

ALDERSHOT RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended January 31, 2009

ALDRSHOT REOURCES LTD.

For the year ended January 31, 2009

1.1 DATE

This Management's Discussion and Analysis ("MD&A") of Aldershot Resources Ltd. ("Aldershot" or the "Company") has been prepared by management as of May 21, 2009 and should be read in conjunction with the audited financial statements and related notes thereto of the Company, as at and for the years ended January 31, 2009 and 2008, which were prepared in accordance with Canadian generally accepted accounting principles. The Company's Board of Directors have reviewed and approved this MD&A.

1.2 OVERALL PERFORMANCE

Current Year Highlights

- The Company rationalized its land positions to enhance shareholder value given the limited cash resources. The Quebec and British Columbia claims under option were returned to the vendors at no-cash cost to the Company; the Turee Creek property was optioned out through a joint venture agreement; the Mt. Thomas licence was sold in the Northern Territory and the remaining licences were optioned out and the Zambia project was optioned out as well. Management will continue to pursue all avenues to enhance the Company's operations through business combinations, new opportunities, etc.
- As a result of the relinquishment and abandonment of resource properties, the Company wrote-off \$2,377,045 in costs for the year.
- The Company received exploration tax credits totalling \$598,811 during the year ended January 31, 2009.
- The Company conducted minimal exploration programs spending a total of \$477,733 for the year ended January 31, 2009 on its properties. During the year under review, exploration has been confined to ongoing compilation of historical company reports and government data and negotiating joint venture agreements as well as returning claims at no-cash cost to the Company. A summary of exploration results is as follows:
 - At the George Project in the Northern Territory of Australia environmental reporting, updating mine management plans and preparing an application for a Small Scale Mining Operation were all completed.
 - At the ABC project in the Northern Territory of Australia the Exploration Agreement, which covers all operations including mining, was received from the Northern Lands Council (NLC) who represent the traditional aboriginal owners, and a response is planned.
 - At the Waterhouse West and Ngalia Project in the Northern Territory of Australia data compilation and interpretation continued.

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- At the Turee Creek Project in Western Australia a large multi-client airborne (Tempest) EM survey was completed in March 2008 and the final data was received in June and was reviewed.
 - In Quebec, work was confined to review of historical data and preparation for an exit of this region.
 - At the Lake Kariba Project in Zambia data compilation and interpretation continued. The Prospecting Licence has been "halved" in line with the terms of the Licence and the Sinazongwe Licence has been granted.
- The Company sold equipment during the year for proceeds of \$140,633, of which \$90,547 was received in cash and the balance used to settle accounts payable. The Company realized a gain of \$21,764 on these disposals.
 - The Company received short-term debenture financing of \$97,020, which was repaid during the year.
 - Operating expenses have decreased from the prior year from \$1,949,080 to \$628,957 due to reduced stock-based compensation and management's efforts to reduce costs as well as the general reduced operating activity.

Company Overview

The Company was incorporated on September 8, 1987 under the name Quattro Resources Ltd. and on October 31, 2001, changed its name to Aldershot Resources Ltd. Aldershot is a publicly traded corporation listed on the Toronto Venture Stock Exchange under the symbol ALZ. The address of the registered and records office and the address for service of the Company is 10th Floor, 595 Howe Street, Vancouver, B.C. V6C 2T5. The business address of the Company is Suite 209, Old Stock Exchange Building, 475 Howe Street, Vancouver, BC., V6C 2B3.

The Company is engaged in the acquisition and exploration of resource properties. The Company has not yet determined whether its properties contain enough mineral reserves, such that their recovery would be economically viable.

The mission of Aldershot is to find and develop a uranium prospect to create wealth for shareholders. This is being achieved through acquiring and exploring properties which have the highest potential for future discoveries or development of existing uranium resources into mineable reserves. Management continues to rationalize all of its significant core holdings to maintain percentage ownership while granting other companies options to earn interests in the properties by them undertaking the exploration work at no cash cost to the Company.

Management is well-rounded with the necessary skills required to achieve success, both in the technical and financial area with experienced mining engineers and uranium geologists and those with entrepreneurial and financial experience. Shareholders are represented by a strong Board of Directors, experienced in the mining industry.

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Our Exploration Process

Aldershot uses its management's strengths to find properties that can be tested, developed and ultimately brought into production, although there are no assurances that this will occur. We focus first on advanced prospects that can rapidly be tested or assessed to determine their potential and whether ongoing exploration is justifiable. These can be acquired through literature research, conceptual models or assessment of projects offered to the Company. After this process is completed, we develop the appropriate exploration/development strategies for each style of deposit and time frame with key decision points throughout the year. During periods where the Company's cash resources are limited and the markets are not receptive to financing, the Company enters into joint venture agreements with others to share the costs and risks associated with the necessary exploration work.

