

Masuparia Gold Corporation

MANAGEMENT DISCUSSION & ANALYSIS

For the quarter ended December 31, 2008

Date of Report: February 27, 2009

Directors and Officers as at February 27, 2009:

Directors:

David Baker
Don Dybyk
Brian Grant
Earl Terris

Officers:

David Baker, President
Brian Grant, VP Exploration
Vivian Gu, CFO

Contact Name:

David Baker

Website:

www.masupariagold.com

TSX Venture Exchange Symbol:

MAS.V

Form 51-102F1

MASUPARIA GOLD CORPORATION

MANAGEMENT DISCUSSION & ANALYSIS

For the Quarter Ended December 31, 2008

1.1 Date of This Report

February 27, 2009

1.2 Overall Performance

Description of Business

Masuparia Gold Corporation (the “Company”) is a publicly listed company trading under the symbol “MAS” (formerly “MPG”) on the TSX Venture Exchange (the “Exchange”). The Company was formerly in the mineral exploration business; however, during 2000, the Company divested its mineral exploration interests and reflected these operations as discontinued. Subsequent to this divestiture, the Company announced that it was contemplating a Change of Business from mining exploration to the non-resource sector. It then entered into an agreement to acquire a financial services company offering online trading and clearing services to international financial institutions through a fully functional website. This proposed Change of Business was not concluded and the Company returned to the mining sector in 2001 seeking opportunities in the resource industry. Effective on December 16, 2005, the Company consolidated its capital on a 30 old for 1 new basis, and the shares of the Company commenced trading on TSX Venture Exchange on a consolidated basis under the new trading symbol “MAS”.

The Company currently owns a 51% stake in the Greywacke gold property, in Saskatchewan, and 100% mineral interest, through its subsidiary, in the Sucara and Tenoriba properties in Mexico.

1.3 Selected Annual Information

The highlights of financial data for the Company for the three most recently completed financial years are as follows:

	<u>September 30,</u> <u>2008</u>	<u>September 30,</u> <u>2007</u>	<u>September 30,</u> <u>2006</u>
(a) Net sales	-	-	-
(b) Loss before extraordinary items			
(i) Total loss	\$911,709	\$609,963	\$265,815
(ii) Loss per share - basic	\$0.07	\$0.09	\$0.07
(iii) Loss per share - diluted	\$0.07	\$0.09	\$0.07
(c) Net loss			
(i) Total loss	\$911,709	\$609,963	\$265,815
(ii) Loss per share - basic	\$0.07	\$0.09	\$0.07
(iii) Loss per share - diluted	\$0.07	\$0.09	\$0.07
(d) Total assets	\$4,089,508	\$2,887,975	\$1,716,584
(e) Total long-term liabilities	-	-	-
(f) Cash dividends declared per-share	N/A	N/A	N/A

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.

Mineral Properties

As at December 31, 2008, the Company had the following mineral properties interests:

Greywacke Property

On May 21, 2001, the Company entered into an option agreement with two companies (the "Optionors") whereby the Company could earn a 51% interest in four mineral claims located in northern Saskatchewan for the following consideration:

- i) \$10,000 (paid);
- ii) 16,665 common shares (issued); and
- iii) incurring exploration of \$850,000 (incurred).

The Greywacke property is located 85 kilometers north-east of La Ronge, Saskatchewan and comprises four (4) mineral claims totaling 268 hectares. A resource estimate by Cameco in 1991, based on 30 drillholes, outlined 298,000 tonnes grading 9.2 g/t gold in the Greywacke North Zone. A subsequent resources estimate by Wardrop in 2004 estimated 254,000 tonnes grading 8.79 g/t gold using a 5 g/t gold cut-off. It should be emphasized that these two historical estimates are unclassified, not compliant with NI 43-101 requirements, and should not be relied upon as an accurate representation and estimation of the gold resources. A small drill program undertaken by the company in 2005 on the Greywacke North deposit drilled a best intercept grading 8.2 g/t gold over 26.64 meters. Drilling results indicate that the deposit is open at depth. The Greywacke South and Lyons Zone are smaller additional gold zones identified and drilled historically, with best drilled intercepts of 5.3 g/t gold over 4.25 m and 26.4 g/t gold over 1.9 m respectively.

