

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

THE FOLLOWING INFORMATION, PREPARED AS OF December 22, 2009 SHOULD BE READ IN CONJUNCTION WITH THE AUDITED FINANCIAL STATEMENTS OF PUGET VENTURES INC. FOR THE QUARTER ENDED October 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.

Since that time Puget has been active in the consolidation of the Werner Lake Greenstone Belt, (the "Belt") including the acquisition of a number of key historic deposits and resources, including the Werner West Cobalt Mine.

After the completion of all previously announced acquisitions in first quarter 2010 and the related financings, including a non-brokered placement raised a total of \$814,050 which closed on May 12, 2009, and a brokered placement which raised \$3,575,399.30 in two tranches that closed on September 8 and September 23, 2009 respectively, Puget Ventures completed an initial drill program at Norpax Deposit at Werner Lake and started drilling at the Werner West Cobalt Deposit on December 10, 2009.

The Norpax drill program results were announced on December 17, 2009 and were significant as they demonstrate the ability for the Belt to host larger deposit areas.

The company's focus remains confirming and expanding historic cobalt and copper resources at the mine site and continuing with the initial engineering work on the Werner Lake West Cobalt deposit.

Private Placements

On May 12, 2009, Puget announced that it had issued 583,000 units at a price of \$0.35 per Unit for gross proceeds of \$204,050, and 1,475,000 flow-through units at a price of \$0.40 per Unit for gross proceeds of \$590,000 for total proceeds of \$794,050. A second tranche of flow-through units raising \$20,000 closed in June, 2009.

Puget also completed an over-subscribed financing for a total of 10,251,331 units valued at \$3,075,399.30 and 1,250,000 flow-through shares valued at \$500,000, with a first tranche closing September 8, 2009 and a second closing on September 23, 2009. The total raised was \$3,575,399.30. This financing was led by Jov Funds with a non-brokered selling group.

Property Holdings

Werner Lake Greenstone Belt Properties

On June 2, 2009 Puget completed the acquisition of an undivided 100% interest in the Werner Lake Greenstone Belt Properties in the Kenora Mining Division of the Province of Ontario and is now the largest landholder in this highly prospective region with significant historic copper, cobalt, nickel and platinum group elements resources and production.

The centerpiece of the Belt is the historic Werner Lake West Cobalt Mine, the most advanced primary cobalt project in Canada.

Drilling began on this property on December 10, 2009 with one drill rig targeting confirmation work on the historic Werner West Deposit. This program is expected to run through to March 2010. Puget has retained PEG Mining Consultants Inc., a group of geologists and engineers specialized in project management, geological modeling, mine engineering, process engineering, metallurgy, and economic evaluation have been retained to complete an independent NI 43-101 resource report once the drilling program for the Werner West deposit is complete.

Meetings with the Government of Ontario are ongoing and the Company continues resource modeling to determine the most efficient and effective drill targeting over the next few months.

The Werner Lake Cobalt property includes historically reported reserves and resources totalling 769,728 tonnes of 0.31% cobalt, 0.29% copper and 0.011 oz/t gold. Former owner Canmine Resources Corporation ("Canmine"), stated in an internal report that was independently reviewed by Stoner Engineering Consultants in December 1998 that the Werner Lake West Cobalt and Mine Deposits contained the following reserves and resources.

- Proven reserves total 140,031 tonnes of 0.47% cobalt, 0.26% copper and 0.008 oz/t gold.
- Probable reserves total 40,829 tonnes of 0.25% cobalt, 0.43% copper and 0.030 oz/t gold.
- Indicated resources total 51,456 tonnes of 0.13% cobalt, 0.20% copper and 0.003 oz/t gold.
- Inferred resources total 507,412 tonnes of 0.31% cobalt, 0.29% copper and 0.011 oz/t gold.

The Proven Reserves above contain a 6,200 tonne stockpile that has not yet been quantified by Puget.

A qualified person has not done sufficient work to classify the historical estimate as current mineral resources and the issuer is not treating the historical estimate as current mineral resources and, also, the historical estimate should not be relied upon. Puget believes these historical results provide an indication of the potential of the properties and are relevant to future exploration.

