CHRISTOPHER JAMES GOLD CORP

**MANAGEMENT DISCUSSION AND ANALYSIS**

**For the Year Ended October 31, 2007**

Management's discussion and analysis ("MD&A") focuses on significant factors that affected Christopher James Gold Corp. ("Christopher James" or the "Company") and its subsidiary during the year ended October 31, 2007 and to the date of this report. The MD&A supplements, but does not form part of, the audited consolidated financial statements of the Company and the notes thereto for the year ended October 31, 2007. Consequently, the following discussion and analysis should be read in conjunction with the audited consolidated financial statements for the year ended October 31, 2007 and the notes thereto. All amounts presented in this MD&A are in Canadian dollars unless otherwise indicated.

Additional information related to Christopher James Gold Corp is available on SEDAR at www.SEDAR.com or on the Company's website at www.christopherjamesgold.com.

**FORWARD-LOOKING INFORMATION**

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. For more information on forward-looking information, please refer to page 16 of this MD&A.

This MD&A contains information up to and including February 21, 2008.

**OVERVIEW**

The Company is an exploration stage Canadian mineral exploration company engaged in the acquisition and exploration of precious metal, base metal and polymetallic properties in Canada, the United States and Mexico. The Company's corporate strategy is to increase shareholder value through the acquisition, exploration and possible future development of its mineral projects.

**MINERAL EXPLORATION PROJECTS**

Dr. Max Baker, President of Christopher James Gold Corp., is the Qualified Person that has reviewed and compiled the technical information relating mineral projects disclosed in the MD&A.

A summary of the significant mineral exploration projects of the Company is as follows:

**Guardsmen Resources Inc. Projects, British Columbia - Canada**

On June 19, 2006 the Company entered into a Letter of Intent (the "LOI") pursuant to which the Company acquired an exclusive option agreement (the "Guardsmen Agreement") to purchase all of the shares of Guardsmen Resources Inc. ("Guardsmen") in consideration of: (a) $300,000 cash and (b) 15,000,000 common shares of the Company issuable over a period of 54 months (the "Shares").

The LOI also provided for royalties to be paid to Guardsmen shareholders, that the aggregate value of the consideration (the "Consideration") received by the Guardsmen shareholders will not be less than $35,000,000 and the acceleration of share issuances required under the agreement, in certain events.

As at October 31, 2007, the Company had issued 3,000,000 common shares pursuant to the Guardsmen Agreement. Under the Guardsmen Agreement, the Company must also incur exploration expenditures totaling $3,700,000 over three years on the Guardsmen Projects, which include the Ranch and various other properties. Of this required expenditure, $500,000 must be incurred during the first year. The Company has satisfied this requirement under the agreement.

*The Ranch Property*

The 9,300 Ha (22,998 acre) Ranch property (also known as Al's) is located in north-central (the Toodoggone area) British Columbia, approximately 310 kilometres due north of Smithers and 500 kilometres northwest of Prince George.

The Company completed an aeromagnetic survey of the property in May 2007 and initiated the 2007 drill program on May 31, 2007. In August 2007, the Company concluded that the first two holes from the Mickey Zone intersected the same "vuggy silica" altered rock that, characteristically, has hosted the high-grade to bonanza-grade gold mineralization on the Ranch. Based on these initial results, management decided to focus the majority of the next 4,000 metres of drilling on the Mickey Zone and the nearby Thesis Zone. In September and October 2007, the Company received assay results for the remaining drill holes on the Bonanza Zone, part of the Ranch Project, in the Toodoggone District of northern British Columbia.

Due to discouraging results from the 2007 drill program, the Company decided not to continue exploration of the property under the option agreement. Therefore, the Company recorded a $10,132,972 provision to write-off the carrying value of all Guardsmen Properties during the 2007 fiscal year.

**Craigmont Mines Property, British Columbia - Canada**

The Company has an option agreement to acquire a 100% interest in all the base and precious metal resources situated on the Craigmont Mine Property located in the Nicola Mining Division of British Columbia. The Company has met is expenditure requirements under the option agreement. The Company has agreed to pay a 2% net smelter returns royalty upon the commencement of commercial production. The assessment requirements are in good standing until Summer 2008.