Our Exploration Results for the Year

Jeremy Caddy, President and Ian Faris, Vice-President Exploration, both qualified persons as defined by National Instrument 43-101, reviewed the technical information presented herein.

Quebec, Canada

During the year, it became clear that the Company would not be able to raise sufficient funding to continue with its plans for exploring its many claims in the province. Consequently management devoted considerable time to negotiating with the optionees for the respective claims to be returned to them in a cash neutral manner for the Company. At the completion of this exercise, management wrote off resource properties' acquisition costs which total \$2,228,882.

British Columbia, Canada

The Government of British Columbia announced a moratorium on uranium exploration in the province and is establishing a "no registration reserve" under the Mineral Tenure Act for uranium and thorium, Minister of State for Mining Kevin Krueger announced on April 24, 2008. The effect of the BC Government's moratorium on uranium exploration and development is a significant disappointment to the Company and was completed without due process or any consultation.

As a result of this action by the government, management wrote-off resource properties' acquisition costs in this area totalling \$140,500 and returned the properties to the vendors.

Other exploration costs incurred on the British Columbia and Chile properties previously abandoned totaled \$7,663.

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As outlined above, the Company's total write-off of resource property costs totaled \$2,377,045 for the year ended January 31, 2009 compared to \$1,103,750 for the prior year.

Northern Territory, Australia

Within the Northern Territory in 2007 the Company focused on the George Creek Project that contains two historical deposits, the Adelaide River Mine and the George Prospect, which were mined up to 1957. The Adelaide River Mine contains an historical resource of 6350 t @ 0.32% U₃O₈. Assay results from Aldershot's diamond drilling during 2007 returned up to intersected 7.1 metres of 0.35% U (0.41% U₃O₈ calculated) from hole ARDDH002 with 0.44% cobalt, 0.44% copper, 0.24% nickel and 0.05% lead. Surface sampling returned up to 4.01% U₃O₈ about 100m south of the drilling area. During the period under review, environmental reporting for the preceding year was completed and an exploration program (Small Scale Mining Operation) was lodged in May to follow up the high-grade intersection obtained in 2007. These submissions are awaiting government approval.

At the Waterhouse West Project historical data compilation and ground validation commenced after the completion of the drilling at the George Project and continued in the first half of 2008. A 6 km long target zone has been identified within Aldershot's Licence defined by anomalous radon and scintillometer readings and RAB drilling (up to 150 ppm U₃O₈). The zone is also the north-western continuation of a longer zone containing the Kylie Prospect (5 km SE) where historical drilling intersected 5.7m @ 0.39% U₃O₈.

At the ABC Project, no access is available as the claim is still an application. However, an Exploration Agreement has now been received from the Northern Lands Council, who represents the traditional Aboriginal owners. The details of the Agreement, which addresses both the exploration and mining phases, have been reviewed and a response is currently being prepared. The License is centered over the ABC Prospect, which was discovered by Australian government geologists (BMR) in 1953 and has an historic resource of 1,950t @ 0.25% e U₃O₈ using a cutoff of 750ppm e U₃O₈ (Stewart, 1966).

Aldershot's Ngalia Project is on strike and ~40 km SW of Energy Metals Ltd's Bigryli Project where 7.6 million tonnes of ore with an average grade of 0.14% U₃O₈ (23.5 M lbs uranium) has been reported. An airborne radiometric-magnetic survey has been completed and uranium anomalies identified for ground checking. The traditional owners raised no objections to the planned exploration and reconnaissance trips have been completed. Ongoing data compilation has shown only minimal previous exploration has been undertaken over the licence area.

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During the year, Aldershot sold an exploration licence in Mt. Thomas for cash of \$136,764. Subsequent to the year-end, the Company entered into an agreement with Royal Resources Limited ("Royal"), granting them the option to acquire a 60% interest in the remaining licences in the Northern Territory—i.e., George Creek, Waterhouse West, ABC and Ngalia Projects. Under the terms of the agreement, Royal paid the Company AUD \$100,000 (CAD \$85,000) and must spend at least AUD \$900,000 (CAD \$765,000) in exploration expenditures on the properties over a three year period. The Company then intends to enter into a formal joint venture agreement.

Turee Creek, Western Australia

Three separate exploration campaigns were undertaken at the Turee Creek Project. An airborne radiometric-magnetic survey was undertaken over the licence area and to date ground checking of the anomalies has returned up to 1500 cps (SRAT SPP2 scintillometer) around the old Noranda prospect. Assay results have returned up to 4209 ppm U₃O₈ with elevated lead and copper. An orientation electrical (EM + IP) survey commenced, but was abandoned after rugged terrain prevented access to the target zones. An airborne (Tempest) EM survey was subsequently commissioned after the orientation survey was abandoned. The survey is designed to test for buried conductors, often associated with uranium mineralization. The Tempest survey was completed in March 2008 and the final data was received in June.