Drilling data on the property performed by Canmine Resources Corp. up to 2002 has been reviewed by Puget.

The Werner Lake Belt Properties consist of approximately 1,700 hectares in the Kenora Mining District in the extreme western part of the Province of Ontario. These claims were acquired by Commerce Capital Inc. 2003, after the previous owner, Canmine, entered bankruptcy proceedings.

Canmine was progressing to mine operation in 2002 when work ceased, having completed a prefeasibility study and begun a feasibility study. Significant Canmine data exists that will be utilized for future exploration and development.

Canmine data shows at least four mineralized zones with formally reported mineral resources on the property: Werner Lake West Cobalt deposit, the Werner Lake Mine Cobalt deposit, the Eastern Shallows Cobalt deposit and the Big Zone deposit. Both the West Cobalt deposit and the Werner Lake Mine have experienced past production, along with the Gordon Lake mine, which the package surrounds. All have continued exploration potential and potential for historic resource expansion.

The Werner Lake Mine Cobalt deposit is 500 metres east of the West Cobalt Deposit, which was mined during World War II. Both are located approximately 14 kilometres from the Manitoba border. The Werner Lake Mine Cobalt deposit was the focus of activity by the previous owner, Canmine.

The Big Zone is located on unpatented mining claim 1208152 between Seal Lake and Tigar Lake, west of Werner Lake, approximately seven kilometres east of the Manitoba –Ontario border.

The Eastern Shallows deposit has a nickel–platinum group elements association and low cobalt in contrast with three of the other deposits, namely the Werner Lake Mine, West Cobalt and Big Zone. It is located 4.2 kilometres east of Werner Lake Mine Deposit, near the eastern shore of Gordon Lake.

The property also contains numerous showings, which have not been explored adequately to assess their mineral association and potential including the Central, Rexora No 3 and Rexora No 4. The areas of these showings were not covered by either of the airborne magnetic/electromagnetic surveys undertaken by earlier owners Canmine and Atikwa.

In connection with the Transaction, the Company acquired interest in the complete Werner Lake Greenstone Belt package for an aggregate total sum of \$1,000,000.

Commerce Capital is entitled to a 2% net smelter return on all ores, minerals or concentrates produced from the Werner Lake Belt Properties, except on the mineral interests underlying the Riives Options, subject to a 1% buy back clause.

The Bug Lake and Fortune Lake copper prospect properties acquired 100% from Teck Resources Ltd. are now considered part of Werner Lake Greenstone Belt. They are located in the centre of the Werner Lake Belt and also at the far southeastern end of the Belt. Puget completed the transaction by issuing 25,000 shares to Teck Resources and by providing a Right of First Refusal on disposition of assets in the belt for 5 years. At this point, Puget plans no work program on these prospects until the summer months.

Norpax Nickel Deposit

The Norpax Nickel-Copper deposit is located approximately nine kilometres east of the Manitoba border at Almo Lake. Puget has an option to acquire 100% of the property from Harper Capital.

On December 17, 2009, Puget Ventures announced the completion of a four hole drill program on the property and reported out the results. These results were significant as they demonstrate the ability for the Werner Lake Belt to host larger deposit areas.

The program successfully intersected the Norpax mineralisation, expanding it at depth by 100 metres and potentially along strike for several hundred metres.

The following table are the results from Puget's 2009 drill program at the Norpax Deposit.