Greywacke – Exploration Results

Permit acquisition and initial planning and preparation for an exploration program on the Greywacke property took place during February 2008, and a drilling program of nineteen holes for a total of 300.73 metres was completed in April and split-core samples were submitted to TSL Laboratories in Saskatoon for assay.

Assay results for the first eleven drillholes, all drilled within the North Zone were contained in a press release on May 21, 2008. Results for the remaining drillholes on the North and South zones were contained in a press release on June 16, 2008. The program results contained information which extended the economic potential of both the North and South zones and provided indications of economic potential in the area between these zones.

Greywacke – Future Developments

The Company is reviewing the results of the exploration to date and is formulating an exploration plan to better define the economic potential of the property. The Company commissioned Wardrop Engineering Inc. (Toronto) to do an NI 43-101 compliant resource estimate and the results were released to the public on April 7, 2008. Wardrop reported an Indicated Resource of 184,000 tonnes grading at 8.40 grams per tonne gold plus an Inferred Resource of 58,000 tonnes at 7.29 grams per tonne gold at a cut-off of 5 grams per tonne gold. The technical report is available for viewing on the company website at www.masupariagold.com.

The Company expects to follow up the positive results of the 2008 drill program and test the regional potential for the gold zone within the North and South zones.

Ungava Property

On July 30, 2004, the Company reached an agreement with Goldbrook Ventures Inc. (“Goldbrook”), whereby Goldbrook acquired 100% of the Company’s interest in this property. As consideration Goldbrook delivered 3,000,000 common shares to the Company.

This Agreement replaced the option previously granted to Goldbrook by the Company to earn up to an 80% interest in the Property. The Property is subject to a 1% net smelter return royalty on any mineral production from the Property. Goldbrook has the option to purchase one-half of this royalty for \$1 million.

Sucara

By agreements dated April 2007, the Company announced the acquisition of two options to purchase a 100% interest in the Sucara property. The Sucara property consists of two mining claims totalling 161 hectares located in the State of Chihuahua, Mexico in the municipality of Guadalupe y Calvo. Consideration is payable as follows:

- i) US\$22,000 plus value added tax by April 24, 2007 (paid);
- ii) US\$15,000 plus value added tax by October 24, 2007 (paid)
- iii) US\$33,000 plus value added tax by April 24, 2008 (paid);
- iv) US\$25,000 plus value added tax by October 24, 2008 (currently under renegotiation);
- v) US\$49,000 plus value added tax by April 24, 2009;
- vi) US\$30,000 plus value added tax by October 24, 2009;
- vii) US\$60,000 plus value added tax by April 24, 2010;
- viii) US\$42,000 plus value added tax by October 24, 2010;
- ix) US\$346,000 plus value added tax by April 24, 2011, if the Company exercises the option.

Sucara – Exploration Results

The company fielded a small geological crew to carry out property and regional scale geological mapping and sampling to better determine the setting of the mineralization and provide information regarding regional potential.

Sucara – Future Developments

A geological mapping and prospecting report for the property and surrounding area is being prepared.

Tenoriba

By agreements dated April 2007, the Company announced the acquisition of two options to purchase a 100% interest in the Tenoriba property. The Tenoriba property consists of three mining claims totalling 8,100 hectares, located in the municipality of Guadalupe y Calvo, State of Chihuahua, Mexico. Consideration is payable as follows:

Option 1

- i) US\$40,000 plus value-added tax by April 25, 2007 (paid);
- ii) US\$25,000 plus value-added tax by October 25, 2007 (paid);
- iii) US\$75,000 plus value-added tax by April 25, 2008 (paid);
- iv) US\$100,000 plus value-added tax by October 25, 2008 (currently under renegotiation);
- v) US\$100,000 plus value-added tax by April 25, 2009;
- vi) US\$150,000 plus value-added tax by October 25, 2009;
- vii) US\$150,000 plus value-added tax by April 25, 2010;
- viii) US\$200,000 plus value-added tax by October 25, 2010;
- ix) US\$1,160,000 plus value-added tax by April 25, 2011.

