

**PUGET VENTURES INC.**  
**Management Discussion and Analysis**  
**for the Financial Quarter ended January 31, 2009**

THE FOLLOWING INFORMATION, PREPARED AS OF February 20, 2009 SHOULD BE READ IN CONJUNCTION WITH THE AUDITED FINANCIAL STATEMENTS OF PUGET VENTURES INC. FOR THE QUARTER ENDED JANUARY 31, 2009, WHICH FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE. THE FINANCIAL STATEMENTS ARE PREPARED IN ACCORDANCE WITH CANADIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

***Forward Looking Statements***

*Certain statements contained in this Management Discussion & Analysis constitute forward-looking statements. These forward-looking statements can generally be identified as such because of the context of the statements, including the usage of such words as "believes," "anticipates," "expects," "plans," "may," "estimates," or words of a similar nature. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Puget Ventures Inc. to be materially different from anticipated future results and/or achievements expressed or implied by such forward-looking statements, which speak only as of the date the statements were made. Readers are therefore advised to consider the risks associated with any such forward-looking statements. Readers are cautioned not to place undue reliance on the forward-looking statements in light of the risks set forth herein.*

***Overall Performance***

Puget Ventures Inc. ("Puget Ventures" or the "Company") was incorporated in the Province of British Columbia on March 9, 2007 under the *Business Corporations Act* of British Columbia. On May 15, 2008, Puget Ventures completed its Qualifying Transaction with the acquisition of the option to earn into a 60% interest of the Trout Bay Property in Red Lake. Puget has completed a 2000 metre drill program on Trout Bay's historic Copper-Zinc deposit in September 2008, with assay results released December 2008.

Puget Ventures completed the transaction to earn up to a 60% interest in the Werner Lake/Rex Lake claims currently held by Benton Resources Corp. (TSXV:BTC), previously announced on August 14, 2008. Work will begin on the copper and other base metals showings in 2009.

**Private Placement**

On December 31, 2008, the Company closed a non-brokered private placement financing of 1.4 Million units at a price of \$0.20 per unit, for total proceeds of \$280,000. Placees included two private investors from Alberta and two limited partnerships associated with Mineralfields Group of Toronto, Ontario. Each Unit consists of one flow-through common share of Puget plus one-half share purchase warrant. Each full share purchase warrant will be exercisable into one non-

flow-through common share of the Company, at a price of C\$0.30 per share in the first year and C\$0.40 per share in the second year.

### **Trout Bay**

Puget Ventures completed 1865 metres of diamond drilling on the 4049 hectare Trout Bay Property, testing 4 areas. Testing including investigating geophysical anomalies, geological targets, and following up on historic surface sampling and/or drilling results. The key test area was the HGL target, where historic resource of 124,760 tons at a grade of 7.86 % Zn, 1.50 % Cu, 0.24 % Pb and 1.70 ounce per ton (opt) Silver, was delineated in 1968 by Cochenour Willans Gold Mines Ltd. This historical resource estimate has not been verified by a Qualified Person to conform to NI 43-101 standards it is included here for general information purposes only and should not be relied upon.

The Trout Bay interests (the "Trout Bay Property") are located approximately 26km west of Red Lake, Ontario, and consist of 13 contiguous mining claims, 36 contiguous mining-rights-only leases, and 18 mining licenses of occupation, covering approximately 4049.622 hectares.

The primary goal for the summer 2008 drill program was to confirm the results of the historically reported work on High Grade Lake ('HGL') and Zinc Pit Zones and to begin testing potential extensions. Testing of the High Grade Lake Zone was successful in returning drill intercepts of greater than 10% zinc and 1% copper in three of the seven holes, including a high of 27.08m of 11.34% zinc 1.68% copper, and 0.34% lead in hole number TB08011.

In addition, mineralized intercepts from both High Grade Lake and Zinc Pit have been sent back to SGS Lab for additional precious metal and rare metal analysis.

Puget Ventures expects to resume testing during the winter season when the low-lying areas around the Zinc Pit and High Grade Lake Zones are more accessible, as well as further examine other Copper-Zinc occurrences on the property.

The style of mineralization at the High Grade Lakes and Zinc Pit massive sulphide zones appear similar to the past-producing South Bay Mine located 100 kilometers to the east. South Bay produced 1.6 million tonnes of 2.30% Cu, 14.50% Zn and 3.50 opt (ounce per ton) silver. (Source MNDM Zinc in Ontario).