Hole No,	From	To	Intercept	Au	Pt	Pd	Cu	Ni
	m	m	m	g/t	g/t	g/t	%	%
NPX09-001	267.30	269.00	1.70	0.008	nd	nd	0.289	0.222
	276.40	279.90	3.50	0.009	0.071	0.228	0.100	0.248
	291.40	298.10	6.70	0.004	0.021	0.111	0.057	0.167
Includes	292.80	293.70	0.90	0.020	0.650	1.707	0.016	0.132
And	297.00	298.10	1.10	0.024	0.127	0.673	0.164	0.431
NPX09-002	NO SIGNIFICANT VALUES - HOLE STOPPED SHORT OF TARGET							
NPX09-003	176.60	182.50	5.90	nd	nd	0.003	0.106	0.039
	188.90	190.40	1.50	0.089	nd	nd	0.126	0.013

NPX09-004	109.60	123.70	14.10	0.006	0.011	0.081	0.145	0.137
includes	119.00	123.70	4.70	0.017	0.034	0.243	0.281	0.356
includes	119.00	120.50	1.50	0.206	0.050	0.623	0.468	0.416
	146.00	147.50	1.50	0.030	0.321	1.295	0.033	0.050
	158.00	161.00	3.00	0.026	nd	nd	0.233	0.035

*nd indicated values within the reported intercept were low and included at least one value below detection limits. The detection limit for gold was 5ppb, and for platinum and palladium was 10ppb.

** the intercept widths quoted are not the true thicknesses, which are probably some 75% of those quoted.

Full drill hole results are available on the www.pugetventures.com website.

Historical resource and reserve estimates of the Norpax Deposit have been reported at 1,010,000 tons of ore with 1.2% Nickel and 0.5% Copper. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources, the issuer is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon. The historical estimate is from Norpax Nickel Mines Ltd.

Between 1954 and 1957 Norpax Oils and Mines Ltd conducted shallow diamond drilling programs, followed by an underground exploration program. A 3-compartment shaft was sunk on the south shore of Almo Lake to a depth of 402ft (122.5m). Two levels were developed at the 250ft (76m) and 375ft (114m) horizons. Crosscuts were driven to the north to intercept the Cu-Ni horizon and drifting to the east and west was completed. The program consisted of underground sampling, mapping, limited underground drilling and several "box holes" were completed to provide sample material. No stope development or mining was undertaken.

Historic surface drilling during this period has outlined a zone of mineralization 1,400ft long, in a major east-west fault zone that dips 80° N. A 700ft section of this zone to a depth of 500 feet averaged 8.5ft in width and assayed 1.2% nickel, 0.5% copper, plus precious metals. Underground development to December 1, 1956, indicates a grade of 1.46% nickel, 1.03% copper over a length of 300ft and a width of 20 to 25ft.

From January to February 2002 Atikwa Minerals Limited completed 5 drillholes into the targeted horizon of the Norpax deposit. Intersections of up to 36.5m of 0.608 g/t Pt+Pd, 0.25% Cu, and 0.26% Ni, including 3.8m of 1.308 g/t Pt+Pd, 1.79% Cu, and 1.15% Ni. Puget has not independently analyzed the results of the previous exploration. Puget believes these historical results provide an indication of the potential of the properties and are relevant to future exploration.

Puget Ventures Inc. intends to verify and expand the historic resources in addition to an extensive review of previous work by the Ontario Geological Society, among others, to further target exploration opportunities on the Werner Lake Greenstone Belt.

The terms of the transaction are as follows:

- (i) \$30,000 at closing; \$40,000 at March 15, 2010; \$50,000 at March 15, 2011
- (ii) Issued 50,000 shares of the Company, subject to TSX Venture Approval;
- (iii) Expend exploration expenditures as follows:
 - (A) \$50,000 by March 15, 2010; \$150,000 by March 15, 2011; \$350,000 by March 15, 2012; \$450,000 by March 15, 2013

Harper Capital shall also be entitled to a 2% NSR, with a 1% buy-back option for \$1,500,000.

Benton Claims in Werner Lake (Werner East)

Puget Ventures has 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.

Puget is exploring options with Benton on these lands.

The eight claim group covers approximately 1,237 hectares at the east end of the Werner Lake-Rex Lake Greenstone 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.

Trout Bay

In summer 2009, Puget Ventures completed 1,865 metres of diamond drilling on the 4,049 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 ounces 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.

