

**Form 51-102F1 – For the Year Ended December 31, 2008**

**Management Discussion and Analysis**

**Trigon Uranium Corp. (“Trigon” or the “Corporation”)**

**(Containing Information up to and including April 28, 2009)**

**Description of Management Discussion and Analysis**

This Management Discussion and Analysis (“MD&A”) should be read in conjunction with the audited financial statements of the Corporation for the years ended December 31, 2008 and December 31, 2007. This MD&A contains forward-looking information and statements which are based on the conclusions of management. The Corporation cautions that the forward-looking information and statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the information and those statements. The forward-looking information and statements are only made as of the date of this MD&A.

All financial information is presented in Canadian dollars unless otherwise stated. All references to a year refer to the year ended on the 31<sup>st</sup> of that year, and all references to a quarter refer to the quarter ended on December 31, 2008. The Corporation is a reporting issuer in British Columbia, Alberta, and Ontario, and trades on the TSX Venture Exchange under the symbol “TEL”.

Additional information related to the Corporation is available for view on SEDAR at [www.sedar.com](http://www.sedar.com).

**Company Overview**

Trigon is a junior resource exploration company in the business of acquiring and exploring mineral properties. The Corporation has not yet determined whether its properties contain economically recoverable resources. The properties are located in the United States.

The recovery of the amounts comprising mineral properties and deferred exploration costs are dependent upon the confirmation of economically recoverable reserves, the ability of the Corporation to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production. It is the intention of the Corporation to obtain financing primarily through joint-venturing properties acquired by the Corporation with senior mining and exploration companies and through access to public equity markets.

The Corporation also owns 36.8 percent of Intercontinental Potash Corp. (“ICP”), a company involved in exploration for potash and potash-related minerals and related by virtue of common directors and officers.

**Forward Looking Statements**

This discussion includes certain statements that may be deemed “forward-looking statements.” All statements in this discussion, other than statements of historical facts that address future production, reserve potential, exploration drilling, exploration activities and events or developments that the Corporation expects, are forward-looking statements. Although the Corporation believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements.

## **Description of Investment in ICP**

ICP seeks to commercialize Polyhalite as a slow-release fertilizer from its Ochoa project in Lea County, New Mexico. Polyhalite is an evaporite mineral containing potassium, magnesium, sulphate, and calcium – all important plant nutrients. The area of interest of the Ochoa Project is being investigated by ICP with the ultimate objective of producing and marketing Polyhalite as a multi-nutrient, slow-release, chloride-free fertilizer. The Ochoa property is 100 percent controlled by ICP.

The Bureau of Land Management (“BLM”) federal sub-surface potassium permits for the Ochoa Project are in respect of an area of 36,980 acres. All reclamation plans, environmental plans, and archeological work have been approved by the BLM. Bonds in respect of the drill program have been accepted and all cost recovery charges have been paid in accordance with federal regulations. The initial term of the permits is two years and may be extended to four years in total if in the opinion of the Bureau of Land Management exploration has proceed in an expeditious manner. The prospecting permits include the approval of a detailed 16 drill hole program covering the entire acreage.

Potash content of ores is expressed as equivalent percent K<sub>2</sub>O. Polyhalite (15.6% K<sub>2</sub>O) is comparable to langbeinite (22.7% K<sub>2</sub>O), but also contains magnesium, calcium and sulphate, essential plant nutrients. Its most attractive attribute is the fact that it dissolves slowly and is, therefore, effective in regions with high rainfall and in strongly leached soils prevalent in tropical regions. Further, in many areas of the world there is concern about excessive amounts of chloride in runoff from potash fertilization. Polyhalite contains zero chlorides.

Potash was discovered near Carlsbad in 1925. Intrepid’s two mines and Mosaic’s single mine east of Carlsbad contribute 70 percent to total U.S. potash production. They mine sylvite (KCl) and langbeinite (K<sub>2</sub>SO<sub>4</sub>·2MgSO<sub>4</sub>) from three of the eleven mineralized layers in the McNutt zone of the Permian Salado formation.

ICP’s property of interest lays outside and approximately 14.5 kilometres from the eastern boundary of the area designated by the federal government as the Known Potash Leasing Area (KPLA). This area covers the area of potash mineral reserves and resources in the upper Permian Salado Formation east of Carlsbad. The mines in the Carlsbad district are the only potash mines in the state and produce potassium chloride from the mineral sylvite and potassium-magnesium-sulphate product from langbeinite. The potassium salts are used primarily by the fertilizer industry as sources of potassium and magnesium. New Mexico accounts for the majority of the United States potash production.

The federal government’s Waste Isolation Pilot Plant (WIPP) site is located about 4 kilometres east-northeast of the northwest corner of the Project area. WIPP is the world’s second underground repository licensed to safely and permanently dispose of spent nuclear fuel. This fuel is stored in a thick salt formation that has been stable for more than 250 million years. WIPP began operations on March 26, 1999. Operations are expected to continue until 2070.

This part of the Delaware Basin is a mature oil and gas province. There has been major production from eastern New Mexico and west Texas fields discovered in the 1940s. The majority of United States potash production takes place from three conventional underground mines operated by the Mosaic Company and Intrepid Potash, Inc., near Carlsbad in Eddy County which is to the west of, and adjacent to, Lea County. A potash milling facility operated by Intrepid is located in Lea County.

Most of the wells from which we have geophysical logs were drilled in the 1980s. All previous work on and in the proximity of the property of interest has been drilling for oil and gas. The analysis of the information from the geophysical well logs indicates the presence of Polyhalite in this area. The interpretation of geophysical data from oil and gas well logs, specifically to identify the presence of potentially mineable thickness of Polyhalite in the Rustler formation, has been undertaken by ICP.

## Geology

The Carlsbad potash district is located in the northwest corner of the Delaware Basin in southeast New Mexico. Upper Permian deposits in the Delaware Basin are characterized by a thick accumulation of evaporite rocks subdivided, from bottom to top, into the Castile, Salado and Rustler formations. All historic and current potash production has been from the Salado formation as sylvinite (a mixture of sylvite and halite) and langbeinite. The Rustler formation is youngest of the evaporite-bearing formations. It is comprised of five members, of which the Tamarisk is the middle member. It consists of interbedded shale-siltstone, halite, anhydrite, and Polyhalite. Based on numerous geophysics logs the Polyhalite layer appears to average 8 feet in thickness at a depth of 1500 feet.

The Delaware and Midland sub-basins of the upper Permian Basin are separated by the Central Basin Platform and contain extensive evaporite deposits of the Ochoa Series which lie between the Capitan Reef limestone of the underlying Guadalupe Series and the fine clastic sediments of the Dewey Lake red beds. The first evaporite cycle of the Ochoa Series, the Castile Formation, consists of anhydrite and halite in the Delaware Basin. The overlying Salado Formation is structurally and lithologically complex and, in addition to the cyclic anhydrite, halite, and clay sedimentation, it is also host to the McNutt potash zone. Potassium-bearing salts accumulated in the northeast Delaware Basin. With later subsidence, the remainder of the Salado Formation sediments was deposited, followed by anhydrite and dolomite of the Rustler Formation and the Dewey Lake Formation red beds. Together, the Castile, Salado and Rustler Formations are some 1300 metres thick. The interest of ICP is in the occurrence of Polyhalite in the Rustler Formation which overlies the Salado Formation.