During the current period, no significant physical work was undertaken on the Craigmont claims. However, the Company has continued to assemble historic data on the project and may start to collate this in early 2008, depending on other commitments. The Company has plans to undertake a detailed airborne magnetic survey over the area and to enter all drill logs into digital format, however at this stage; it is a lower priority than the other projects.

**Betty Claims, British Columbia - Canada**

The 300 hectare Betty claim has been held continuously by Better Resources Limited and the successor company, Bluerock Resources Ltd, since 1975. In 2005, an agreement was signed whereby Christopher James Gold could earn a 50% position in the claim and the right to form a joint venture for further exploration by issuing 100,000 common shares and performing $200,000 of exploration expenditures on the claim. This requirement has been fulfilled and a joint venture agreement must be completed to fund further exploration. The assessment requirements are in good standing until Dec 15th, 2014.

The Betty claim is located near the headwaters of Shackelly Creek and lies between the top of Promontory Hill on the east and Indian Reserve No.9 on the west. The center of the claim is approximately 4 km west of the Craigmont open pit. The Betty Claim adjoins the Craigmont property on the west, and covers the contact between the Guichon Batholith on the north with the Triassic Nicola volcanics and intercolated sediments to the south, essentially a westward continuation of the favourable geology that hosted the Craigmont chalcopyrite-magnetite –hematite orebody approximately 4 km eastward. The Craigmont mine produced 936 million pounds of copper from 36 million short tons of 1.3 % Copper processed. This was a much diluted product from the original ore reserve of 28 million short tons of 1.8% Copper, due mainly to the inclusion of 5 million tons of low grade (0.65% Cu) from the open pit that was not identified in the original reserve and from the extremely diluting sub-level caving mining method employed underground, which took one ton of waste per ton of ore.

The Betty claim was originally owned separately by Place-Dome from the Placer controlled Craigmont Mine and became an exploration orphan with inadequate attention paid to its potential. This also applied to the western potential of the Craigmont property where shallow exploration did not produce any encouraging results. It is very important to recognize that the western portion of the favourable limestone-intrusive contact has not been explored below the 4000 ft elevation for a length of 4000m (13,000'). The total length of the Craigmont orebodies was 800m (2600').

The drill program that began in November 2006 was designed to explore the limestone to depth, first by drilling a hole between two old holes to see if the limestone steepened between the holes and then by tracing the limestone eastward. Hole CJG 06-01 drilled to 377m depth intersected an upper and lower limestone, with a significant short magnetite intersection at the bottom of the lower band. Hole CJG 06-02, 200m northeast of CJG 06-01, cut a band of crystalline limestone which may be the upper band continuation but was not drilled deep enough to cut the lower band. These holes demonstrate that the limestone member dips steeply in this area, as it does in the Craigmont mine and should be explored to depth for Craigmont style orebodies.

From September 20 to October 1, 2007 an attempt was made to measure the magnetic field strength in two boreholes drilled by CJGC last winter. The tool used was a MI-3 borehole probe manufactured by Icefield Tools of Whitehorse, Yukon. The upper 160m of drillhole CJG06-02 was successfully surveyed, with reading taken every 5m. Caving in the hole prevented surveying below 160m. The data shows strong magnetic variance at depths of 55-65m and 85-90m. These depths correspond to magnetic minerals observed in the drill core. Given the narrow depth range affected, it is apparent that the variations observed is caused by the magnetite veinlets observed in the drill core, no large scale magnetic response was observed. Problems with the stability of hole CJG-01 precluded the survey from being carried out on this hole.

There are no immediate plans for additional drilling on the Betty Claims, instead any work on the Betty Claims over the next 12 months will be part of an integrated program focused on the Craigmont claims, aimed at providing a better understanding as to the likely controls and location of skarn and the intrusive plugs responsible for such mineralization.

**Brassie Creek Property, British Columbia - Canada**

The Brassie Creek property is located in the Kamloops Mining Division of British Columbia approximately 48 kilometres west of the City of Kamloops. The Brassie Creek property consists of 8 Modified Grid and 4 Two Post mineral claims for a total of 130 units covering approximately 3,250 hectares. To date the Company has conducted detailed mapping, prospecting, sampling and diamond drilling and determined that the potential of the Brassie Creek property lies in the extent of the magnetite rich polymetallic intrusive skarn system and a variety of skarn targets. Economic bulk tonnage polymetallic skarns (Zn, Ag, Cu, Au) and higher grade polymetallic mantos are possible. The potential for such environments extends over a 2 to 3 sq. km. area. The assessment requirements are in good shape until Dec 15th, 2009.

