

# PLATORO WEST HOLDINGS INC.

## MANAGEMENT DISCUSSION & ANALYSIS

For the three months ended August 31, 2008

Directors and Officers as at October 30, 2008

Directors:

Edward Devenyns  
Robert Eadie  
Gary Arca  
William Sheriff  
James Watt  
Daniel E. Wolfus

Officers:

Chief Executive Officer – Robert Eadie  
President – Edward Devenyns  
Chief Financial Officer – Gary Arca

Contact Name: Robert Eadie

Contact e-mail address: robe@mininggroup.ca

# PLATORO WEST HOLDINGS INC.

## MANAGEMENT DISCUSSION & ANALYSIS

For the Three Months Ended August 31, 2008

### 1.1 Date of This Report

This Management Discussion and Analysis (“MD&A”) should be read in conjunction with the audited consolidated financial statements of Platoro West Holdings Inc. (“Platoro”, or the “Company”) for the year ended May 31, 2008 and the interim consolidated financial statements for the three months ended August 31, 2008. All dollar amounts herein are expressed in Canadian Dollars unless stated otherwise.

This MD&A is prepared as of October 30, 2008.

*This MD&A includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.*

### 1.2 Overall Performance

#### *Description of Business*

The Company was incorporated pursuant to the British Columbia Business Corporations Act on May 16, 2006 and commenced operations on June 1, 2006. The Company has one active subsidiary, PWH Nevada Inc., which was incorporated on July 30, 2007, in Nevada to carry out U.S. operations. The Company announced that the Canadian Trading & Quotation System (“CNQ”) accepted the Company’s listing application and trading in the Company’s common shares commenced on Friday, June 13, 2008 under the symbol “PLTO”.

The Company is engaged in the business of mineral exploration in the western United States. The Company’s objective is to locate and develop economic precious and base metal properties of merit. The Company’s material property is the option to acquire 100% of the Wildhorse Property in Pershing County, Nevada. In addition to the Wildhorse Property, the Company also has a right of first refusal to acquire up to 172 claims in various counties in the State of Nevada. During this recent quarter, the Company paid for the filing and recording fees of various claims in the White Mountains of eastern Esmeralda County, Nevada. These claims are all exploration phase projects acquired for their potential to yield high grade mineralizations within the volcanic hosted low sulfidation gold/silver vein system in the Walker Lane structural trend.

On September 8, 2008, the announced the appointment of Mr. Daniel E. Wolfus as an additional member of the Board of Directors.

Mr. Wolfus joins the Board of Platoro West with over 28 years of investment banking experience, firstly with E.F. Hutton & Co., where Mr. Wolfus rose to become partner and Senior Vice President in charge of the West Coast Corporate Finance Department, followed by his tenure as Chairman, CEO and chief organizer of Hancock Savings Bank in Los Angeles. During his term with Hancock Savings, the bank grew to five branches and \$225 million in assets before it was sold in 1997.

Mr. Wolfus is currently a director of MD Cowan and Co., an oil drilling equipment manufacturer, and serves in various charitable and non-profit organizations in the United States.

### **1.3 Selected Annual Information**

The Company was incorporated on May 16, 2006 and commenced operations on June 1, 2006. The highlights of financial data for the Company for the years ended May 31, 2008 and 2007 (the end of the first financial year of the Company), are as follows:

	May 31, 2008	May 31, 2007
(a) Net sales	Nil	Nil
(b) Loss before foreign exchange and investment income	(215,530)	(136,813)
(c) Net loss	(208,608)	(126,919)
(d) Loss per share – basic and diluted	(0.03)	(0.02)
(e) Total assets	1,214,799	488,581
(f) Total long-term liabilities	Nil	Nil
(g) Cash dividends declared per-share	Nil	Nil

### **1.4 Results of Operations**

#### ***Discussion of Acquisitions, Operations and Financial Condition***

The following should be read in conjunction with the financial statements of the Company and notes attached hereto.