Gypsum and anhydrite are the stable phases after seawater has evaporated to 3.5 times its original salinity. After the solution has been concentrated by evaporation to a tenth of its original bulk, halite starts to crystallize along with minor amounts of gypsum. In the Tamarisk member of the Rustler formation, Polyhalite is a very early diagenetic replacement of a porous gypsum bed by brine that may have been from five to 1,000 meters deep. The inference of Polyhalite is from the geophysical logs of oil and gas wells in the Tamarisk member of the Rustler Formation at a depth of approximately 460 metres. Polyhalite shows a high gamma response, high velocity on sonic logs and relative high density.

The sequence of precipitation of evaporite minerals from seawater generally starts with the least soluble calcium and magnesium carbonates, such as limestones and dolomites, followed by calcium sulphates (gypsum and anhydrite), halite, the magnesium sulphates, potassium chloride (sylvite) and the magnesium chlorides. Polyhalite may be formed, in addition to precipitation, as a secondary mineral after anhydrite through reaction with potassium and magnesium rich solutions. Polyhalite is a hydrated potassium calcium magnesium sulphate salt. Unlike other potassium salts such as sylvite, langbeinite, or carnallite, Polyhalite dissolves slowly in water leaving a residue of calcium sulphate which then breaks down further into calcium and sulphate. Polyhalite is white, colourless or gray, but may also be brick red or pink if iron oxides are present. It has a hardness of 3.5 on the Moh's scale and a specific gravity of approximately 2.8. It occurs in deposits in conjunction with halite, anhydrite, kainite, carnallite and sylvite and has been recognized in Carlsbad, New Mexico; Western Texas; and also at Hallstatt, Austria; Galicia, Poland; and Stassfurt, Germany.

Polyhalite mineralization in the Permian Basin is described by Jones, 1972: "The Polyhalite deposits are by far the largest, most numerous, and widespread of all the Permian basin potash deposits. They occur chiefly as massive and disseminated deposits in anhydrite and salt beds, but vein deposits and lens deposits in salt, anhydrite, and claystone beds are not entirely common. As a rule, the massive deposits and all veins and lenses consist of predominantly Polyhalite, and they are distinctly compact bodies that have sharp clear-cut outlines. The disseminated deposits are typically rude, shapeless bodies consisting of a host rock, chiefly halite, and sparse particles and fine veinlets of Polyhalite. They are many times more numerous than the massive deposits, but the amount of Polyhalite present is extremely small in comparison with that present in most massive deposits."

In order to advance the Ochoa Potash project, Intercontinental Potash Corp. has proposed a drilling program to prove the presence and minability of Polyhalite. The drill program is subject to the review of

the prospecting permit applications which have been received by the Bureau of Land Management. The prospecting permit applications include detailed drill programs including the surveying of drill pads and roads, reclamation programs, detailed environmental analysis, and archaeological study. ICP has 16 outstanding federal prospecting permit applications covering a total area of 36,980 acres. The drilling exploration plan was submitted to the Bureau of Land Management on May 27, 2008. The plan describes the drilling methods, drilling stipulations and related reclamation plans. New Mexico state applications are currently in abeyance, pending in part, the resolution of the federal drilling permits. ICP is in the process of establishing subsurface ownership in respect of up to 13,060 acres of fee land and is intending to acquire certain portions of these fee lands.

ICP plans to explore for Polyhalite mineralization within the Tamarisk member of the Rustler Formation, primarily by core drilling. Physical examination of drill core will allow accurate measurement of the thickness of the Polyhalite unit. Correlation between drill holes, and comparison with the geophysical log data will permit assessment of the continuity of Polyhalite mineralization. The isopach map of the Polyhalite unit, as derived from geophysical well log data, indicates that it is of a thickness of up to 8 feet that may be mineable by conventional underground mining methods.

### **Description of Properties**

#### ***The Marysvale Project***

During the year ended December 31, 2006 the Corporation entered into a lease and option agreement (the "Option") with Garfield Resources I LLC ("Garfield"), a Utah company, to acquire 108 unpatented Claims and two Utah State Leases in the Sevier and Piute Counties of central Utah.

The properties are located approximately 300 kilometres south of Salt Lake City in central Utah.

The optioned claims include the "Antelope Claims" (69 unpatented Mining Claims), the "Garfield Claims" (36 unpatented Mining Claims), and the "Rose Claims" (3 unpatented Mining Claims). All of Trigon's activities in the Marysvale area are being carried out by Trigon Exploration Utah Inc., a 100-percent owned subsidiary of Trigon. The claims optioned under the Option Agreement also include a Utah State Lease and a further Mineral Lease Application in respect of a second Utah State Lease. The total land area in respect of the Option is composed of approximately 2,160 acres in respect of the unpatented claims and 1,120 acres in respect of the State Leases.

In order to maintain its option rights under the Lease and Option Agreement with Garfield, Trigon will carry out a work program requiring cumulative spending of at least US\$600,000 by May 15, 2009 (incurred), and cumulative spending of at least US\$1,500,000 by May 15, 2011 (of which CDN\$1,129,265 has already been incurred). At its option, Trigon may maintain the right to acquire the property by making the following payments to Garfield: a cash payment of US\$100,000 by July 5, 2006, and additional cash payments of US\$100,000 to Garfield on July 5 of each of the years from 2007 to 2011; and share payments of 400,000 shares on July 5, 2006, and 300,000 shares on July 5 of the years from 2007 to 2011. All of these payments are at Trigon's option, of which 400,000 shares were issued on July 5, 2006, and 300,000 shares were issued on July 5th, 2007 and 234,000 shares were issued on July 5, 2008. In 2008, Trigon reduced its interest in the Marysvale property by 22%, therefore the option payments are now reduced by 22%.

During fiscal 2006, the Corporation acquired an additional 118 claims in the Marysvale area of Utah by staking. The newly staked claims adjoin the properties previously optioned from Garfield and fall within the area of interest of the option agreement with Garfield. The Marysvale project area now covers 227 claims and two Utah State Leases, or approximately 5,500 acres.

During fiscal 2007 Trigon initiated its Phase 1 work at Marysvale by finalizing required exploration permits and carrying out logistical work in anticipation of a mid-April to late May drilling program. Phase 1 is part of a three-phase exploration program, which has been designed for the Marysvale Project by Trigon's technical team. Trigon conducted drilling at Marysvale as part of Phase 1 of a three phase

exploration program. The drilling program consisted of 6,940 feet of rotary drilling in 16 holes. Eight Phase 1 holes were drilled in the historic mineralized zone and which confirmed the historic data. Two of these eight holes were 'twins' of selected historic holes which are major contributors to the historic resource. Five Phase 1 drill holes tested a geophysical extension of the historic mineralized zone and successfully expanded the area of known mineralization 400 feet northeast, significantly increasing the property's uranium resource potential. The three remaining holes tested geophysical anomalies to the north and south which are not associated with the historic mineralized zone. During the Marysvale reverse circulation drilling rock chips, whose origin location along drill holes could be estimated, were obtained. While there can be a contamination error with rock chips, their chemical analysis provides good indications of whether gamma logging disequilibrium conditions exist.