On April 2, 2004, the Company granted Craigmont Mines Ltd ("Craigmont") an option on its Brassie Creek property allowing Craigmont to explore for and acquire, upon exercise, magnetite, hematite and other industrial mineral resources. Craigmont is obliged to expend not less than $50,000 per year on exploration for the initial five-year term. Exploration expenditures for the second five-year term increase to $100,000 annually. Once the option is exercised, Craigmont acquires the right to all of the magnetite, hematite and industrial mineral resources on the Brassie Creek property upon the production of a Bankable Feasibility Report. The Company retains the rights to all base and precious metal resources and will be responsible for the cost of further processing the residual ore to extract any base and precious metals should it determine that such extraction is economically viable. The Company also retains a 1% net profit royalty from the sale of magnetite, hematite and other industrial minerals by Craigmont.

The Company is seeking Joint Venture opportunities with suitable partners to accelerate exploration and drilling activities.

**Big Kidd Property, British Columbia - Canada**

The Big Kidd property is located in the Nicola Mining Division of British Columbia immediately north and east of Aspen Grove, approximately 30 kilometres southwest of the City of Merritt and 60 kilometres north of the town of Princeton. The Big Kidd property, consisting of 101 contiguous mineral claim units covers some 2525 hectares (6236 acres) in the Nicola Mining Division. The Company has a 100% interest in the mineral claims.

Exploration to date has defined an extensive area of brecciation hosting low-grade gold-copper mineralization. During 2006, the Company compiled all previous exploration data into a digital database. Based on current interpretation, the project is considered to have potential for breccia-hosted low-grade open-pit style mineralization. Approximately $10,426 was spent on the property, primarily on reconnaissance sampling and data compilation in the 12 months ended October 31, 2007. The properties are in good standing with regard to assessment filings until January 13th, 2009.

An airborne magnetic-radiometric survey is being considered for the 2008 field season, to provide a better understanding of the geological and structural controls on known mineralization, which in turn will help with the identification of additional drill targets beneath Quaternary cover.

**Worldstock – Portage Lake Properties (Silver Lake), British Columbia - Canada**

The Worldstock – Portage Lake properties are located in the Kamloops Mining Division, approximately 22 kilometres northwest of Little Fort in southwestern British Columbia. The Company has a 100% interest in the 174 claims covering approximately 4,350 hectares, subject to the optionors retaining a 1% net smelter returns royalty, which the Company can purchase for $1,000,000. The Company also agreed to pay a further royalty, calculated as 2% of the net smelter returns, as a finders' fee to three parties, one of which was related to the Company. The Company has identified two principal targets known as the Portage Lake project and the Worldstock Porphyry project for further exploration. The project is in good standing with regard to assessment filings etc until December 15th, 2008.

Initial drilling at Portage Lake has delineated several zones of copper-silver mineralization over an extensive area and the Company commenced drill testing a large zone of intrusive hosted mineralization in 2001. Further exploration work to date has consisted of acquiring an updated airphoto-mozaic showing recent logging activity which will be used to assist ongoing exploration. The Portage Lake Project is considered to have potential for both volcanic (Nicola Group) hosted massive sulphide zones and intrusive hosted porphyry-type copper mineralization.

The 2007 work program was initiated in June 2007 and consists of surface prospecting of lesser known areas of the property. An airborne EM and magnetic survey was completed in August 2007. The nominal EM clearance was 30m, the magnetomiter was connected to a tow rope 17m above the EM detector and 21 metres below the helicopter. The survey was flown in a northeast-southwest direction with a line spacing of 100 metres for a total of 1,094 line kilometers of survey. The magnetic and electrical resistance EM data has been used to interpret the structural and geological controls on know mineralization and target hitherto untested area of potential mineralization. A zone of magnetic anomalies typical of skarn-mineralization has been delineated, it appears to be the extension of the skarn mineralization which Candorado have been trenching and drilling to the south of our tenements. Candorado have reportedly found float assaying as high as 15g/t Au and 6% Cu (refer to Candorado's news release dated December 7, 2007). The Company believes that the mineralization zone trends west-northwest from the south central part of the Worldstock tenement for 1,500m to the north-west. The Company plans to carry out a program of surface mapping, sampling and trenching along this magnetic anomaly to identify drill targets for follow-up in either the fall of 2008 or spring 2009.