A geological report entitled "Independent Technical Report, Trout Bay Property, Red Lake, Ontario" (the "Technical Report") was filed on January 31, 2008 with respect to the Qualifying Property, and is available online at [www.sedar.com](http://www.sedar.com). The Technical Report has been prepared in compliance with the provisions of National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"). The author of the Technical Report is Joerg Kleinboeck, P.Geo, who is an "independent qualified person" as defined in NI 43-101.

Pursuant to the terms of the agreement underlying the Trout Bay Option, as amended by said novation agreement, Puget is entitled to earn a 60% undivided ownership interest in the Trout Bay Property by completing aggregate exploration of \$4,854,499.60, on or before November 30, 2012 with the following schedule:

- Approximately \$604,499 on or before November 30, 2008
- An additional \$750,000 on or before November 30, 2009
- An additional \$1,000,000 on or before November 30, 2010
- An additional \$1,000,000 on or before November 30, 2011
- An additional \$1,500,000 on or before November 30, 2012

As of October 31, 2008, Puget has spent a total of \$1,017,348 on exploration and option expenses for the property.

### **Benton Claims in Werner Lake**

Puget Ventures has completed the transaction to acquire an option to earn an initial 50% interest and a further 10% interest in Benton's interest in eight claims in the Werner Lake-Rex Lake area in North Western Ontario. Benton has the right to earn a 100% interest in the eight claims from the underlying owner, subject to a 2% NSR, 50% of which can be purchased for \$1 million.

The eight claim group covers approximately 1,237 hectares at the east end of the Werner Lake-Rex Lake Mineral Belt. Historical shallow diamond drilling on the project completed by Eastern Mining and Smelting in 1956 intersected 23.9m (metres) grading 1.02% Cu and 15.1gpt (gram per tonne) combined precious metal (interpreted as silver) at approximately 60m vertically below surface.

Diamond drilling completed by Falconbridge Nickel Mines Limited during the late 1980s intersected 1.17% Cu and 9.5gpt Ag over 29.5m (at approximately 50m vertical) that included 2.04% Cu and 5.3gpt Ag over 11.95m. An undercut drill hole intersected a metamorphosed ultramafic (peridotite) that yielded 22.8m grading 0.1% Cu and 0.31% Ni (at 140m vertical), suggesting better potential for nickel mineralization. All intervals are core lengths and true thicknesses are currently unknown. Surface channel sampling completed by Atikwa Minerals Limited in 2003 returned anomalous levels of platinum and palladium values (0.09 to 0.145gpt).

Puget Ventures Inc. can earn a 50% interest in Benton's interest on the eight claims in the Kenora District with expenditures totalling \$1.5 million over a four year period, expended annually as follows:

- Minimum \$250,000 by end of year one;
- Minimum \$350,000 by end of year two;
- Minimum \$450,000 by end of year three;
- Minimum \$450,000 by end of year five.

In addition to the expenditures, Puget Ventures has issued 100,000 common shares to Benton.

Puget Venture will also reimburse Benton for payment obligations of Benton to Dave Healey in an underlying agreement regarding the claim package. These obligations include three payments totalling \$40,000 over three years and Puget Ventures common shares equal to the

market value of 30,000 Benton shares to be issued to the underlying owner total over three years, the value of the shares to be based on a 20 day rolling average. Puget has already issued 3,100 shares to Dave Healey.

## Trend Analysis

The business of the Company entails significant risks. Any analysis of the trend of the company's activities would reveal this. And there is nothing to suggest that these trends will change.

The Company's sole activity is its search for a viable, economic mineral resource. Exploring for such a resource is inherently risky. There is no assurance that a resource will be located and/or if it is located it can be produced on a commercially viable basis.

## **Selected Financial Data [Annual]**

(Expressed in **Canadian** Dollars)

	Three month period ended January 31, 2009	Year Ended April 30, 2008
Net Operating Revenues	\$ 0	0
Net (loss)	\$ (134,609)	(174,585)
(Loss) per share	\$ (0.01)	(0.15)
Share capital per Canadian GAAP	\$ 2,051,695	301,242
Common shares issued	10,573,753	5,730,000
Weighted average shares outstanding per Canadian GAAP	9,173,753	1,183,197
Total Assets	\$ 1,569,651	222,340
Net Assets (liabilities)	\$ 1,496,157	159,015
Cash Dividends Declared per Common Shares	\$ 0	0

## **Results of Operations**

During the third quarter ended January 31, 2009, the Company has incurred operating expenses of \$136,553.00. The bulk of the expenses related to regular overhead, professional fees and those due diligence costs related to Werner Lake.