#### **1.4.1 Property Activity**

##### **Resource Property – Wildhorse Property**

Pursuant to a mineral property option agreement (“Option Agreement”) dated September 1, 2006, with a director of the Company, the Company may acquire a 100% undivided interest, subject to a 3% net smelter royalty (“NSR”), in 36 mining claims located in Pershing County, State of Nevada, United States of America (“Wildhorse Property”). Consideration for the acquisition is reimbursement of the optionor’s costs associated with the acquisition of the property, cash payments totalling an aggregate amount of US\$1,000,000, issuance of 500,000 common shares of the Company and exploration expenditures of US\$1,000,000 on the property as follows:

- pay US\$10,000 (paid) upon signing of the agreement and issue 50,000 common shares forthwith after June 13, 2008, the effective date (issued);
- pay US\$30,000, and issue 100,000 common shares on or before June 13, 2009;
- pay US\$45,000, issue 150,000 common shares and incur US\$150,000 in exploration expenditures on or before June 13, 2010;
- pay US\$75,000, issue 200,000 common shares and incur US\$200,000 in exploration expenditures on or before June 13, 2011;
- pay US\$80,000 and incur US\$200,000 in exploration expenditures on or before June 13, 2012;
- pay US\$100,000 and incur US\$200,000 in exploration expenditures on or before Jun 13, 2013;
- pay US\$120,000, and incur US\$250,000 in exploration expenditures on or before June 13, 2014;
- pay US\$140,000 on or before June 13, 2015; and
- pay US\$400,000 on or before June 13, 2016.

Pursuant to the agreement the Company may purchase up to one half of the NSR for US\$2,000,000 for each 1% of the royalty purchased (total of \$3,000,000 for the entire 1.5%). During the term of the Wildhorse option agreement, the Company is responsible for maintaining the claims in good standing, including paying required taxes, fees and rentals, and completing necessary assessment work.

During the year ended May 31, 2008, the Company staked an additional 32 claims.

On August 29, 2007, the Company entered into a Purchase and Sale Agreement with Nevada Lands & Resource Company, whereby the Company acquired 160 acres of land in Pershing County, Nevada, for a purchase price of US\$32,000. The Wildhorse Property now consists of a combined total acreage of 1,564.88 acres.

### ***Proposed Exploration Program***

Two exploration programs were completed on the property in 2007, a new CSAMT geophysical survey and a 110 rock chip sampling program. Zonge Geophysics completed a 12.6km CSAMT survey on seven east-west oriented lines. After reviewing the results, and other historical data available on the property, a two-phase exploration program has been recommended for the Wildhorse property. A full and detailed review of all historic data is recommended as part of the next phase of work. It is also recommended that the Company enter all the historic data into an electronic database in order to determine if any trends exist in the old anomalous drill results and to help with the interpretation and selection of future areas to drill. A first phase of reverse circulation drilling (RC) is recommended, the location of which is to be determined by detailed mapping, rock sampling (and soil sampling where overburden dictates) along grid lines that cross the structures interpreted in the geophysical survey, within the area already defined as the most prospective on a reconnaissance scale. The objective of this work is to define which of these structures, based on geology (alteration) and geochemistry represents the best target as conduits of mineralization. While actual values at surface are not likely to be economical, the systematic sampling and mapping will enhance the ability to distinguish which structure has the most potential to have mineralization in favourable horizons at depth, based on the theory that there would have been leakage of mineralized fluids along the faults. Phase I as proposed, is estimated to cost US\$374,000.

A second phase of reverse circulation drilling (RC) would be conducted contingent upon favourable results of the first phase and the composite data from the first phase. The location of these Phase II holes would be identified as Phase I was being completed. These drill holes would be based on all previous drilling in Phase I. It is also recommended that the Company complete a small diamond drilling program

in any anomalous areas detected in Phase I and Phase II which would allow the Company to view faults, or other rock textures not evident in the RC drilling. Current drilling in the district is reported to be deep with pre-collared holes being installed to depths ranging from 500-4000 feet. This is indicative of the possibility that recorded near-surface mineralization or surface anomalies are the result of leakage upward along favourable structures, from a deep-seated source that could be enriched in gold as is typical of the known deposits in the Nevada gold trends. Phase II as proposed, is estimated to cost US\$700,000.