**Walker Lane, Nevada – United States**

During 2006, the Company entered into memorandum of understanding ("MOU") with Timberline Resource Corporation ("Timberline") to acquire up to a 75% interest in the following two prospective gold project areas in the Walker Lane Mineral Belt of south-central Nevada.

*Olympic and Sun Projects*

The Olympic and Sun Projects consist of 159 unpatented mining claims covering nearly five square miles. The Company must spend US$1,500,000, including option payments, over four years to earn a 60% interest in the projects with a minimum annual expenditure of US$150,000. The Company can earn an additional 15% (to bring its interest to 75%) by completing a bankable feasibility study on the projects.

Pursuant to the MOU the Company may purchase 1% of an existing 3% net smelter return royalty ("NSR") on the Olympic project for US$500,000 and provides for Timberline to assign 1% of an existing 3% NSR on the Sun project to the Company if the Company incurs US$150,000 in expenditures before October 1, 2006. Subsequently, the Company may purchase an additional 1% of the Sun claim group NSR for US$150,000.

In June, 2006 the MOU was amended to reduce the first years work commitment to US$100,000 and required the Company to complete a minimum 2,500 ft drilling program by 31 December, 2006.

During 2007, a 2,000 metre reverse circulation drill program was conducted in the Omco Wash area with disappointing results and the property has been abandoned and the carrying values of the properties totalling $434,892 were written-off during the year ended October 31, 2007.

*Cedar Mountain Project*

The Cedar Mountain project consists of 48 unpatented mining claims. Pursuant to the MOU the Company must spend US$1,000,000, including option payments, over four years to earn a 60% interest in the project, with a minimum annual expenditure of US$100,000. The Company can earn an additional 15% (to bring its interest to 75%) by completing a bankable feasibility study on the project. In June, 2006 the MOU was amended to reduce the first years work commitment to US$30,000.

Pursuant to the MOU, Timberline will assign 1% of an existing 3% NSR on the Cedar Mountain project to the Company if it incurs US$250,000 in expenditures on the project on or before October 1, 2007 and provides further that the Company may thereafter purchase an additional 1% of the NSR for US$150,000. In the event that the Company elects to proceed to the second year of the agreement it must issue Timberline 100,000 shares on or before the commencement of the second year.

The Company is re-assessing its plans for Cedar Mountain in light of the disappointing results at the Olympic and Sun Projects; however, a final decision has not been made yet. During the year ended October 31, 2007, the Company recognized an impairment of unproven mineral interests of $7,467 for Cedar Mountain.

**Garcia Flats, Nevada – United States**

The Company signed a memorandum of understanding ("MOU") with Harvest Gold Corporation on May 22, 2007 to secure an option to acquire up to 70% of the Garcia Flats Project, located on the southern extension of the Carlin Trend, in north-central Nevada. The MOU provides the Company with the exclusive right to earn a 70% interest in the Garcia Flats Project, subject to an underlying 3% net smelter returns royalty by issuing a total of 225,000 shares to Harvest and incurring an aggregate $2,500,000 in exploration expenditures, over a three year period as follows:

- 50,000 shares upon the satisfactory completion of the Company's due diligence;
- 75,000 shares and $500,000 in exploration expenditures in year one;
- 100,000 shares and $750,000 in additional exploration expenditures in year two; and,
- $1,250,000 in additional exploration expenditures in year three.

The Company has the right to terminate the option without further obligation at any time, and to shorten the earn-in period by accelerating the rate of project expenditures. Once the Company has earned its 70% interest, Harvest will be required to either contribute pro-rata to future expenditures or be diluted to a 12.5% carried interest through completion of a bankable feasibility study. Should the Company take the project to the development stage, it will be responsible for raising Harvest's share of any required financing. The Company's obligations under the MOU are subject, inter alia, to a definitive agreement and approval of the TSX Venture Exchange.