During the drill program, Trigon collected 253 samples of chips from mineralized drill hole intervals. Two procedures were performed to test for Uranium chemical disequilibrium. The first procedure was performed by Hazen Research Inc. of Golden, Colorado, who carried out closed can assays. These assays measure the uranium content of chips in a laboratory using both chemical analysis and radioactivity measurements. Thirteen samples were analyzed. The data was consistent with an absence of chemical disequilibrium. Differences between the radiometric measures and the chemical measures were in both directions and within statistical uncertainty measurements.

The second procedure to test for chemical disequilibrium was performed with samples sent to ALS Chemex Laboratories ("Chemex") of Vancouver. Chemex analyzed the samples using mass spectrometry and X-ray fluorescence. The assays returned chemical values averaging 88% of the eU3O8 values. Within the range of statistical uncertainty, these results demonstrated that there is no chemical disequilibrium in the uranium mineralized rock at the Marysvale property.

As reported on June 18, 2007, work to date has confirmed the presence of thick continuous zones of uranium bearing rock at Marysvale. This supports Trigon's opinion that the property hosts a bulk-mineable uranium deposit. Thus, given the low cost of open pit mining, the Marysvale project remains a high priority for the Company. Phases Two and Three of the project are scheduled to take up to 24 months to complete and will include a large reverse circulation drill program, core drilling, metallurgical leach tests, and in addition, baseline environmental studies. The main objective of Phases Two and Three will be to delineate the mineral resource at Marysvale. Preliminary leaching tests of the amenability of the ore at Marysvale were completed.

Under the agreement, in 2008 and 2007 respectively, the Company paid \$95,519 (2007 - \$207,964), issued 234,000 (2007 - 700,000) common shares valued at \$66,690 (2007 - \$272,000), incurred certain acquisition costs of \$ nil (2007 - \$55,853), and is still required to pay US\$234,000 and issue 702,000 shares.

The Company dropped 140 Bureau of Land Management ("BLM") claims and 1,120 acres of Utah State Institutional Trust Lands Administration ("SITLA") leases in 2008.

The Company has acquired properties and expanded the claim block. The Company has carried out geological exploration and testing to identify mineralization. This project is currently on care and maintenance until market conditions improve. As at December 31, 2008, the Corporation has expended \$1,771,428 in respect of the Marysvale properties.

### ***The Henry Mountains Project***

During 2006 the Corporation entered into a Lease and Option agreement to acquire 628 mining claims and 3 state leases in the Henry Mountains of south-eastern Utah.

At the time of the Agreement the Property consisted of two claim blocks ("North Henry" and "South Henry") covering approximately 14,000 acres south of the town of Hanksville. Uranium resources in this region are hosted in the basal sand units of the Salt Wash member of the upper Jurassic Morrison Formation. The Salt Wash is the primary source of uranium/vanadium ores on the Colorado Plateau.

The North Henry claims extend over a 15-kilometre length of Morrison Formation outcrop, just north of the adjoining Congress property held by Energy Metals Corporation. North Henry includes down dip extensions of several former near-surface uranium deposits accessed by adits and workings between 1947 and 1962. Limited drilling of North Henry by prior operators intersected uranium mineralization varying from 1 to 2 feet thick, grading 0.09 to 0.33 percent U<sub>3</sub>O<sub>8</sub>.

The South Henry claims are northwest of the adjoining Bullfrog property of International Uranium Corporation, just north of its Tony M mine which is currently under redevelopment with production anticipated in 2008. South Henry is centered about 15 kilometres north of the Ticaboo uranium mill.

During 2006, the Corporation issued 500,000 shares to Future Energy LLC and E. John McDonald and Associates LLC related to the Henry Mountains properties. The Corporation also expanded its land position in the Henry Mountains project area with the acquisition of 174 new claims, leaving the Corporation at December 31, 2006 with 802 claims and 3 Utah State Leases totalling approximately 17,500 acres in the Henry Mountains project area.

During 2007, the Corporation further expanded its land holdings in the Henry Mountains to a total of 1,398 claims and 3 Utah State Leases for a total of approximately 30,602 acres. Permitting was finalized for the Phase 1 drill program which commenced during the third quarter.

Exploration drilling in 2007 was designed to test one of several target areas, including "Area 1" (first four drill holes) with high potential to host uranium mineralization similar to that of the neighboring deposits. All of the first four holes drilled at Henry Mountains intersected uranium mineralization, including one (HM07-03) strongly mineralized hole. The four drill holes intersected uranium mineralization in the lower unit of the Salt Wash sandstones of the Morrison formation. The stratigraphic location of the uranium mineralization is consistent with the location of mineralization in the neighboring uranium deposits. Further, greenish sands and mudstones containing pyrite were observed in the lower Salt Wash sandstones. These indicate a chemically reduced environment, which is critical in the formation of sandstone uranium ores.

The following table summarizes the results of the first four drill holes. Only those intervals exceeding 0.01% equivalent uranium are shown.

Hole Number	Depth to base of mineralization (Feet)	Thickness (Feet)	Grade (eU <sub>3</sub> O <sub>8</sub> %)
HM07-03 incl.	1395.5	3.5	0.100
	1394	0.5	0.221
HM07-01	1360	1.0	0.015
	1370	1.0	0.097
	1395	0.5	0.013
	1408	0.5	0.011
HM07-04 incl.	1373	1.5	0.039
	1374	1	0.050

In addition to the above, anomalous uranium mineralization at 10 times normal background levels was encountered in drill hole HM07-02. This hole intersected 12 feet of 0.005% eU<sub>3</sub>O<sub>8</sub> at a depth of 1,407 feet corresponding to the same stratigraphic location as the mineralization in the other three drill holes.

The four holes drilled in Area 1 totaling 6,080 feet were located approximately 6,500 feet west of the Denison Mines Corp. property boundary. Holes in this area were drilled at a spacing of 250–600 feet. Subsequently drilling of the remaining six holes commenced in Area 2 centered within 2,000 feet of

Trigon's eastern property boundary on a projection of the Indian Bench-Copper Bench mineral trend. Drill holes in this area were spaced approximately 750 feet apart on a fence perpendicular to the projected trend.

Due to drilling fluid losses caused by shale water absorption and possibly vertical fractures at the northernmost holes, the program was interrupted in the 6th hole in order to re-engineer the drilling methods. Based on study and analysis the Corporation determined that drilling costs could be reduced by utilizing 24-hour around-the-clock drilling to minimize the time during which drilling fluids are in contact with the shale walls, and by working with a diverse suite of drilling fluids available to deal with changing stratigraphic conditions as drilling progresses.

