

**THE ATTACHED INTERIM FINANCIAL STATEMENTS FORM AN INTEGRAL PART OF THIS MANAGEMENT DISCUSSION AND ANALYSIS AND ARE HEREBY INCLUDED BY REFERENCE**

Management Discussion and Analysis as of December 7, 2007

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. The Company is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange (the "Exchange") Policy 2.4.

Puget Ventures' principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Until the completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction.

The Company proposes to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction. Any proposed Qualifying Transaction must be accepted by the Exchange and in the case of a Non Arm's Length Qualifying Transaction is also subject to Majority of the Minority Approval in accordance with the CPC Policy. Puget Ventures has not conducted any commercial operations. The Company currently intends to pursue a Qualifying Transaction in the mining sector but there is no assurance that this will, in fact, be the business sector of a proposed Qualifying Transaction.

Until completion of a Qualifying Transaction, Puget Ventures will not carry on any business other than the identification and evaluation of businesses or assets with a view to completing a potential Qualifying Transaction. With the consent of the Exchange, this may include the raising of additional funds in order to finance an acquisition. The funds raised pursuant to the recently completed Initial Public Offering and any subsequent financing will be utilized only for the identification and evaluation of potential Qualifying Transactions and not for any deposit, loan or direct investment in a potential acquisition. The Company has not yet entered into an Agreement in Principle.

The Company's continued operations are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an investment of an interest in a Qualifying Transaction (as defined). The Company is required to complete its Qualifying Transaction (as defined) within 24 months of listing on the Exchange. The acquisition will be subject to shareholder and regulatory approval.

**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 suitable acquisition or acquisitions that can be made and financed at prices and terms that make business sense.

**Selected Financial Data [Annual]**  
(Expressed in Canadian Dollars)  
**Six months ended to October 31, 2007**

Net Operating Revenues	\$ 0
Net income (loss)	\$ (28,562)
Income (Loss) per share from continued operations	\$ ( 0.005)
Share capital per Canadian GAAP	\$ 320,507
Common shares issued total	5,730,000
Total Assets	\$ 316,050
Net Assets (liabilities)	\$ 275,007
Cash Dividends Declared per Common Shares	\$ 0.00

**Overview**

Puget Ventures' principal business is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction. Until the completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction.

On October 31, 2007, Puget Ventures Inc. (PVS.P: TSX-V) announced that it successfully completed its initial public offering of 2,500,000 common shares at \$0.10 per share for gross proceeds of \$250,000 (the Offering) pursuant to a prospectus dated October 18, 2007. Canaccord Capital Corporation acted as agent for the Offering and was paid an administrative fee of \$10,000 plus GST, a cash commission of \$25,000 and an option to purchase up to 250,000 common shares in the capital of the Company at a price of \$0.10 per share exercisable on or before October 31, 2009.

**Results of Operations**

The Corporation has incurred expenses and issue costs, since its incorporation, of \$136,491 all of which are directly related to becoming a reporting issuer and completing its Initial Public Offering. The expenses are primarily made-up of professional fees related to audit and legal work and to filing fees.

The Company will continue to use its available resources to identify and evaluate assets or businesses, for acquisition with a view to completing a Qualifying Transaction. The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and The Corporation may not have sufficient funds to secure such businesses or assets once identified and evaluated and additional funds may be required.

**Fluctuations in Results**

The Company has no historical operations by which fluctuations can be measured.

**Liquidity and Capital Resources**

Since the Company is organized in Canada, the Company's October 31, 2007 financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

As at August 31, 2007, the Company had accumulated losses totalling \$29,588. The Company

had working capital of \$130,643 as at August 31, 2007. Subsequent to the period the Company has completed its Initial Public Offering and has added approximately \$143,000 to its working capital.

As at October 31, 2007 the Company had cash and equivalents on hand of \$304,871.

**Selected Financial Data [Quarterly - unaudited]**

(Expressed in Canadian Dollars)

**Quarter Ended**

**10/31/07**

Net Operating Revenues	\$ 0
Net income (loss)	\$ (22,534)
Income (Loss) per share from continued operations	\$ ( 0.004)
Share capital per Canadian GAAP	\$ 320,507
Common shares issued (last six months)	3,490,000
Total Assets	\$ 314,783
Net Assets (liabilities)	\$ 273,740
Cash Dividends Declared per Common Shares	\$ 0.00

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

*(a) Puget Ventures was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after completion of the Qualifying Transaction;*

*(b) the directors and officers of the Company will only devote a portion of their time to the business*

*and affairs of Puget Ventures and some of them are or will be engaged in other projects or businesses*

*such that conflicts of interest may arise from time to time;*

*(c) there can be no assurance that an active and liquid market for the Company's Common Shares*

*will develop and an investor may find it difficult to resell its Common Shares;*

*(d) until Completion of a Qualifying Transaction, Puget Ventures is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;*

*(e) Puget Ventures has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction;*

*(f) even if a proposed Qualifying Transaction is identified, there can be no assurance that Puget Ventures will be able to successfully complete the transaction;*

*(g) Completion of a Qualifying Transaction is subject to a number of conditions including acceptance by the Exchange and in the case of a Non Arm's Length Qualifying Transaction, Majority of the Minority Approval;*

*(h) upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares of Puget Ventures will be halted and will remain halted for an indefinite period of time, typically*

*until a Sponsor has been retained and certain preliminary reviews have been conducted. The Common Shares of the Company will be reinstated to trading before the Exchange has reviewed*

*the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of Puget Ventures completing the proposed Qualifying Transaction;*

*(i) trading in the Common Shares of the Company may be halted at other times for other reasons, including for failure by Puget Ventures to submit documents to the Exchange in the time periods required;*

*(j) the Exchange will generally suspend trading in the Company's Common Shares or delist Puget Ventures in the event that the Exchange has not issued a Final Exchange Bulletin within 24 months from the date of listing;*

*(k) neither the Exchange nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;*

*(l) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of Puget Ventures;*

**Off-Balance Sheet Arrangements**

There are no off-balance sheet arrangements.

**Table of Contractual Obligations**

No contractual arrangements exist.

**Critical Accounting Estimates**

There are no critical accounting estimates.

**Changes in Accounting Policies**

There have been no changes in accounting policies.