The Company commenced drilling in June 2007 and the results were released in October 2007. Three holes totaling 5,385 feet (1,641 m) were drilled with a flooded reverse circulation drill rig. The holes were positioned to test an enzyme leach geochemical anomaly, which was interpreted as the surface expression of a possible buried Carlin-type gold deposit. All three holes encountered what appears to be an epithermal-type alteration within what are interpreted as Eocene volcanics and interbedded limestones and volcanoclastics. The mineralization, which was intersected under several hundred metres of pediment cover, is low-grade and associated with anomalous gold and a suite of path-finder elements typical of both Carlin- and Epithermal-type mineralization. While no potentially economic-grade Carlin-Type mineralization was intersected, the Company is very encouraged that the Enzyme Leach geochemistry was able to detect low-grade gold mineralization concealed under several hundred metres of cover. Because of this success, the Company has agreed in principle with Harvest Gold Corp to create a Joint Venture designed to seek out additional pediment exploration opportunities in Nevada.

## RESULTS OF OPERATIONS

The Company's consolidated financial statements for the year ended October 31, 2007, 2006 and 2005 (the "Consolidated Financial Statements") have been prepared in accordance with Canadian generally accepted accounting principles and practices. Currency amounts are in Canadian dollars, except where stated otherwise. The significant accounting policies are outlined within Note 2 to the audited financial statements of the Company for the year ended October 31, 2007.

| | October 31, 2007 | October 31, 2006 | October 31, 2005 |
|---|---|---|---|
| Interest income | $ 264,034 | $ 19,893 | $ - |
| Future income tax recovery | 996,830 | 469,256 | 85,440 |
| Impairment of unproven mineral interests | 11,662,198 | 198,962 | - |
| Loss for the year | 12,328,487 | 729,188 | 203,744 |
| Basic loss per share | 0.26 | 0.03 | 0.02 |

### Year Ended October 31, 2007 compared with Year Ended October 31, 2006

For the year ended October 31, 2007, the Company's net loss was $12,328,487 compared with a loss of $729,188 for the year ended October 31, 2006. The increase of $11,599,299 was primarily due to recognition of an $11,662,198 impairment of unproven mineral interests, a higher number of stock options granted, and an increase of $436,894 related to general and administrative costs. The change in general and administrative costs relate to increased demands from marketing and financing activities as well as additional staff necessary to manage increased administrative activity from higher exploration activity.

These higher costs were partially offset by $244,141 of additional interest earned from Guaranteed Investment Certificates for the year ended October 31, 2007.

### Fourth Quarter October 31, 2007 compared with Fourth Quarter October 31, 2006

For the three months ended October 31, 2007, the Company's net loss was $11,041,660 compared with a loss of $68,580 for the three months ended October 31, 2006. The increase of $10,973,080 was primarily due to a higher recognition of an impairment of unproven mineral interests of $11,215,659 and $128,988 more general and administrative costs over the period ending October 31, 2006.

The increase in general and administration relate to higher management fees, accounting fees, audit fees, foreign exchange loss and wages compared to the same period ending October 31, 2006. The wages increased with the addition of a part time administrative assistant who provides office support and a full time geologist, who assists with mineral property administration and reporting. The impact of these increases was reduced by a decrease in legal costs for that same period.

## SUMMARY OF QUARTERLY RESULTS

| | 2007 | | | |
|---|---|---|---|---|
| | Q4 | Q3 | Q2 | Q1 |
| Total Assets | $ 10,891,463 | $ 23,080,511 | $ 21,013,445 | $ 15,579,735 |
| Unproven Mineral Interests | 4,610,184 | 13,609,713 | 7,949,295 | 7,825,008 |
| Working Capital | 5,682,865 | 7,842,882 | 11,858,688 | 7,110,846 |
| Shareholder's Equity | 10,443,970 | 21,369,114 | 20,291,157 | 14,823,588 |
| Interest Income | 63,891 | 107,098 | 67,165 | 25,880 |
| Net income loss | (11,041,660) | (291,223) | (792,055) | (203,549) |
| Income (loss) per Share | (0.20) | (0.01) | (0.02) | (0.01) |

| | 2006 | | | |
|---|---|---|---|---|
| | Q4 | Q3 | Q2 | Q1 |
| Total Assets | $ 7,891,631 | $ 4,944,205 | $ 5,287,867 | $ 3,236,354 |
| Unproven Mineral Interests | 6,598,715 | 3,717,480 | 3,321,499 | 3,139,817 |
| Working Capital | 580,050 | 785,890 | 1,848,140 | 32,885 |
| Shareholder's Equity | 6,969,424 | 4,760,513 | 5,175,869 | 3,179,199 |
| Interest Income | 12,237 | 7,656 | - | - |
| Net loss | (68,630) | (457,233) | (282,136) | 78,811 |
| Basic loss per Share | (0.01) | (0.02) | (0.01) | 0.01 |