The Corporation believes that the next drill program should encompass three drill lines. These are: (1) a line of holes along the eastern edge of the claim blocks, approximately 2200 feet west of the western edge of the Indian Bench deposits; (2) a second line in the "Cow Flat" area where the first four holes were drilled with good gamma-logging-eU3O8 results 2; and (3) a third line of holes, in an area approximately one and one-half miles west of the Cow Flat area. All of the holes would fall within Trigon's projection of the mineralized channel. The proposed drill program will economize with respect to spreading the fixed costs (road building, environmental work, etc.) over the number of proposed holes. The program is also consistent with the scope of drilling required to advance the Henry Mountains Project at an effective chronological pace. As the program will involve an area in excess of 5 acres, an extended environmental application to both state and federal regulators may be required prior to the commencement of the next phase of drilling. (Planned drill areas of less than 5 acres are generally reviewed and approved by state and federal regulators without recourse to public comment. Larger area drill programs may require avenues for public comment, and therefore extended approval time lines.) It is intended that the environmental program approvals process will begin once lands affected by the first drilling program have been fully reclaimed and approved by the regulators.

At its option, on July 26, 2007, the Corporation purchased the property by issuing an additional 500,000 shares to Future Energy LLC and E. John McDonald and Associates LLC.

The Company dropped 1,088 BLM claims and 2,192 acres of Utah SITLA leases in 2008.

The Company has acquired properties and expanded the claim block. The Company has carried out geological exploration and testing to identify mineralization. This project is currently on care and maintenance until market conditions improve. As at December 31, 2008, the Corporation had expended \$2,564,047 on the Henry Mountains properties.

### ***Wray Mesa Project***

During the year ended December 31, 2006, the Corporation entered into a Lease and Option Agreement to acquire the Wray Mesa uranium property, which is located in the La Sal uranium district in south-eastern Utah. The property consists of 499 mining claims covering approximately 10,000 acres.

During 2007, the Corporation expanded the Wray Mesa property by claim staking. After the expansion the property consists of 604 claims covering approximately 12,000 acres.

Also during 2007, the Corporation completed one of the terms of the Lease and Option Agreement to acquire 100% ownership in the Property from Future Energy LLC, a Utah company, by issuing 200,000 shares to Future Energy LLC. The option can be exercised by the issuance of an additional 200,000 at the end of a 12 month period. During the year ended December 31, 2007, the Corporation exercised its option by issuing the additional 200,000 shares to Future Energy LLC at a price of \$0.36 per share, for total consideration valued at \$72,000.

During 2007, an application by the Corporation for a Utah State Lease was approved, increasing the Corporation's land holdings at Wray Mesa by 640 acres. Significant uranium deposits occur in the sandstones of the Salt Wash and Brushy Basin members of the Morrison Formation in the La Sal district, which is located approximately 30 miles southeast of Moab in south eastern Utah. Uranium was discovered

on the Property in 1969, when Bokum Corporation (“Bokum”) carried out a limited drilling program. Bokum intersected uranium mineralization at depths averaging 230 ft below surface. The Property is favourably located with its western boundary situated within ½ mile of the Pandora uranium mine. Several uranium deposits are believed to adjoin the property to the East. The Corporation is currently considering various options to finance its exploration of the Property.

The Company dropped 550 BLM claims in 2008.

The Company has acquired properties and expanded the claim block. The Company has carried out geological exploration and testing to identify mineralization. This project is currently on care and maintenance until market conditions improve. As at December 31, 2008, the Corporation had expended \$984,440 in respect of the Wray Mesa properties.

### ***Red Canyon Project***

During 2007, Trigon entered into a Lease and Option Agreement to acquire the Red Canyon Project, located in the historic White Canyon uranium district in southeast Utah. The closing of the transaction was dependent upon due diligence regarding the ownership of the claims and this work is currently being finalized. The property consists of 87 mining claims and three state mining leases totalling approximately 2,627 acres in an area measuring 17 by 10 kilometres. The claims cover six formerly producing mines known as the Blue Lizard, White Canyon No. 1, Yankee Girl, Saddle, Giveaway and Blind Luck, all of which were in production until the end of the previous uranium cycle. Two partially drilled uranium deposits and several highly prospective areas for exploration are also covered by the claims. Uranium mineralization in the White Canyon is hosted in basal channels of the Triassic Chinle Formation. Between 1949 and 1987 over 160 mines in the district produced a total of 11 Million pounds U<sub>3</sub>O<sub>8</sub> at an average grade of 0.24% U<sub>3</sub>O<sub>8</sub>. Trigon’s land position is centered around the Radium King Mine, one of the district’s most significant producers.

According to the Lease and Option Agreement Trigon has the right to acquire 100% ownership in the property from Shumway Brothers Mining LLC, Deen Lyman, Billy Hurst, Daryl Shumway, and Mitch Shumway by issuing 250,000 Trigon shares to Shumway Brother Mining, Deen Lyman, Billy Hurst, Daryl Shumway, and Mitch Shumway at the time of closing the Agreement, and a further 200,000 shares on the first anniversary of the Agreement.

In early July 2007 Trigon expanded its land position in White Canyon by staking a further 87 claims covering the extensions of previously defined ore zones already held by Trigon. After the expansion the project consisted of 160 claims and three state mining leases covering approximately 4,312 acres.

During 2007, Trigon obtained 11 more mining claims (the “Green Lizard” claims) in the Red Canyon Project area. The claims host a former operating uranium mine (the “Green Lizard” mine). Trigon currently controls 138 mining claims and 3 Utah State Leases in the White Canyon district. These claims and leases host seven former operating uranium mines. Uranium deposits in this district occur in old river channels located in the basal Shinarump sandstones of the Chinle formation. Of these channels, the Monument Channel hosts some of the largest uranium deposits in the district, including Uranium One’s Radium King mine. Together with Trigon’s Blue Lizard and Giveaway, the Green Lizard Claims cover a significant proportion of this channel.

In September 2008, the Corporation announced that it had closed its agreement to acquire certain Utah mining claims (the Red Canyon project) that was first announced on September 19, 2007. In so doing, the Corporation amended the Lease and Option Agreements with Shumway Brothers Mining LLC and other arm’s length owners of the properties as described below.

The number of unpatented mining claims subject to the agreement was decreased from 73 to 40, while the number of Utah State Leases remains the same at three. The claims are historically known as Blue Lizard, Giveaway, Sir Snapper, West Channel, and Yankee Girl. According to the Lease and Option Agreement

dated June 5, 2007, and Amendment to Letter Agreement, the lease term is 20 years with an automatic extension for as long as the properties continue to be mined. As consideration for the 20-year lease, the Corporation issued 350,000 common shares valued at \$80,500. There are no work commitments for the first year of the transaction; however, Trigon is responsible for the property maintenance costs. The claims and leases are subject to royalties ranging from nil to eight percent depending on the Uranium Spot Price. The Red Canyon project is subject to 2% net value royalty on the state leases and between zero and 8% on the mining claims.

The Company dropped 46 BLM claims in 2008.

The Company has acquired properties and expanded the claim block. The Company has carried out geological exploration and testing to identify mineralization. This project is currently on care and maintenance until market conditions improve. As at December 31, 2008, the Corporation had expended \$791,137 in respect of the Red Canyon properties.

### ***Hauber Project***

On June 20, 2007 Trigon entered into an agreement with Ur-Energy Inc. whereby Trigon can earn up to a 51% interest in the Hauber Project. Located in Crook County, Wyoming, the project is situated 65 kilometres northeast of Gillette, Wyoming and 20 kilometres northwest of Hulett, Wyoming. The Hauber project consists of 205 lode mining claims and one State of Wyoming Mining Lease which total approximately 4,950 acres.