Option 2

- i) US\$20,000 plus value-added tax by May 1, 2007 (paid);
- ii) US\$50,000 plus value-added tax by November 1, 2007 (paid);
- iii) US\$70,000 plus value-added tax by May 1, 2008 (paid);
- iv) US\$100,000 plus value-added tax by November 1, 2008 (currently under renegotiation);
- v) US\$150,000 plus value-added tax by May 1, 2009;
- vi) US\$600,000 plus value-added tax by May 1, 2010;
- vii) US\$1,010,000 plus value-added tax by May 1, 2011;

Tenoriba – Exploration Results

During February 2008, the company initiated a drilling exploration program with some infrastructure development to support the drill program. By April 23, 2008, the company had completed fifteen drillholes for a total of 2,566.90 metres within the Doña Lola, La Falda, West Adularia, East Adularia, Los Hilos and La Ceniza West areas. Core logging and sample collection was completed and samples submitted to ALS Chemex for analyses. Results were contained in a press release of June 25, 2008, and further indicate the economic potential of the property.

The company fielded a small geological crew to carry out property and regional scale geological mapping and sampling to better determine the setting of the mineralization and provide information regarding regional potential. This program continued through the early summer of 2008.

Tenoriba – Future Developments

Reports will be prepared on the drilling, geochemical sampling and the geological mapping of the property. The results of the exploration programs will be reviewed and material data will be reported as it is available. The company will consider future drilling and geological programs based on the full results of the current exploration program.

Discussion of Operations and Financial Condition

Results of Operations

The net loss for the three months ended December 31, 2008 were \$243,597 as compared with \$186,935 for the three months ended December 31, 2007. The increase in net loss of \$56,662 was due to changes in the following categories:

- Professional fees increased by \$27,317 in the three months ended December 31, 2008 compared to the three months ended December 31, 2007;
- Incurred wages and benefits in the amount of \$20,640 during the current period (2007: \$Nil) as a result of the exploration activities on Mexico properties;
- Filing fees and transfer agent fees increased by \$4,369;
- Exploration assessment costs increased by \$5,886 in the current period compared to the comparative period ended December 31, 2007;
- Recognized \$101,620 impairment loss on available-for-sale assets during the quarter ended December 31, 2008 while \$101,118 loss from sale of securities was recognized during the comparative period ended December 31, 2007.

During the three months ended December 31, 2008, the Company incurred management fees of \$15,000 (2007 –14,500) and professional fees of \$36,746 (2007 - \$9,429).

Investor Relations Activities

During the three months ended December 31, 2008, the Company issued press releases, responded to investor inquiries and conducted shareholder mailouts. Shareholder inquiries were handled either by directors of the Company or spokespersons specifically assigned to respond to any shareholder or investor calls. The Company has no formal investor relations agreement in place.

Financings, Principal Purposes & Milestones

On March 4, 2008, the Company completed a non-brokered private placement of 4,000,000 units of the Company at a price of \$0.23 per unit for gross proceeds of \$920,000.00. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant is exercisable into one additional common share of the Company for a period of one year from the closing date of the private placement at an exercise price of \$0.35. Finders' fees were paid in the amount of \$73,715.

On October 15, 2008, the Company closed a non-brokered private placement of 14,970,000 units of the Company at a price of \$0.05 per unit for gross proceeds of \$748,500. Each unit consists of one common share of the Company and one transferrable common share purchase warrant. Each warrant is exercisable into one additional common share of the Company for a period of two years from the closing date of the private placement at an exercise price of \$0.10. Finders' fees were paid in the amount of \$27,000.