## LIQUIDITY, SOLVENCY AND CAPITAL RESOURCES

As at October 31, 2007 the Company had working capital of $5,682,865 (2006 – $580,050), which includes cash and short term investments totalling $5,863,766 (2006 - $1,001,514). The Company continues to utilize its cash resources to fund project exploration and administrative requirements. The Company believes it is well positioned financially to continue with its planned exploration and business activities for the next twelve months.

The Company has no loans or bank debt and there are no restrictions on the use of its cash resources except that funds received from the sale of flow-through shares must be expended upon exploration activities qualifying under the *Income Tax Act (Canada)* as Canadian Exploration Expenditures within a pre-determined period of time. As the Company has no significant income, cash balances will continue to decline as the Company utilizes these funds to conduct its operations, unless replenished by capital fundraising.

## SHARE CAPITAL

During the year ended October 31, 2007, the Company issued 25,195,091 shares. The number of shares outstanding as at October 31, 2007 was 55,244,387.

| | Number of Common Shares | | Amount |
|---|---|---|---|
| **Balance, October 31, 2006** | **30,049,296** | **$** | **8,591,153** |
| Private placement | 16,696,412 | | 11,334,450 |
| Share issuance costs | | | |
| - Cash | - | | (627,798) |
| - Units | 202,000 | | (670,829) |
| Exercise warrants for cash | 5,516,413 | | 2,935,061 |
| Exercise options for cash | 810,430 | | 287,042 |
| Issue for mineral properties | 1,969,836 | | 1,520,106 |
| Reclassification of grant-date fair value | | | |
| on exercise of stock options and warrants | - | | 369,226 |
| Tax benefit renounced to shareholders | - | | (103,867) |
| **Balance, October 31, 2007** | **55,244,387** | **$** | **23,634,544** |

As of the report date, the Company had 55,244,387 common shares outstanding.

## TRANSACTIONS WITH RELATED PARTIES

During the year ended October 31, 2007, the Company made payments to directors or officers or to companies controlled by them, for management fees, legal fees, accounting fees, exploration services and geological consulting services in the amount of $2,985,825 (2006: $450,997). These transactions include $2,202,594 paid to Mountainside Exploration Management Inc., a company controlled by a Director of the Company ("Mountainside).

These fees have been either expensed to operations or capitalized to unproven mineral interests depending on the nature of the expense. In addition, the Company has reimbursed the related parties for expenditures incurred on the Company's behalf or in conducting the Company's business.

The Company also had the following transactions with Mountainside:

i) The Company advanced $330,000 to Mountainside by way of a secured promissory note at commercial terms bearing interest at prime plus 1%. The secured promissory note was repaid in full and interest of $6,991 was received.

ii) The Company sold mining and exploration equipment to Mountainside for $138,000 which approximates the original cost paid by the Company.

Mountainside was retained because it had access to the personnel and equipment to provide the logistical, field and geotechnical support required to carry out the 2007 exploration program at the Ranch project, and surrounding area. The fees for services performed were at rates comparable to industry standard rates and are considered to meet an arm's length standard.

As of October 31, 2007, accounts payable and accrued liabilities include $65,119 (2006 - $Nil) due to related parties.

## SUBSEQUENT EVENTS

There were no events subsequent to October 31, 2007.

## OUTLOOK

The Company plans to continue drilling at its projects in British Columbia and Nevada and will be compiling and analyzing all existing exploration data on projects which will enable the Company to re-evaluate and identify areas within each project which contain exploration potential that has not been adequately tested to date. The Company is also actively looking to expand its unproven mineral interest property portfolio.

## RISKS

The Company is in the business of acquiring, exploring and developing gold and base metal properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subjected to variations in commodity prices, market sentiment, exchange rates for currency, inflations and other risks.

The exploration for, and development of, mineral deposits involves significant risks, which careful evaluation, experience and knowledge may not, in some cases, eliminate such risks. The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure.