On April 8, 2009 Puget announced follow up results on Trout Bay, including:

- 27.08m of 0.52 gpt Gold, 58.16 gpt Silver, 53.01 gpt Germanium, 20.77 gpt Indium, 11.34% Zn, 1.68% Cu and 0.34% Pb
- 147 gpt Silver over 0.41m from 34.59m to 35m in High Grade Lake target in hole TB08010
- 173 gpt Germanium over 1.0m from 12m to 13m in the HGL target in hole TB08011
- 48.1 gpt Indium in hole TB08016 in the HGL target from 35m to 36m
- 3.74 gpt Gold and 168 gpt Silver over 0.50m in hole TB08016 above the VMS horizon in sulphide stringers
- Anomalous Nickel and Lead mineralization identified in close proximity to VMS horizon
- Ground follow up necessary on Germanium and Indium results

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.

Due to market conditions, Puget Ventures did not resume testing during the winter of 2008-2009 and is currently exploring options with Goldcorp on this area.

Pursuant to the terms of the agreement underlying the Trout Bay Option, 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, 2009, Puget has spent a total of \$1,076,644 on exploration and option expenses for the property.

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 October 31, 2009	Year Ended April 30, 2009
Net Operating Revenues	\$ 0	0
Net (loss)	\$ (536,614)	(286,273)
(Loss) per share	\$ (0.03)	(0.03)
Share capital per Canadian GAAP	\$ 5,724,558	1,768,484
Common shares issued	24,502,431	10,677,539
Weighted average shares outstanding per Canadian GAAP	18,138,127	9,524,080
Total Assets	\$ 5,092,500	1,467,867
Net Assets (liabilities)	\$ 4,883,830	1,412,898
Cash Dividends Declared per Common Shares	\$ 0	0

Results of Operations

During the second quarter ended October 31, 2009, the Company has incurred net operating expenses of \$536,614.00. The bulk of the expenses related to regular overhead, professional fees and shareholder relations spending.

The Company will continue to use its available resources to pursue its operations in regards to the Werner Lake properties.

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 October 31, 2009, the Company had accumulated losses totalling \$1,143,067.00. The Company's reported working capital of \$2,475,450.00 at October 31, 2009 compared with \$402,537.00 at October 31, 2008 quarter then ended. As at October 31, 2009 the Company had cash, equivalents and one year term deposit on hand of \$2,638,360.00.

Selected Financial Information

Quarter Then Ended	10/31/2009	07/31/2009	04/30/2009	01/31/2009	Fiscal Year Ended April 30, 2009
Interest Income	\$ 428	422	3,325	1,944	7,528
Legal and Accounting	33,600	31,929	47,204	52,367	199,961
Consulting fees	267,593	34,200	32,400	32,400	145,800
Office and General	24,798	12,688	13,535	16,139	63,256
Regulatory Fees	25,612	11,715	10,545	4,154	28,692
Stock-compensation	141,512	17,606	19,770	0	37,095
Other	43,927	24,242	24,210	31,493	138,297
Operating Costs	\$ (537,042)	(132,380)	(147,664)	(136,553)	(605,573)
Recovery future taxes	\$ -	-	75,056	-	319,300
Net (loss)	\$ (536,614)	(131,958)	(69,283)	(134,609)	(286,273)
Income (loss) per share	\$ (0.03)	(0.01)	(0.01)	(0.01)	(0.03)
Share capital GAAP	\$ 5,724,558	2,503,491	1,768,484	2,051,695	1,768,484
Common shares issued	24,502,431	12,861,915	10,677,539	10,573,753	10,677,539
Weighted average shares outstanding per Canadian GAAP	18,138,127	12,690,049	9,355,003	9,173,753	9,524,080
Total Assets	\$ 5,092,500	2,305,313	1,467,867	1,569,651	1,467,867
Net Assets	\$ 4,883,830	2,041,197	1,412,898	1,496,157	1,412,898
Cash Dividends Declared per Common Shares	\$ 0	0	0	0	0