1.5 Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	<u>Q1</u> <u>31-Dec-08</u>	<u>Q4</u> <u>30-Sept-</u> <u>08</u>	<u>Q3</u> <u>30-June-</u> <u>08</u>	<u>Q2</u> <u>31-Mar-08</u>	<u>Q1</u> <u>31-Dec-07</u>	<u>Q4</u> <u>30-Sept-</u> <u>07</u>	<u>Q3</u> <u>30-June-</u> <u>07</u>	<u>Q2</u> <u>31-Mar-07</u>
Net sales	-	-	-	-	-	-	-	-
Net Loss	\$243,597	\$226,472	\$230,359	\$267,943	\$186,935	\$89,032	\$115,339	\$206,699
(Income):								
Per share	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.01	\$0.01	\$0.03
Per share -diluted	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.01	\$0.01	\$0.03

Discussion

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

1.6 Liquidity

As the Company has no revenue generating projects at this time, the ability of the Company to carry out its business plan rests with its ability to secure equity and other financings. At December 31, 2008, the Company's working capital deficit was \$382,112, compared to a working capital deficit of \$872,173 as at September 30, 2008.

The Company will require additional financing to fund any new acquisitions, exploration programs as well as its holding costs on all of its properties. The ability of the Company to successfully fund the mineral properties and to acquire additional projects is conditional on its ability to secure financing when required. The Company proposes to meet any additional financing requirements through the exercise of outstanding warrants, or arranging other forms of equity financing. 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 by the Company.

1.7 Capital Resources

The capital resources of the Company are the capital assets valued at \$30,032, and the mineral properties, with a historical cost of \$3,526,053. The Company is committed to further expenditures on the mineral properties, as detailed in Section 1.4 Results of Operations.

1.8 Off Balance Sheet Arrangements

There is no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

During the three months ended December 31, 2008 and 2007, the Company was charged the following amounts by companies owned by directors:

	<u>2008</u>	<u>2007</u>
Management fees	\$ 15,000	\$ 14,500
Consulting fees – financial	7,500	7,500
– investors’ relations	7,500	8,750
Professional fees	2,625	3,625
	<hr/>	
	\$ 32,625	\$ 34,375

These charges were measured by the exchange amount which is the amount agreed upon by the transacting parties.

At December 31, 2008, accounts payable and accrued liabilities included \$10,547 (2007: \$1,301) due to companies with common directors for expenses paid on behalf of the Company.

At December 31, 2008, the Company had advance payable in the amount of \$455,000 to companies controlled by directors. The advance payable is unsecured, non-interest bearing and have no specific terms for repayment.

1.10 First Quarter

\$101,620 impairment loss on available-for-sale assets was recognized in the first quarter as a result of decreased value in the securities held.

1.11 Proposed Transactions

None.

1.12 Critical Accounting Estimates

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

1.13 Changes in Accounting Policies

Effective October 1, 2006, the Company adopted the new accounting standard related to financial instruments that was issued by the Canadian Institute of Chartered Accountants. This accounting policy change was adopted on a prospective basis with no restatement of prior period financial statements. As a result of adopting these new standards, the Company recorded a credit \$516,445 for the change in accounting for financial assets classified as available for sale and measured at fair value instead of cost, and recorded a credit of \$166,137 for the change in accounting for financial assets classified as held for trading and measured at fair value instead of cost. These charges are reported as a one time cumulative effect of a change in accounting policy in opening accumulated other comprehensive income and deficit, respectively as at October 1, 2006. The new standard is as follows:

Financial Instruments – Recognition and Measurement

The Company now classifies all financial instruments as either held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities. Financial instruments classified as held-for-trading are measured at fair value with unrealized gains and losses recognized in operating results. Financial instruments classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Financial instruments classified as held-to-maturity, loans and receivables or other financial liabilities are measured at amortized cost.