The Company will continue to use its available resources to pursue its operations in regards to the Trout Bay Property and for the Benton properties at Werner Lake. For a further description as to the Company's work program in relation to the Trout Bay Property, please see the Company's technical report dated January 31, 2008, available online at [www.sedar.com](http://www.sedar.com).

## **Fluctuations in Results**

Comparison to the prior periods is difficult since the prior period only reports the work required to complete the Qualifying Transaction.

## **Liquidity and Capital Resources**

The Company is a mining exploration and development company with no producing resource properties, and consequently does not generate operating income or cash flow. To date, the Company has relied primarily upon the sale of equity securities to provide working capital for capital acquisitions, exploration and development activities, and to fund the administration of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to rely primarily upon equity and debt financing to raise capital. There can be no assurance that financing will be available to the Company when required, or on terms satisfactory to the Company.

For the quarter ended January 31, 2009, the Company had accumulated losses totalling \$649,457.00. The Company's working capital was \$468,799.00 at January 31, 2009 compared with \$224,812.00 at January 31, 2008 quarter then ended. As at January 31, 2009 the Company had cash and equivalents on hand of \$441,288.00.

## Selected Financial Information

Quarter Then Ended	01/31/2009	10/31/2008	4/30/2008	1/31/2008	Fiscal Year Ended April 30, 2008
Interest Income	\$ 1,944	1,404	1,278	1,847	3,464
Legal and Accounting	52,367	70,620	42,371	22,879	74,063
Consulting fees	32,400	36,000	5,250	0	5,250
Office and General	16,139	8,600	11,005	7,949	25,734
Regulatory Fees	4,154	4,251	5,000	11,987	20,569
Stock-compensation	0	0	24,352	8,117	32,470
Other	31,493	54,167	4,236	2,700	19,963
Operating Costs	\$ (136,553)	(173,638)	(92,214)	(53,632)	(178,049)
Net (loss)	\$ (134,609)	(172,234)	(90,936)	(51,785)	(174,585)
Income (loss) per share	\$ (0.01)	(0.02)	(0.08)	(0.01)	(0.15)
Share capital GAAP	\$ 2,051,695	1,801,164	301,242	323,222	301,242
Common shares issued	10,573,753	9,065,000	5,730,000	5,730,000	5,730,000
Weighted average shares outstanding per Canadian GAAP	9,173,753	9,065,000	1,183,497	5,730,000	1,183,497
Total Assets	\$ 1,569,651	1,408,092	222,340	249,617	222,340
Net Assets	\$ 1,496,157	1,380,236	159,015	236,079	159,015
Cash Dividends Declared per Common Shares	\$ 0	0	0	0	0

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

There are no off-balance sheet arrangements.

### **Related Party Transactions**

The Company paid professional fees (\$23,662.00) and consulting fees (\$156,900.00) to companies controlled by officers of the company by the quarter ended January 31, 2009. The transactions were in the normal course of operations.

### **Critical Accounting Estimates**

There are no critical accounting estimates.

### **Changes in Accounting Policies**

There are no changes in accounting policies

### **Share Capital Data**

The following table sets forth the issued and outstanding securities in the capital of the Company as at January 31 2009:

Common Shares		10,676,153		
Agent's Warrants	141,247	Expiry:10/31/09	Exercise price: \$0.10	
Agent's Warrants	120,000	Expiry:11/15/09	Exercise price: \$0.75	
Agent's Warrants	112,000	Expiry:12/28/10	Exercise price: \$0.30	
Warrants	1,500,000	Expiry:12/15/09	Exercise price: \$0.75	
Warrants	700,000	Expiry:12/28/10	Exercise price: \$0.30	
Share Purchase Options	425,000	Expiry:10/31/12	Exercise price: \$0.10	
Share Purchase Options	150,000	Expiry:05/29/13	Exercise price: \$0.75	

### **Third Quarter**

There was one first quarter non cash event that affected the Company's operating results. An increase in stock-based compensation expense of \$17,325.00. The Company's operations are not seasonal. During the third quarter, no stock-based compensation expense has been recorded.