The Company currently has no source of revenue other than interest and relies on equity financings to fund its activities. While it has been successful in raising such finances in the past, there is no guarantee that the Company will be successful in raising funds through the sale of its equities in the future.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

### 1. Early Stage – Need for Additional Funds

Christopher James has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to other companies in the same business, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that Christopher James will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

The Company expects to obtain financing in the future primarily through further equity and/or debt financing, as well as through joint venturing and/or optioning out the Company's properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its mineral properties.

## 2. Exploration and Development

Mineral 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 of insufficient size and/or grade to return a profit from production.

The Company does not have any operating mines at present. All the Company's properties are in the exploration stage. There is no assurance that a commercially viable mineral deposit exists on any of the Company's properties and substantial additional work will be required in order to determine the presence of any such deposit.

All of the mineral claims to which Christopher James has a right to acquire an interest are in the exploration stages only, and are without a known body of commercial ore. Upon discovery of a mineralized occurrence, several stages of exploration and assessment are required before its economic viability can be determined. Development of the subject mineral properties would follow only if favorable results are determined at each stage of assessment. Few precious and base metal deposits are ultimately developed into producing mines.

There is no assurance that Christopher James's mineral exploration activities will result in any discoveries of commercial bodies of ore. The long-term profitability of Christopher James'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.

## 3. Operating Hazards and Risks

Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. Operations in which Christopher James has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral deposits, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damages.

Although Christopher James maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event Christopher James could incur significant costs that could have a materially adverse effect upon its financial conditions.

## 4. Supplies, Infrastructure, Weather and Inflation

Christopher James's property interests are often located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost cannot be assured. These are integral requirements for exploration, production and development facilities on mineral properties. Power may need to be generated on site.

Due to the partial remoteness of its exploration projects, Christopher James is forced to rely on the accessibility of secondary roads and air transport for the supply of goods and services. The rainy season in Mexico during the months of June through September can sometimes flood the main access road causing temporary delays.

Recent, improved market conditions for resource commodities after several years of record low prices have resulted in a dramatic increase in mineral exploration investment and activity in Canada. In recent years, the renewed activity in mineral exploration has resulted in widespread shortages of experienced technical personnel, and heavy demand for drillers, helicopters and crews, and geophysical surveying crews, as well as other goods and services required by exploration companies to perform work.

It is difficult at this stage to quantify the effect of the increased demand for exploration goods and services, but it is forecast that field costs for the upcoming field season will be higher than the rate of inflation prevailing in other sectors of the economy. Exploration companies can also expect to experience difficulty in scheduling drill contracts, helicopter contracts, geophysical surveys, and other services that are key components of early stage exploration programs.

### 5. Metal Prices

The mining industry, in general, is intensely competitive and there is no assurance that a profitable market will exist for the sale of metals produced even if commercial quantities of precious and/or base metals are discovered. Factors beyond the control of Christopher James may affect the marketability of metals discovered. Pricing is affected by numerous factors beyond Christopher James's control, such as international economic and political trends, global or regional consumption and demand patterns, increased production and smelter availability. There is no assurance that the price of metals recovered from any mineral deposit will be such that they can be mined at a profit.

### 6. Title Risks

Although Christopher James has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. Christopher James's mineral property interest may be subject to prior unregistered agreements, or transfers, or native claims, and title may be affected by undetected defects.

### 7. Environmental Regulations, Permits and Licenses

Christopher James's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation in Nevada, British Columbia and Mexico provides restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact statements. Environmental legislation is evolving in a direction of stricter standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Christopher James intends to fully comply with all environmental regulations.

The current operations of Christopher James require permits from various Mexican, Canadian or American domestic authorities and such operations are governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental, mine safety and other matters.

Christopher James believes that it is in substantial compliance with all material laws and regulations which currently apply to its activities. There can be no assurance, however, that all permits which Christopher James may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

**8. Competition and Agreements with Other Parties**

The mining industry is intensely competitive in all its phases, and Christopher James competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect Christopher James's ability to acquire suitable properties or prospects in the future.

Christopher James may, in the future, be unable to meet its share of costs incurred under such agreements to which it is a party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, Christopher James may not be able to finance the expenditures required to complete recommended programs.