According to the agreement Trigon was to finance \$1.5 Million USD in exploration before June 2010 to earn a 50% interest in the project. After earning a 50% interest, Trigon has the option to earn a further 1% interest by financing an additional \$1 Million USD. Trigon was required to pay finder's fees to International Nuclear Inc. of Golden, Colorado ("International Nuclear") in respect of the initial US \$350,000 of the funding of the Project. In that regard, Trigon issued 22,745 shares to International Nuclear at a value of Canadian \$8,871 and paid cash of US \$8,750.

The Hauber Project is centered around the Hauber Mine, a uranium mine which produced over 2.6 Million pounds of U<sub>3</sub>O<sub>8</sub> at an average grade of 0.22% between 1958 and 1966. The Hauber mine produced 83% of the uranium recovered from the district. Significant ore bodies in the district are hosted in roll-type deposits in fluvial sandstones of the Early Cretaceous Inyan Kara Group. Most uranium production came from the Lakota Formation, which lies disconformably and unconformably atop the Jurassic Morrison Formation. The Lakota was deposited on a coastal plain and is composed of fine grained, poorly sorted sandstone and mudstone, channel fill deposits, natural levee and overbank deposits, and floodplain siltstone to claystone. After the closing of the Hauber Mine, Homestake explored the surrounding area and discovered several million pounds of U<sub>3</sub>O<sub>8</sub> reserves prior to the end of the previous uranium cycle. The Hauber Project claims cover several of the deposits included in these historic reserves.

On August 1, 2008, the Company provided notice that it was withdrawing from the Hauber Project LLC agreement due to declines in uranium prices. The Company is contractually required to fulfil its remaining obligation under the agreement by paying the General Partner US\$201,108 for its share of outstanding work commitments. Total costs for the Hauber Project of \$483,382 were written off in 2008.

### ***Diamond Properties***

During 2007, the Corporation sold its interest in six prospective diamond projects located in the James Bay Lowlands area of Ontario, and in the Slave and Rae cratons of the Northwest Territories and Nunavut to Diamondex Resources Inc. ("Diamondex"). In consideration of the assets being sold, the Corporation initially received 6,400,000 shares of Diamondex, and during 2008, an additional 3,600,000 Diamondex shares were issued to the Corporation because the 30-day average price of the Shares was less than \$0.50 per share prior to that date. The original 6,400,000 shares of Diamondex were sold during fiscal 2008.

During 2008, the Company received \$32,960 as a refund of security deposits, which was recorded as a gain on disposal of mineral properties and wrote off \$138,191 of accounts payable previously accrued against the properties.

### **Summary of Quarterly Results**

Selected audited and un-audited quarterly financial information of the Corporation for the quarters ended December 31, 2008 is as follows:

#### **Table of Results for the Quarters to December 31, 2008**

	<b>Dec 31 2008</b>	<b>Sept 30 2008</b>	<b>June 30 2008</b>	<b>March 31 2008</b>
Total assets	\$ 9,076,541	\$ 7,432,634	\$ 8,862,124	\$ 10,174,939
Mineral properties	\$ 6,111,052	\$ 6,180,422	\$ 6,093,503	\$ 6,080,742
Working capital (deficit)	\$ 163,872	\$ 558,035	\$ 678,822	\$ 2,129,776
Shareholders' equity	\$ 8,675,881	\$ 7,119,774	\$ 7,250,880	\$ 8,479,013
Interest income	\$ (4,225)	\$ 21,427	\$ 7,183	\$ 8,234
Net earnings (loss)	\$ 1,645,138	\$ (428,857)	\$ (1,313,887)	\$ (945,629)
Basic earnings				
(loss) per share	\$ 0.03	\$ (0.01)	\$ (0.02)	\$ (0.02)
Fully diluted earnings				
(loss) per share	\$ 0.03	\$ (0.01)	\$ (0.02)	\$ (0.02)

#### **Table of Results for the Quarters to December 31, 2007**

Selected audited and un-audited quarterly financial information of the Corporation for the quarters ended December 31, 2007 is as follows:

	<b>Dec 31 2007</b>	<b>Sept 30 2007</b>	<b>June 30 2007</b>	<b>March 31 2007</b>
Total assets	\$ 10,076,213	\$ 11,459,311	\$ 9,862,572	\$ 11,398,645
Mineral properties	\$ 5,876,813	\$ 5,398,848	\$ 4,115,205	\$ 7,035,166
Mineral property held for sale			\$ 3,200,000	
Working capital (deficit)	\$ 3,279,371	\$ 2,638,134	\$ 2,005,222	\$ 3,272,435
Shareholders' equity	\$ 9,424,642	\$ 10,981,738	\$ 9,532,169	\$ 10,627,486
Interest income	\$ 22,506	\$ 18,445	\$ 27,781	\$ 29,843
Net earnings (loss)	\$ (1,846,252)	\$ (827,404)	\$ (2,098,612)	\$ (398,256)
Basic earnings				
(loss per share)	\$ (0.03)	\$ (0.01)	\$ (0.04)	\$ (0.01)
Fully diluted earnings				
(loss per share)	\$ (0.03)	\$ (0.01)	\$ (0.04)	\$ (0.01)

#### **Results of Operations for the Quarter ended December 31, 2008**

The Corporation did not generate operating revenue during the quarter ended December 31, 2008, as all of the operating activities of the Corporation are directed towards acquisition and exploration. Exploration activity was carried out on some of the uranium projects during the quarter.

### ***The Marysvale Project***

Total costs incurred on the project during the quarter amounted to (\$20,484), of which \$ nil was for acquisition costs and (\$20,484) was for exploration costs. There was a drilling bond refund of \$24,002 in the quarter.

### ***The Henry Mountains Project***

Total costs incurred on the project during the quarter amounted to (\$64,217), of which (\$4,984) was for acquisition costs and (\$59,233) was for exploration costs. There was a drilling bond refund of \$59,883 in the quarter.

### ***The Wray Mesa Project***

Total costs incurred on the project during the quarter amounted to \$1,164, of which \$772 was for acquisition costs and \$392 was for exploration expenses.

### ***Other Uranium Properties***

Other uranium property expenditures were in respect of the White Canyon property and reconnaissance work carried out in the United States related to prospective uranium properties. Total costs incurred on other uranium properties for the fourth quarter in 2008 were \$160,041, of which \$1,112 was spent on acquisition costs and \$158,929 was spent on exploration expenses.

### **Office and Administration Expenses**

Amortization during the quarter amounted to \$15,658 (2007 - \$21,909). This relates to amortization and depreciation in respect of furniture and fixtures, field equipment, and office leasehold improvements. Consulting during the quarter was \$92,165 (2007 - \$29,207). This was in respect of financial consulting and human resource consulting. Investor relations, property investigation, transfer agent and filing fees amounted to (\$163,196) (2007 - \$53,440 after an adjustment to remove property investigation costs of \$9,165) for the quarter. Investor relations activities included numerous trips and presentations across Canada, the publication and distribution of descriptive literature, and the assistance of marketing consultants. Investors are located across Canada and continuous efforts are made to provide these investors with ongoing information through electronic means and direct contact. Investor relations costs also included the costs of filing and disseminating press releases. \$185,847 of property investigation costs were capitalized in Q4.