The Company has paid the annual mining claim maintenance fees to the Nevada State Office of the Bureau of Land Management (“BLM”) on August 8, 2008 for the period ending September 1, 2009; as well as timely recorded the annual Notices of Intent to Hold the mining claims with the county Recorder’s office.

During the 2008 field season, the following work was conducted on the Wild Horse property. To start developing conceptual drill targets, the existing historical data, reports and 2007 information previously described were reviewed and utilized to locate the sites of the previous drilling, and sample sites where the more anomalous gold samples were collected. Work in the field identified areas where the geophysical survey indicated major structures and areas of high resistivity and a greater understanding of the lithology and structural geology of the area. In addition there were more samples taken from both outcrops and prospects and some plotting of bedding attitudes and fault traces as well as geologic mapping.

A 10 hole drilling program was developed from observations made in the field with consideration of the results of the CSAMT survey and the work done by Kuzma in 2007. The Notice of Intent to conduct exploration activities was submitted and approved by the district office of the BLM and the reclamation bond in the amount of \$11,441 was posted with the BLM. The conceptual model for the drill program is that anomalous mineralization and pathfinder geochemistry seen associated with recognized structures being targeted represent leakage from a deeper, stronger system involving more favorable host rock, and can be encountered at a reasonable drilling depth. Although the drilling program was diligently identified based upon historic information and 2007 and 2008 field results, the current economic situation does not warrant drilling the targets at this time. Management has elected to defer any non essential exploration expense and has suspended any further work on the property at this time in order to preserve a healthy working capital position.

**Resource Property – Right of First Refusal Properties (“R.O.F.R”)**

Pursuant to a right of first refusal agreement on September 1, 2006 (the “ROFR Agreement”) with a director of the Company (the “Optionor”), the Company entered into an agreement to have the first right of refusal to acquire up to 172 claims in various counties in the State of Nevada, as listed below (the “ROFR Properties”). Under the terms of the ROFR Agreement, the Company, as optionee, was granted the sole right and option to purchase the ROFR Properties in consideration of the Company reimbursing all acquisition costs including filing fees, holding fees, staking costs, and other costs directly associated with the acquisition of the ROFR Properties. The Optionor agreed to determine the terms of the purchase by August 31, 2009 on agreement that the Company would maintain the claims in good standing. The ROFR Properties are comprised of 172 claims as follows:

- Antelope Springs Project in Pershing County, Nevada, comprised of 24 claims;
- Willow Project in Pershing County, Nevada, comprised of 6 claims;

- Buckhorn East Project in Eureka County, Nevada, comprised of 52 claims;
- Fencemaker Project in Pershing County, Nevada comprised of 37 claims;
- Kennedy North Project in Pershing County, Nevada comprised of 13 claims;
- Rangefront Project in Humboldt County, Nevada comprised of 9 claims;
- Rosial Project in Pershing County, Nevada comprised of 23 claims; and
- Spring City Project in Humboldt County, Nevada comprised of 8 claims

The Company has paid the annual mining claim maintenance fees to the Nevada State Office of the Bureau of Land Management on August 8, 2008 for the period ending September 1, 2009; as well as timely recorded the annual Notices of Intent to Hold the mining claims with the respective county Recorder's offices. Preliminary field reconnaissance work has begun on the properties. Historic and regional geologic information was reviewed followed by an initial site visit to each property. An initial surface sample program was conducted and assayed. Follow up sampling and mapping may be conducted on those properties of interest with the objective to identify a geologic model and develop drill targets for eventual testing.

The eight claim blocks are not contiguous; and represent eight separate opportunities or projects. The Company has the opportunity to review and analyze each of the eight claim blocks, and determine which, if any, it wishes to acquire or option. The Optionor has limited historical data pertaining to any of the claim blocks.

**Resource Property – Other Properties**

The Company expended \$21,414 in the year ended May 31, 2008 covering filing and recording fees for various claims located within the White Mountains in eastern Esmeralda County, Nevada. The claims are all exploration phase projects acquired for their potential to yield high grade mineralizations within the volcanic hosted low sulfidation gold/silver vein system in the Walker Lane structural trend.

