each whole warrant, a "SFOD Warrant"). Each SFOD Warrant entitles the holder to purchase an additional share at the exercise price of \$1.75 for a period of 24 months from the closing of the financing. In addition, the financing includes the issuance of up to 1,400,000 units (each, a "Unit") at a price of \$1.25 per Unit to raise up to \$1,750,000, each Unit of which consists of one share and one half of one transferable warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase an additional share at the exercise price of \$1.75 for a period of 24 months from the closing of the offering. The SFOD Units will be offered to investors pursuant to a Short Form Offering Document and the Units will be offered to accredited investors, all in accordance with the requirements of the TSX Venture Exchange and applicable securities laws. We intend to use the proceeds from the financing to fund exploration on our Blue Caribou Property.

### *Operating Activities*

During the three months ended March 31, 2008, our operating activities used cash of \$57,544 compared to \$13,891 for the three months ended March 31, 2007. Cash outflows during the three months ended March 31, 2008 were primarily adjusted downwards with respect to prepaid expenses and accounts receivable and upwards in regards to accounts payable and accrued liabilities.

### *Investing activities*

Investing activities provided cash of \$nil during the three months ended March 31, 2008 and used cash of \$1,603 during the three months ended March 31, 2007.

### *Financing Activities*

During the three months ended March 31, 2008, financing activities provided net cash of \$1,203,035 compared to \$125,000 for the three months ended March 31, 2007.

During the three months ended March 31, 2008, we closed a non-brokered private placement of 3,485,000 flow-through common shares at a price of \$0.75 per share for gross proceeds of \$2,613,750. Subsequent to the three months ended March 31, 2008, we closed a non-brokered private placement on May 26, 2008 by offering 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.

## **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 company is currently assessing the impact of the above new accounting standards on our financial positions and results of operations.

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

Our company did not have any balance sheet arrangements during the three months ended March 31, 2008 or as of the date of this report.

### **Related Party Transactions**

There were no related party transactions for the three months ended March 31, 2008.

### **Proposed transactions**

On February 13, 2008, we entered into a letter agreement with Canaccord Capital Corporation regarding an additional financing. Please see the discussion under the heading "Liquidity and Capital Resources" for more information related to the offering.

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

Our financial instruments consist of cash, cash in trust, accounts receivable, prepaid expenses and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that our company 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.

### **Additional Disclosure for Venture Issuers Without Significant Revenue**

Additional disclosure concerning our general and administrative expenses is provided in our Interim Statements of Operations and Deficit contained in our unaudited financial statements for the three months ended March 31, 2008 available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Outstanding share data**

#### *Common Shares*

Our common shares are listed on the TSX Venture Exchange under the symbol "SBD". Our authorized share capital consists of an unlimited number of common shares without par value. As at March 31, 2008, we had 7,985,000 common shares issued and outstanding. As of May 27, 2008, and following the closing of the share exchange agreements and consummation of our Qualifying Transaction, we had 15,545,000 shares issued and outstanding.

#### *Warrants*

On July 17, 2007, we granted 200,000 non-transferable share purchase warrants to our agent in connection with our initial public offering. Each share purchase warrant allows the agent to purchase one common share of our company at \$0.10 per share until expiry on July 17, 2009. On May 26, 2008, we issued 728,750 share purchase warrants to the former shareholders of Alyris Gold Corporation, each share purchase warrant of which entitles the holder to acquire one share in the capital of our company at the exercise price of \$0.25 until expiry on July 31, 2008.

### *Stock Options*

We have adopted a stock option plan under which we can grant up to a maximum of 450,000 options. Upon closing of the initial public offering, we granted 450,000 stock options to our former directors and officers, each option of which entitled the holder to acquire one common share at a price of \$0.10 per share for a period of five years from the date our shares were listed on the TSX Venture Exchange. Upon the closing of the Qualifying Transaction, our company and certain shareholders of our company agreed to cancel 325,000 stock options and issue such options to the new directors and officers of our company, each option of which entitles the holder to acquire one share in the capital of our company at the exercise price of \$0.67 for a period of five years from the date of grant. As of May 27, 2008, we had 450,000 stock options outstanding.

### **Risk Factors**

An investment in our company 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 our company and our business before making any investment decision in regards to the common shares of our company. Our 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 our company. Additional risks not presently known to us may also impair our business operations.

#### *Exploration and Mining Risks*

Our company 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 our company 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.

Our company 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*

Our company 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. Our company may acquire other properties in other jurisdictions or countries. Any changes in regulations or shifts in political conditions are beyond the control of our company 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, 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 our company 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 our company.

#### *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 our company 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 our company 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 our company 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 our company 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*

Our company 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 our company 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 our company. 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 our company.

### **Additional Information**

Additional information relating to our company can also be found on SEDAR at [www.sedar.com](http://www.sedar.com).