Administration and related costs amounted to \$93,847 (2007 - \$60,187) for the quarter. This included annual general meeting costs, telephone, postage and courier, dues and subscriptions, stationery, repairs and maintenance, utilities and related costs and as such is relatively consistent on a quarterly basis. Conferences cost was \$790 (2007 - \$8,251) for the quarter. This was for officers and employees attending conferences and courses to update their knowledge and skills. Travel and related costs for the quarter was \$6,275 (2007 - \$16,388) were composed of such costs not specifically related to exploration projects. Professional fees of \$64,560 (2007 - \$61,584) for the quarter were incurred in respect of auditing costs and legal costs. \$22,066 (2007- \$19,246) was paid for office rental and off-site storage of equipment and documents during the quarter. The costs have increased due to the addition of our US office. Stock-based compensation for the quarter amounted to (\$89,393) (2007 - \$(64,512)), which decreased due to adjustments to the value attributed to options granted in prior periods in 2008. Wages and benefits for the quarter amounted to \$97,422 (2007 - \$160,840). This amount included the costs of the President and Chief

Executive Officer, the Chief Financial Officer, Chief Operating Officer, Controller, and certain time of full time geologists and other management and administrative staff in Canada and in Utah. The decrease is due to the Corporation capitalizing certain related expenses towards the investment in ICP account. Interest income for the quarter was (\$36,878) (2007 – \$27,789) earned on cash balances maintained at the bank of the Corporation and from short term investment in Banker Acceptances.

### **Investments**

The Corporation recorded an unrealized loss on marketable securities on Diamondex shares of \$216,000.

The Corporation also recorded an increase to the investment in ICP account of \$2,032,797, largely due to a dilutive financing by ICP resulting in a gain of \$1,837,130 and the remainder due to the Corporation's equity share of ICP's losses for the quarter.

Net gain (loss) before taxes and non-controlling interest for the quarter amounted to \$1,583,146 (2007 – (\$1,817,353)).

### **Selected Annual Information**

Selected audited financial information of the Corporation for the years ended December 31, 2006, 2007 and 2008 are as follows:

	<b>December 31 2008</b>	<b>December 31 2007</b>	<b>December 31 2006</b>
Total assets	\$ 9,076,541	\$ 10,076,213	\$ 7,730,550
Mineral properties	\$ 6,111,052	\$ 5,876,813	\$ 4,953,963
Working capital (deficit)	\$ 163,872	\$ 3,279,371	\$ 1,999,644
Shareholders' equity	\$ 8,675,881	\$ 9,424,642	\$ 7,290,178
Interest income	\$ 32,619	\$ 98,575	\$ 52,106
Net earnings (loss)	\$ (1,043,235)	\$ (5,170,524)	\$ (3,552,267)
Basic earnings (loss per share)	\$ 0.02	\$ (0.09)	\$ (0.10)
Fully diluted earnings (loss per share)	\$ 0.02	\$ (0.09)	\$ (0.10)

The financial information was prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and reported in Canadian dollars.

### **Results of Operations for the Year ended December 31, 2008**

The Corporation did not generate operating revenue during the year ended December 31, 2008, as all of the operating activities of the corporation are directed towards acquisition and exploration. Exploration activity was carried out on all of the uranium projects during the year.

#### ***The Marysvale Project***

Total costs incurred on the project during year 2008 amounted to \$168,768 of which \$146,498 was for acquisition costs, while \$22,270 was for exploration costs.

### ***The Henry Mountains Project***

Total costs incurred on the project during year 2008 amounted to \$76,609, of which (\$3,940) was for acquisition costs, while \$80,549 was for exploration costs.

### ***The Wray Mesa Project***

Total costs incurred on the project during year 2008 amounted to \$34,707 of which \$3,627 was for acquisition costs, while \$31,080 was for exploration costs.

### ***Other Uranium Properties***

Other properties consist of the Hauber Project, located in Crook County, Wyoming and the Red Canyon project located in southeast Utah's White Canyon Uranium District.

On August 1, 2008, the Company provided notice that it was withdrawing from the Hauber Project LLC agreement due to declines in uranium prices. The Company is contractually required to fulfil its remaining obligation under the agreement by paying the General Partner US\$201,108 for its share of outstanding work commitments. Total costs for the Hauber Project of \$483,382 were written off in 2008.

In 2008, the Corporation issued 350,000 common shares valued at \$80,500 to complete the acquisition of the Red Canyon project with some reductions to the properties acquired. The Red Canyon project is subject to 2% net value royalty on the state leases and between zero and 8% on the mining claims. Under the acquisition agreement, there are no future spending obligations on the Red Canyon project.

Total costs incurred on other uranium properties for the year 2008 was \$921,819, of which \$84,183 was for acquisition costs, \$353,804 was for exploration costs, and \$483,832 was written off during the year.

### ***Diamond Properties***

During 2007, the Corporation sold its interest in six prospective diamond projects as previously disclosed.

### **Office and Administration Expenses**

Amortization during the year 2008 amounted to \$59,649 (2007 - \$80,188). This relates to amortization and depreciation in respect of furniture and fixtures, field equipment, and office leasehold improvements. Consulting during the year 2008 amounted to \$219,365 (2007 - \$79,842). This was in respect of financial consulting and personnel search consulting. Investor relations, property investigation, transfer agent and filing fees of \$159,601 (2007 - \$452,095) were incurred during 2008. Active investor relations activities included numerous trips and presentations across Canada, the publication and distribution of descriptive literature, and the assistance of marketing consultants. Investors are located across Canada and continuous efforts are made to provide these investors with ongoing information through electronic means and direct contact. Investor relations costs included the costs of filing and disseminating press releases.

Administration and related costs in 2008 amounted to \$296,709 (2007 - \$248,090). This includes annual general meeting costs, telephone, postage and courier, dues and subscriptions, stationery, repairs and maintenance, utilities and related costs and as such is relatively consistent on a quarterly basis. Conferences cost \$8,823 (2007 - \$24,599) for the year 2008. This was for officers and employees attending conferences and courses to update their knowledge and skills. Travel and related costs for the year 2008 was \$109,821 (2007 - \$83,107) were composed of such costs not specifically related to

exploration projects. These costs increased as a result of increased travel between our Canadian and US offices as well as the pursuit of new properties and business opportunities with respect to potash and potash-like minerals. Professional fees were \$317,212 (2007 - \$315,037) for the year 2008, were incurred in respect of auditing costs and legal costs. The office rental and off-site storage rental for the year 2008 was \$89,439 (2007 - \$60,978). The costs have increased due to the addition of our US office. Stock-based compensation for the year 2008 was \$59,534 (2007 - \$487,973). Wages and benefits for the year 2008 was \$673,341 (2007 - \$548,799), which includes the costs of the President and Chief Executive Officer, the Chief Financial Officer, Chief Operating Officer, Controller, and certain time of full time geologists and other management in Canada and in Utah. The large increase is due to the Corporation's US operations office and incurring employment expenses that were not capitalized to a specific property. Interest income for the year 2008 was \$32,619 (2007 - \$98,575) earned on cash balances maintained at the bank of the Corporation and from short-term investment in Banker Acceptances.