**Platoro West Holdings Inc.**

MD&amp;A

August 31, 2008

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**Property Expenditures Summary**

The Company is a venture issuer that has not had revenue from operations. The Company has capitalized all expenditures relating to the exploration of its mineral property. Details of deferred expenditures for the properties are as follows:

	<b>Cumulative August 31, 2008</b>	<b>Cumulative May 31, 2008</b>
<b><u>Wildhorse - Actual Expenditures</u></b>		
Acquisition costs	\$ 50,127	\$ 43,991
Assays & cores	8,130	4,709
Claim & maintenance fees	23,056	23,056
Consulting fees (Geological)	60,378	41,978
Field work & supplies	6,985	6,715
Mapping & reports	3,407	3,407
Sampling & surveying	69,730	69,730
Staking	3,625	3,625
Vehicles	185	185
	<b>228,487</b>	<b>197,396</b>
<b><u>Right of First Refusal - Actual Expenditures</u></b>		
Assays & cores	1,602	-
Claim & maintenance fees	88,346	51,846
Consulting fees (Geological)	55,718	28,686
Field work & supplies	6,438	5,032
Vehicles	3,799	1,967
	<b>155,903</b>	<b>87,531</b>
<b><u>Others - Actual Expenditures</u></b>		
Claim & maintenance fees	21,414	21,414
	<b>21,414</b>	<b>21,414</b>
Total Resource Properties	\$ 405,804	\$ 306,341

**1.4.2 Results of Operations**

The loss for the three months ended August 31, 2008 was \$84,803 (2007 - \$32,768). The details of the expenses are as follows:

	Three months ended August 31, 2008	Three months ended August 31, 2007
Expenses		
Accounting and audit fees	\$ 3,255	\$ 4,500
Amortization	1,215	592
Bank charges and interest	376	275
Consulting fees	10,440	7,500
Corporate & administration fees	14,700	200
Filing fees	2,610	2,000
Insurance	2,815	-
Legal fees	9,387	-
Management fees	12,000	12,000
Office and miscellaneous	16,326	4,395
Rent	7,793	3,500
Shareholder communications	6,288	490
Other items		
Foreign exchange loss	1,096	-
Interest and investment income	(3,498)	(2,684)
Net loss for the period	84,803	32,768

The Company completed its private placement financing in the quarter and became a public issuer on June 13, 2008. Corporate and administration costs increased by \$14,500 compared to the comparative quarter for the prior year, due to costs related to its listing on CNQ, completing the private placement, the issuer's filing requirements, the annual updated Listing Statement, and the May 2008 year end reports. Office and rent expenses increased \$11,931 and \$4,293 respectively with increased activities at head office and costs related to the Company's field operations. In the comparative quarter, the Company incurred only minimal costs as a start-up company, and activities did not get underway until the latter part of 2007.

**Investor Relations Activities*****Invest Relations Activities***

During the three months ended August 31, 2008, the Company responded to investor inquiries. There were no formal investor relations agreements in place.

***Financings, Principal Purposes & Milestones***

On June 5, 2008, the Company completed its private placement of 6,650,000 shares at \$0.18 a share for gross proceeds of \$1,197,000. As at May 31, 2008, \$792,720 of this financing was completed and 4,404,000 shares were issued and the remaining 2,246,000 shares were issued on June 5, 2008, during the quarter, for proceeds of \$404,280.



Due to the overwhelming interest in the Company, a secondary financing of 575,000 shares was arranged and completed during the current quarter, under the same terms as the previous private placement, at \$0.18 per share for gross proceeds of \$103,500.

Finders' fees in the aggregate amount of \$78,811 were paid to certain agents for a portion of the financings, which grossed the Company over \$1.3 million.

#### **1.4 Summary of Quarterly Results**

The following is a summary of the Company's financial results for the 5 most recently completed quarters and the year ended May 30, 2007 for which financial information is available:

	Q1 31-Aug-08	Q4 31-May-08	Q3 29-Feb-08	Q2 30-Nov-07	Q1 31-Aug-07	Year-ended 30-May-07
Net Loss:						
Total	\$84,803	\$82,114	\$57,310	\$36,416	\$32,768	\$126,919
Per share						
- basic and diluted	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.02

#### ***Discussion***

For the discussion on the three months ended August 31, 2008, please refer to Section 1.4 Results of Operations.