**9. Economic Conditions**

Unfavourable economic conditions may negatively impact Christopher James's financial viability. Unfavourable economic conditions could also increase Christopher James's financing costs, decrease net income or increase net loss, limit access to capital markets and negatively impact any of the availability of credit facilities to the Company.

**10. Dependence on Management**

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of Christopher James could result, and other persons would be required to manage and operate Christopher James.

## PROPOSED TRANSACTIONS

The Company continues to evaluate new property acquisitions. Should it enter into agreements over new properties, it may be required to make cash payments and complete work expenditure commitments which would require the Company to raise additional finance.

## CONFLICTS OF INTEREST

Christopher James's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which Christopher James may participate, the directors and officers of Christopher James may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, Christopher James will follow the provisions of the Business Corporations Act (BC) ("Corporations Act") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of Christopher James's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of Christopher James are required to act honestly, in good faith, and in the best interest of Christopher James.

**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Additional disclosure concerning Christopher James Gold Corp. general and administrative expenses and resource property costs is provided in the Company's annual consolidated financial statements and in Note 2 of the consolidated financial statements for the year ended October 31, 2007 that is available on the Company's website at www.christopherjamesgold.com or on SEDAR at www.sedar.com.

**CRITICAL ACCOUNTING POLICIES**

Management has prepared the consolidated financial statements of the Company in accordance with Canadian generally accepted accounting policies and are stated in Canadian dollars. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

The Company's accounting policies are discussed in detail in note 2 of the Financial Statements; however, accounting policies require the application of management's judgement in respect of the following relevant matters:

(i) mineral property valuations - management uses its best estimate in recording any mineral property value based on the results of any exploration conducted, prevailing market conditions, similar transactions, and factors such as stability of the country in which the asset is located; and

*(ii)* contingent liabilities – management evaluates any claims against the Company and provides for those claims, where necessary, based on information available to it, including in some instances, legal advice.

**CHANGE IN ACCOUNTING POLICY**

On November 1, 2006, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments - Recognition and Measurement, Section 3861, Financial Instruments - Disclosure and Presentation, and Section 3865, Hedges. These new accounting standards, which apply to fiscal years beginning on or after October 1, 2006, provide comprehensive requirements for the recognition and measurement of financial instruments, as well as standards on when and how hedge accounting may be applied. Section 1530 establishes standards for reporting and presenting comprehensive income or loss, which is defined as the change in equity from transactions and other events from sources other than the Company's shareholders. Other comprehensive income or loss refers to items recognized in comprehensive income or loss that are excluded from net income calculated in accordance with generally accepted accounting principles such as unrealized gains or losses on available-for-sale investments. Amounts initially recorded to other comprehensive income or loss is reclassified to earnings when the financial instrument is derecognized or impaired.

Under these new standards, financial instruments are classified as one of the following: loans and receivables, held-to-maturity, held-for-trading, available-for-sale and other financial liabilities. Financial instruments will be measured on the balance sheet at amortized cost or fair value depending on the classification. Loans and receivables, held-to-maturity and other financial liabilities are accounted for at amortized cost. Held for trading and available-for-sale financial instruments are recorded at fair value on the balance sheet. Changes in fair value of held-for-trading financial instruments are recognized in earnings while changes in fair value of available-for sale financial instruments are initially recorded in other comprehensive income or loss.

Effective November 1, 2006, the Company classified its short term investments as held-for-trading, which are measured at fair value with changes in fair value recognized in earnings. Accounts payable and accrued liabilities are classified as other financial liabilities and are accounted for at amortized cost.

**INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISLCOSURE CONTROLS**

The Company’s management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There have been no changes in the Company’s internal control over financial reporting during the year ended October 31, 2007 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the applicable time periods and to ensure that required information is gathered and communicated to the Company’s management so that decisions can be made about timely disclosure of that information.

There have been no significant changes in the Company's disclosure controls during the year ended October 31, 2007 that could significantly affect disclosure controls subsequent to the date the Company carried out its evaluation.

**FORWARD-LOOKING INFORMATION**

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of metals; the estimation of mineral reserves and resources, the realization of mineral reserve estimates; the timing and amount of estimated future production, costs of production, and capital expenditures; costs and timing of the development of new deposits; success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A. Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

Forward-looking statements and other information contained herein concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.