The Corporation incurred other expenses in respect of Intercontinental Potash Corp. to advance the interests of ICP and to increase the value of its investment. The Corporation is using the Equity Method to record its investment in ICP. Since the Corporation holds a 37% interest in ICP, 37% of the gain or loss of ICP will be recorded in the Corporation's Balance Sheet and Statement of Operations and Deficit as a gain or loss on the investment.

Net loss before taxes for the year 2008 was \$1,105,588 (2007 - \$5,574,824).

#### **Liquidity and Capital Resources at December 31, 2008**

At December 31, 2008, the Corporation's working capital was \$163,872 (2007 - \$3,279,371) and the cash balance was \$320,500 (2007 - \$1,794,756). The sources of cash in the year included cash received from the sale of marketable securities, warrants and stock options exercised during the year, and interest earned on bank and short-term investment accounts.

At the date of this MD&A, the management of the Corporation believes that it does not have sufficient funds to complete planned exploration programs as well as carry out its day to day obligations. As at December 31, 2008, the Corporation had a cash balance of \$320,500 (2007 - \$1,794,756) to settle current liabilities of \$400,660 (2007 - \$651,571). The Corporation's ability to remain liquid over the long term depends on its ability to obtain additional financing. At this time, the Corporation does not have enough cash to pay all of its current liabilities. There can be no assurance that the Corporation will be able to obtain sufficient capital in the case of operating cash deficits. The Corporation has no long term debt and will incur rental expense of US\$66,680 in 2009 and US\$68,550 in 2010. The Corporation is drastically reducing expenditures to conserve cash and intends to sublease a large portion of its office space to reduce the rental expense.

#### **Transactions with Related Parties**

During the year ended December 31, 2008, the Corporation entered into the following transactions with related parties:

- a) Paid or accrued laboratory and mineral analysis costs, included in deferred exploration costs, of \$ nil (2007 - \$23,866) to a corporation controlled by Raymond Ashley and Magnus Haglund, former directors of the Corporation.
- b) Paid or accrued wages, which are capitalized to mineral property planning costs, of \$ nil (2007 - \$172,436) to Magnus Haglund and Raymond Ashley, former directors of the Corporation. In 2007, Magnus Haglund was paid \$92,588 and Raymond Ashley was paid \$79,848.
- c) Paid or accrued planning and data costs, which are capitalized to mineral property, of \$2,428 (2007 - \$42,500) to a corporation controlled by Ian Thompson, a former director of the Corporation.

- d) Paid or accrued accounting fees, included in professional fees, of \$ nil (2007 - \$23,700) to David Redekop, a former officer of the Corporation.
- e) Paid or accrued consulting fees of \$51,957 (2007 - \$ nil) to directors and a companies controlled by directors and former officers. \$16,000 was paid to a company controlled by Tom Buchholz, \$1,059 was paid to Dr. George Poling, and \$34,898 was paid to a company controlled by Sidney Himmel.
- f) Paid or accrued administration fees of \$15,002 (2007 - \$ nil) to directors of the Corporation. \$2,500 was paid to Ian Thompson, \$6,252 was paid to Dr. George Poling, \$3,250 was paid to John Greenslade, \$2,000 was paid to Sidney Himmel, and \$1,000 was paid to Knute Lee Jr.

Included in accounts payable as at December 31, 2008 is \$14,139 (2007 - \$22,537) due to directors, officers and corporations controlled by directors.

The Corporation was reimbursed \$240,000 (2007 – \$ nil) by ICP, a related company, of which \$31,192 was receivable at year end for services provided and expenses incurred under an Administrative and Exploration Services Agreement dated May 1, 2008.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

**Intercontinental Potash Corp.**

Trigon holds a 37% interest in ICP through its ownership of fifteen million (15,000,000) shares of ICP. ICP has 40,800,001 shares outstanding. On June 23, 2008, it was announced that Trigon was awarded an option by ICP to acquire sufficient common shares in ICP so as to maintain its original 50% interest. The option was to expire on September 21, 2008, but was extended to March 21, 2009 and subsequently expired.

On May 14, 2008, the Corporation acquired 15,000,000 common shares of ICP for \$300,000, which represented a 50% interest in ICP. ICP is a related company because it has two directors and two officers in common with the Corporation.

The purchase price of \$300,000 was allocated as follows:

Cash	\$	211,754
Receivables		25,120
Mineral properties		175,868
Accounts payable		(88,222)
Note payable		(24,520)
		<hr/>
Net assets acquired	\$	<u>300,000</u>

The acquisition of ICP was accounted for using the purchase method and accordingly, the consolidated financial statements include the results of operations of ICP from the date of acquisition until June 20, 2008. On June 20, 2008, ICP completed a financing through the issuance of additional shares resulting in a decrease in ownership to 37.22% and on November 25, 2008 ownership was reduced to 36.77% resulting in the recording of a combined dilution gain of \$1,837,130. After June 20, 2008, ICP was accounted for as an equity investment.

The net consolidated ICP loss (after non-controlling interest portion) was \$62,353 and the equity loss was \$59,859. Additional costs of the Corporation capitalized to the investment account totaled \$196,182.

The Corporation was reimbursed \$240,000 by ICP, a related company, for 6 months of services provided under an Administrative and Exploration Services Agreement dated May 1, 2008. Under that agreement,

the Corporation provided accounting, administrative, corporate, engineering, and geological services for ICP and its subsidiaries for a flat fee of \$40,000 per month. This fee is to be renegotiated in 2009 to more accurately reflect the actual costs of providing the services.

The mandate of ICP is potash and potash-related mineral exploration in North America and internationally. IPC holds interests in federal prospecting permit applications for sub-surface potash rights in the states of Utah, Colorado and New Mexico.

ICP's Ochoa Project, New Mexico:

ICP has been awarded all sixteen federal potassium prospecting permit applications by the Bureau of Land Management (the "Bureau") in respect of the Ochoa Project in southeast New Mexico. An exploration plan describing the drilling methods, drilling stipulations, and related reclamation plans for the sixteen exploration holes, one in respect of each permit, was submitted to the Bureau during the spring of 2008. The Bureau has inspected the proposed drill sites, carried out inspections with respect to water and wildlife issues, and a cultural resource survey was performed at each drill site where no cultural artefacts were found that may impede exploration. The approved permit applications are in respect of an area of 36,980 acres. All reclamation plans, environmental plans, and archaeological work have been approved by the Bureau of Land Management. Bonds in respect of the drill program have been accepted and all cost recovery charges have been paid in accordance with federal regulations. The initial term of the permits is two years and term may be extended to four years in total if in the opinion of the Bureau of Land Management exploration has occurred in an expeditious manner. A major strategy of the Corporation is to explore for, develop, and market the potassium mineral Polyhalite. The target of the Ochoa project of New Mexico is a potential Polyhalite economic resource. A 43-101 technical report has been commissioned in respect of the Ochoa project.

Management of the Corporation feels that the investment in ICP is a key component of the value of the Corporation. The Corporation has devoted significant resources to further the properties of ICP and increase the value of the investment.