## **Risks and uncertainties**

The Company is in the business of acquiring, exploring and, if warranted, developing mineral properties, which is a highly speculative endeavour, and the Company's future performance may be affected by events, risks or uncertainties that are outside of the Company's control.

The Company's management consider the risks set out below to be the most significant to potential investors of the Company, but not all risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

### *Limited Operating History*

The Company is still in an early stage of development. The Company is engaged in the business of acquiring, exploring and, if warranted, developing mineral properties in the hope of locating economic deposits of minerals. The Company's mineral interests are in the early stages of exploration and is without a known deposit of commercial ore.

The Company has no history of earnings. There is no guarantee that economic quantities of mineral reserves will be discovered on the Company's property.

### *Exploration and Development Risks*

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market and mineral price fluctuations, particular attributes of any deposits (including size and grade), the proximity and capacity of milling facilities, mineral markets and processing equipment, and other factors as government regulations, including regulations relating to royalties, allowable production, 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 Company not having an adequate return on investment.

The Trout Bay Property is in the exploration stage only and is without known bodies of commercial ore. Development of any property would follow only if favourable exploration results are obtained. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines.

There is no assurance that the Company's mineral exploration activities and, if warranted, its development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the Corporation's operations will, in part, be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and 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.

#### *Mineral Titles*

No assurances can be given that title defects to the Company's mineral interests do not exist. The Company's current mineral properties and other properties it may from time to time acquire an interest in, may be subject to prior unregistered agreements, transfers or claims and title may be affected by undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its right, title and interest in and to the properties.

#### *Loss of Interest in Properties*

The Company may acquire properties which require the Company to make certain additional payments in order to maintain its interests. The Company's ability to acquire or maintain those interests will be dependent on its ability to raise additional funds by equity and/or debt financing. Failure to obtain additional financing may result in the Company being unable to make the periodic payments required for the acquisition of its interests in certain properties and could result in delay or postponement of further exploration and the partial or total loss of the Company's interest in such properties.

#### *Aboriginal Rights*

Aboriginal rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Company is not aware of any aboriginal land claims having been asserted or any legal actions relating to aboriginal issues having been instituted with respect of the mineral claims in which the Company has an interest.

#### *Permits and Government Regulations*

The future operations of the Company will require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations governing exploration, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on any of its properties.

### *Environmental and Safety Regulations and Risks*

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be temporarily withdrawn where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches.

Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the acquired properties or non-compliance with environmental laws or regulations. In all major developments, the Company generally relies on recognized designers and development contractors from which the Company will, in the first instance, seek indemnities. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable standards. There is a risk that environmental laws and regulations may become more onerous, and thus raising the costs of operations.

### *Competition*

The resource industry is intensely competitive in all of its phases. The Company competes with many companies possessing greater financial resources and technical facilities than the Company. The competition in the mineral exploration and development business could adversely affect the Company's ability to acquire suitable properties or prospects for exploration in the future.

### *Management*

The success of the Company is currently dependant on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance that the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business.

### *Conflicts of Interest*

Various of the Company's directors, officers and other members of management do, and may in the future, serve as directors, officers, promoters and members of management of other companies involved in the acquisition, exploration and development of mineral resource properties and, therefore, it is possible that a conflict may arise between their duties as a director, officer, promoter or member of the Company's management team and their duties as a director, officer, promoter or member of management of such other companies. The Company's directors and officers are aware of the laws governing accountability of directors and officers for corporate opportunity and the requirement of directors to disclose conflicts of interest. The Corporation will rely upon these laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

### *Fluctuating Mineral Prices*

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of base and precious metals. The price of those commodities has fluctuated widely, and is affected by numerous factors beyond the Company's control, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of base and precious metals, and therefore the economic viability of any of the Company's exploration projects, cannot be accurately predicted.

### *Additional Funding Requirements*

From time to time, the Company may require additional financing in order to carry out its acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Company's future revenues decrease as a result of lower commodity prices or otherwise, it will affect the Company's ability to expend the necessary capital to replace its reserves or to maintain its production. If the Company's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or be available on favourable terms.

### *Price Volatility and Lack of Active Market*

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Any quoted market for the Company's securities may be subject to such market trends and that the value of such securities may be affected accordingly.

### **Further Information**

Additional information about the Company is available at the Company's website [www.pugetventures.com](http://www.pugetventures.com) and/or the Canadian disclosure website [www.sedar.ca](http://www.sedar.ca)