#### **1.6 Liquidity**

In management's view, given the nature of the operations, which currently consist of agreements covering resource properties, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the extent to which it can determine whether its resource properties contain reserves, which are economically recoverable.

Such development may take years to complete and the amount of resulting income, if any, is difficult to determine. The Company does not expect to receive significant income in the foreseeable future.

As at August 31, 2008, the Company had working capital of \$942,077 (Year ended May 08 - \$770,745) which is adequate to meet the Company's working capital needs over the next 12 months or more. The Company completed financings during the period for the issuance of 2,821,000 common shares for gross proceeds of \$507,780.

In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions will be possible at the times required or desired.

#### **1.7 Capital Resources**

The capital resources of the Company are the mineral properties, with historical costs of \$405,804 and equipment and leaseholds of \$18,788 as at August 31, 2008. The Company is committed to further expenditures on the properties, as detailed in Section 1.4 Results of Operations.

**1.8 Off Balance Sheet Arrangements**

There are no off-balance sheet arrangements to which the Company is committed. The Company has optioned its mineral properties from a private company controlled by an officer and director of the Company.

**1.9 Transactions with Related Parties**

The Company incurred the following costs with a director and companies controlled by directors of the Company:

	Three months ended August 31 2008	Three months ended August 31 2007
Consulting fees	\$ 7,500	\$ 7,500
Equipment and leaseholds	10,135	-
Management fees	12,000	12,000
Office and telephone	7,639	593
Rent	7,793	3,500
Resource properties	30,664	-
	<hr/>	<hr/>
	\$ 75,731	\$ 23,593

During the period, the Company issued 50,000 shares, valued at \$0.18 per share, to a director with respect to a mineral property agreement.

These expenditures were measured by the exchange amount, which are the amounts agreed upon by the transacting parties.

Included in accounts payable and accrued liabilities at August 31, 2008 is \$10,664 due to a director for geological consulting fees (2007 - \$Nil).

Included in prepaid expense and deposits is \$2,500 (2007 - \$2,500) paid to a company controlled by a director for rent and administrative expenses.

**1.10 First Quarter**

The first quarter results do not differ significantly from other recent quarters. See Section 1.4 for discussion of expenses.

**1.11 Proposed Transactions**

N/A

**1.12 Critical Accounting Estimates**

Resource Properties

The Company defers the cost of acquiring, maintaining its interest, exploring and developing mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Costs of producing properties will be amortized on a unit of production basis and costs of abandoned properties are written-off. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

The Company is in the process of exploring and developing its mineral properties and has not yet determined the amount of reserves available. Management reviews the carrying value of mineral properties on an annual basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable, and the costs can be reasonably estimated. Generally, the timing of these accruals coincides with the earlier of completion of a feasibility study or the Company's commitment to a plan of action based on the then known facts.

Stock-based Compensation

The standard requires that all stock-based awards be measured and recognized in these financial statements using a fair value based method such as the Black-Scholes option pricing model. The fair value of stock options granted to non-employees is re-measured on each balance sheet date. Compensation expense for employees is generally amortized using the straight-line method over the period from the grant date to the date the options vest.

**1.13 Changes in Accounting Policies Including Initial Adoption**

N/A

**1.14 Financial and Other Instruments**

The carrying value of the Company's financial instruments, consisting of cash and cash equivalents, prepaid expenses and deposits and accounts payable and accrued liabilities approximates their fair values due to the short maturity of those instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The recoverability of amounts from the properties will be dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in underlying properties, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property agreements and to complete the development of the properties and upon future profitable production or proceeds from the sale thereof. The outcome of these matters cannot be predicted with any certainty at this time.

**1.15 Other**

**1.15.1 Disclosure of Outstanding Share Capital as at August 31, 2008:**

	Number	Book Value
Common Shares	13,785,000	\$ 1,619,458
Contributed Surplus	-	\$ 178,982

As at August 31, 2008, there were no outstanding stock options and warrants.