***Financial Instruments:***

The Company has designated its cash and marketable securities as held-for-trading, measured at fair value. Receivables are classified as loans and receivables, which are measured at amortized cost. Payables and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The carrying value of cash, amounts receivable, accounts payable and accrued liabilities reflected in the consolidated balance sheet approximate fair value because of the limited term of these instruments. The fair values of marketable securities are approximately equal to their carrying value as those marketable securities have been adjusted to their fair value when it is estimable.

***Outstanding Share data as at April 28, 2009:***

(a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued Number
Common	No Par Value	Unlimited	63,022,387

(b) Summary of Options outstanding:

Number of Shares	Exercise Price	Expiry Date
300,000	\$ 0.55	December 3, 2009
50,000	1.00	December 15, 2009
230,000	1.05	January 9, 2010
350,000	0.55	January 17, 2010
500,000	0.34	November 6, 2011
200,000	0.20	December 15, 2011
250,000	1.05	January 9, 2012
600,000	0.29	August 28, 2013 *
2,480,000	\$ 0.52	

\* 266,667 have vested, 166,666 vest on February 28, 2009, and 166,667 vest on August 28, 2009.

(c) Summary of Warrants outstanding:

Number of Shares	Exercise Price	Expiry Date
2,523,000	\$ 0.65	August 8, 2009
2,523,000	\$ 0.65	

(d) Agent's unit options transactions and the number of Agents' Unit Options outstanding are summarized as follows:

Number of units	Exercise Price	Expiry Date
472,300	\$ 0.50	August 8, 2009
472,300	\$ 0.50	

c) As at December 31, 2008 there are nil (2007 – nil) common shares in escrow. There are no shares subject to pooling.

**Changes in accounting policies and recent pronouncements**

**a) Changes in accounting policies**

The following accounting policy changes were adopted effective January 1, 2008:

*(i) Capital management*

CICA Handbook Section 1535 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 any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Company has included disclosures recommended by the new Handbook section in Note 16 to the consolidated financial statements.

*(ii) Financial instruments – disclosures and presentation*

CICA Handbook Sections 3862 and 3863 replace Handbook Section 3861, “Financial Instruments – Disclosure and Presentation”, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The Company has included disclosures recommended by the new Handbook Section in Note 15 to the consolidated financial statements.

*(iii) Assessing Going Concern*

The Canadian Accounting Standards Board (“AcSB”) amended CICA Handbook Section 1400, to include requirements for management to assess and disclose an entity’s ability to continue as a going concern. The adoption had no impact on the Company’s financial statements.

**b) Future accounting changes**

*(i) Goodwill and Intangible Assets*

The CICA issued Handbook Section 3064 “Goodwill and Intangible Assets”, which will replace the existing Goodwill and Intangible Asset standard. The new standard revises the requirement for recognition, measurement, presentation and disclosure of intangible assets. This standard is effective for years beginning on or after January 1, 2009. The Company is currently in the process of evaluating the impact of this standard, but no significant impact is expected.

*(ii) International Financial Reporting Standards (“IFRS”)*

In 2006, the 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 GAAP 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 transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. A changeover plan is being established to convert to the new standards within the allotted timeline. 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.

**Risks and Uncertainties**

*Credit risk*

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of savings accounts at reputable financial institutions, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to \$100,000 in Canada and up to \$250,000 in the United States. After January 1, 2010, the federal deposit insurance goes back down to \$100,000 per account in the United States. Financial instruments included in receivables consist of goods and services tax due from the Federal Government of Canada, drilling deposits due from government agencies, and receivables from related and unrelated companies. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institutions and for receivables by standard credit checks. The Company’s credit risk has not changed significantly from the prior year.

*Liquidity risk*

The Company has in place planning and budgeting processes to help determine the funds required to support normal operating requirements on an ongoing basis as well as its planned development and capital

expenditures. The Company's approach to managing liquidity risk is to ensure that it strives to have sufficient liquidity to meet liabilities when due. As at December 31, 2008, the Company had a cash balance of \$320,500 (2007 - \$1,794,756) to settle current liabilities of \$400,660 (2007 - \$651,571). The Company's ability to remain liquid over the long term depends on its ability to obtain additional financing. At this time, the Company has enough cash to pay all of its current liabilities. Under the current market conditions, both liquidity and funding risk have been assessed as high.

#### *Financial Market risk*

##### (a) Interest rate risk

The Company has cash balances subject to fluctuations in the prime rate. The Company's current policy is to invest excess cash in investment-grade deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

##### (b) Foreign currency risk

The Company's functional currency is the Canadian dollar, however most major transactions are in US dollars. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility in these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

##### (c) Price risk

The Company is exposed to price risk with respect to commodity prices, specifically uranium and potash. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. The Company's future mining operations will be significantly affected by changes in the market prices for uranium and potash. Commodity prices fluctuate on a daily basis and are affected by numerous factors beyond the Company's control. The supply and demand for commodities, the level of interest rates, the rate of inflation, investment decisions by large holders of commodities, and stability of exchange rates can all cause significant fluctuations in commodity prices.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

The exploration and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not be successful in overcoming. Few mineral properties which are explored ultimately develop into producing mines. There has been no commercial production of minerals on properties held by the Company to date and there is a high degree of risk that commercial production of minerals will not be achieved.

Locating mineral deposits depends on a number of factors, not the least of which is the technical skill of the exploration personnel involved. The mining industry is intensely competitive. The commercial viability of a mineral deposit depends on a number of factors including the particular attributes of the deposits (principally size and grade), proximity to infrastructure, the impact of mine development on the environment, environmental regulations imposed by various levels of government and the competitive nature of the industry which causes mineral prices to fluctuate substantially over short periods of time. There can be no assurance that the minerals can be marketed profitably or in such a manner as to provide an adequate return on invested capital.

The operations of the Company are subject to all of the risks normally associated with the operation and development of mineral properties and the development of a mine, including encountering unexpected formations or pressures, caving, flooding, fires and other hazards, all of which could result in personal injuries, loss of life and damage to property of the Company and others. In accordance with customary industry practice, the Company is not fully insured against all of these risks, nor are all such risks insurable.

The operations of the Company's properties will be subject to various laws and regulations relating to the environment, prospecting, development, production, waste disposal and other matters. Amendments to current laws and regulations governing activities related to the Company's mineral properties may have material adverse impact on operations. The Company has paid all site reclamation costs or posted site reclamation bonds with the appropriate government agencies.

The Company will need additional funding to complete its short and long term objectives. The ability of the Company to raise such financing in the future will depend on the prevailing market conditions, as well as the business performance of the Company. There can be no assurances that the Company will be successful in its efforts to raise additional financing on terms satisfactory to the Company. If adequate funds are not available or not available on acceptable terms, the Company may not be able to take advantage of opportunities, to develop new projects or to otherwise respond to competitive pressures.

#### **Changes in Internal Controls Over Financial Reporting**

There were no changes in internal controls over financial reporting during the period.

#### **Other Information**

The Corporation's web site address is [www.trigonuraniumcorp.com](http://www.trigonuraniumcorp.com). Other information relating to the Corporation may be found on SEDAR at [www.sedar.com](http://www.sedar.com).