Financial Instruments

The Company's financial instruments consisting of cash, marketable securities, accounts payable and accrued liabilities approximates their fair value. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Adoption of New Accounting Standards

Accounting Changes, Section 1506

Section 1506 revised the standards on changes in accounting policy, estimates or errors to require a change in accounting policy to be applied retrospectively (unless doing so is impracticable or is specified otherwise by a new accounting standard), changes in estimates to be recorded prospectively, and prior period errors to be corrected retrospectively. Voluntary changes in accounting policy are allowed only when they result in financial statements that provide reliable and more relevant information. In addition, these revised standards call for enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements. The impact of this new standard cannot be determined until such time as the Company makes a change in accounting policy, other than the changes resulting from the implementation of the new CICA Handbook standards discussed in this note.

Capital Disclosures

The AcSB issued CICA Handbook Section 1535 “Capital Disclosures” The section specifies the disclosure of (i) an entity’s objectives, policies, and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. This new section relates to disclosures and will not have an impact on the Company’s financial results.

Financial Instruments

CICA Handbook Section 3862, Financial Instruments - Disclosure, increases the disclosures currently required to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. CICA Handbook Section 3863, Financial Instruments – Presentation, replaces the existing requirements on the presentation of financial instruments, which have been carried forward unchanged.

1.14 Financial and Other Instruments

The recoverability of the amounts capitalized for the mineral properties under exploration is dependent upon the determination of economically recoverable ore reserves, the ability to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

1.15 Other

Disclosure of Outstanding Share Capital (December 31, 2008)

	Number	Book Value
Common Shares	29,528,951	\$14,410,468

Summary of warrants outstanding:

Number of Shares	Exercise Price	Expiry Date
1,240,000	\$0.255	January 4, 2009
2,973,500	\$0.24	September 25, 2009
4,000,000	\$0.24	March 3, 2009
14,970,000	\$0.10	October 7, 2010
23,183,500		

Summary of stock options outstanding:

Number of Shares	Exercise Price	Expiry Date
87,615	\$3.00	July 7, 2009
460,000	\$0.255	November 5, 2011
547,615		

Additional Disclosure

The Company is a venture issuer that has not had any revenue from operations in either of its last two financial years. The Company has capitalized all expenditures relating to the exploration of its mineral property until such time as the properties are placed into production, abandoned, sold, or considered to be impaired in value. Details of deferred expenditures for the properties for the three months ended December 31, 2008 are as follows:

MASUPARIA GOLD CORPORATION
SCHEDULE OF RESOURCE PROPERTY COSTS
for the three months ended December 31, 2008

	<u>Greywacke</u>	<u>Tenoriba</u>	<u>Sucara</u>	<u>Total</u>
Balance, September 30, 2008	\$ <u>1,347,268</u>	\$ <u>2,272,226</u>	\$ <u>82,272</u>	\$ <u>3,701,766</u>
Deferred exploration expenditures				
Assays	(5,478)	26,890	-	21,412
Consulting fees	4,500	5,018	-	9,518
Drilling	-	(14,150)	-	(14,150)
Equipment rental and repairs	(648)	9,293	-	8,645
Field work and field supplies	(2,872)	10,505	-	7,633
Mapping and reports	-	110	-	110
Permits	(17)	-	-	(17)
Office overhead	-	4,580	-	4,580
Value added taxes	-	(229,656)	-	(229,656)
Wages and casual labour	-	<u>16,212</u>	-	<u>16,212</u>
	<u>(4,515)</u>	<u>(171,198)</u>	<u>-</u>	<u>(175,713)</u>
Balance, December 31, 2008	\$ <u>1,342,753</u>	\$ <u>2,101,028</u>	\$ <u>82,272</u>	\$ <u>3,526,053</u>

Subsequent events

In January 2009, 1,240,000 stock purchase warrants with an exercise price of \$0.255 per share were expired without exercising.

Additional information

Additional information relating to the company is on SEDAR at www.sedar.com.