Selected Financial Information

Quarter Then Ended	10/31/2008	07/31/2008	4/30/2008	01/31/2008
Interest Income	\$ 1,404	855	1,278	1,847
Legal and Accounting	70,620	29,770	42,371	22,880
Consulting fees	36,000	45,000	0	0
Office and General	8,600	24,981	11,005	9,725
Regulatory Fees	4,251	9,743	5,000	11,987
Stock-compensation	0	17,325	24,352	8,118
Other	54,167	28,427	9,486	924
Operating Costs	\$ (173,638)	(155,246)	(92,214)	(53,634)
Net (loss)	\$ (172,234)	(154,391)	(90,936)	(51,787)
Income (loss) per share	\$ (0.02)	(0.02)	(0.08)	(0.09)
Share capital GAAP	\$ 1,801,164	1,796,076	301,242	301,242
Common shares issued	9,065,000	9,065,000	5,730,000	5,730,000
Weighted average shares outstanding per Canadian GAAP	9,065,000	8,376,803	1,183,497	598,251
Total Assets	\$ 1,408,092	1,822,681	222,340	249,617
Net Assets	\$ 1,308,236	1,547,383	159,015	236,079
Cash Dividends Declared per Common Shares	\$ 0	0	0	0

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Related Party Transactions

The Company paid professional fees (\$13,782.00) and consulting fees (\$286,552) to companies controlled by officers of the company for the quarter ended October 31, 2009. The transactions were in the normal course of operations.

Critical Accounting Estimates:

Assessment of Recoverability of Future Income Tax Assets

In preparing the financial statements, the Company is required to estimate its income tax obligations. This process involves estimating the actual tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. The Company assesses, based on all available evidence, the likelihood that the future income tax assets will be recovered from future taxable income and, to the extent that recovery cannot be considered "more likely than not" a valuation allowance is established. If the valuation allowance is changed in a period, an expense or benefit must be included within the tax provision on the consolidated income statement.

Estimate of Stock-Based Compensation and Associated Assumptions

The Company recorded stock-based compensation based on an estimate of the fair value on the grant date of stock options issued. This accounting required estimates of interest rate, life of options, stock price volatility and the application of the Black-Scholes option pricing model. See note 6(e) of the October 31, 2009, unaudited interim consolidated financial statements for a full disclosure.

Changes in Accounting Policies

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 generally accepted accounting principles with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The changeover of May 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ending April 30, 2011. While the Company 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.

Share Capital Data

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

Common Shares	24,502,431		
Agent's Warrants	140,561	Expiry: 10/31/09	Exercise price: \$0.10
Agent's Warrants	120,000	Expiry: 11/15/09	Exercise price: \$0.75
Agent's Warrants	63,735	Expiry: 11/07/10	Exercise price: \$0.50
Agent's Warrants	4,500	Expiry: 11/19/10	Exercise price: \$0.50
Agent's Warrants	215,450	Expiry: 09/19/11	Exercise price: \$0.40
Warrants	750,000	Expiry: 11/15/09	Exercise price: \$0.75
Warrants	700,000	Expiry: 01/15/11	Exercise price: \$0.30
Warrants	291,500	Expiry: 11/07/10	Exercise price: \$0.50
Warrants	762,500	Expiry: 11/07/10	Exercise price: \$0.60
Warrants	5,125,659	Expiry: 09/19/11	Exercise price: \$0.40
Total	8,173,905		
Share Purchase Options	112,500	Expiry: 11/07/10	Exercise price: \$0.40
Share purchase Options	100,000	Expiry: 01/15/11	Exercise price: \$0.30
Share purchase Options	915,938	Expiry: 09/11/11	Exercise price: \$0.30
Share Purchase	283,063	Expiry: 10/31/12	Exercise price: \$0.10

Options			
Share Purchase Options	150,000	Expiry: 06/01/13	Exercise price: \$0.75
Share purchase Options	60,000	Expiry: 04/17/14	Exercise price: \$0.30
Total	1,621,501		

Second Quarter

During the second quarter end October 31, 2009, non-cash stock based compensation expenses for \$141,512 has been recorded with regards to the Company's equity financing through private placement.

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. At this date there are no indications that any change in management cannot be maintained at the current structure.

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 will 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 cash flow from operations is not sufficient to satisfy its capital or resource 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