The Tempest data was passed onto Cameco for interpretation as operator of the project. An agreement was then entered into with Cameco in regards to this property, whereby the Company recovered \$197,474 in exploration costs and Cameco has the right to earn a 70% interest in the property by incurring exploration costs totalling AUD \$2,500,000 (CAD \$2,125,000) over four years. Cameco has informed management that it plans to commence work preliminary to the 1,000m drill program it has committed to carry out within the first 12 months of the joint venture.

Yuinmery, Western Australia

One third of the historic resource area at the Yuinmery Project in Western Australia was drilled tested in 2007. Individual assays returned up to 1509 ppm U₃O₈ with an average grade of 356 ppm U₃O₈ for intersections above 200 ppm U₃O₈. Management is in process of identifying a joint venture partner to undertake further work on the area.

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Lake Kariba Project, Zambia

During the first half of 2008, the results of the 2007 ground radiometric surveys covering approximately 142 km² at the Lake Kariba Project and the sampling which returned up to 1722 ppm U₃O₈ were assimilated and the airborne radiometric-magnetic survey design was refined. Details of the "half" of the Prospecting Licence to be retained by the Company were furnished to the Ministry of Mines and Mineral Development by the due date of September 6, 2008. As well, the Sinazongwe Prospecting Licence was granted during the year.

Subsequent to the year-end, the Company entered into an agreement with African Energy Resources Zambia Ltd. ("African Energy"), granting them the option to acquire an initial 51% interest in the two licences in Zambia. Under the terms of the agreement, African Energy must spend at least AUD \$500,000 (CAD \$425,000) in exploration expenditures on the properties over a three year period. African Energy can increase its ownership to 70% through the completion of a Prefeasibility Study on an inferred resource.

Risk Factors

Through its operations, the Company is exposed to various business risks outlined below. Additional risks and uncertainties, including those that we are not aware of now or that we currently deem immaterial, may also adversely affect our business.

- The Company has not been profitable since inception and it may continue to incur substantial losses.
- The Company operates in the highly speculative business of mining exploration and development and is currently in the exploration stage. The Company has not yet determined whether their properties contain enough mineral reserves, such that their recovery would be economically viable.
- The Company is exploring for uranium and this commodity is subject to pricing and other risks.
- The Company may not be able to secure adequate financing to support the expenditures required to sustain the Company until profitable operations are achieved.
- The Company operates in several jurisdictions and although professional advice is obtained to ensure the Company meets all the local requirements, there may be deficiencies in some areas.
- The Company faces currency risks in its operations.
- The Company has limited personnel with various degrees of knowledge concerning their area of expertise and there may be instances where segregation of duties does not exist and reliance must be placed on outside advisors to assist with complex areas.

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The Company undertakes its best efforts to mitigate the above risks using the resources at its disposal, but believes that uncertainties and risks do exist in its business operations.

The Company has incurred losses since inception and as at January 31, 2009, the Company had an accumulated deficit of \$17,202,965. The Company's consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern is in substantial doubt and is dependent upon the continued support from its directors, the ability to continue to raise adequate financing or achieving profitable operations in the future, the outcome of which cannot be predicted at this time. Management is seeking financing and business opportunities, including joint venture or merger opportunities or acquisition of properties to continue operations. Financing options available to the Company include public equity financings, loans and tax credit refunds. The Company's consolidated financial statements do not reflect any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Further details on financing alternatives available to the Company are more fully discussed in 1.6/1.7 LIQUIDITY AND CAPITAL RESOURCES.

Financial Performance

During the year ended January 31, 2009, the Company did not undertake significant exploration programs, but rather focused on rationalizing the Company's current land holdings and executed several joint venture and sale agreements as well as other agreements returning properties to the vendors in a cash neutral manner to the Company. Exploration costs amounted to \$477,733 (net of exploration tax credits of \$598,811 and other recoveries of \$434,382 resulting in a net recovery of \$555,460) for the year ended January 31, 2009 compared to costs of \$2,825,573 for the prior year ended January 31, 2008.

The Company's operating costs (other than exploration expenses) were lower primarily due to reduced stock-based compensation expense and management's efforts to reduce costs as well as reduced operating activity. Overall expenses decreased from \$1,949,080 for the year ended January 31, 2008 to \$628,957 for the year ended January 31, 2009. The main decreases were noted in consulting fees, investors relations costs, rent, stock-based compensation expenses and travel, offset by increases in interest and bank charges.

The Company received exploration tax credits of \$598,811 relating to its Quebec and British Columbia properties during the year ended January 31, 2009 compared to \$Nil for the previous year. As well, the Company received a recovery of exploration costs of \$334,238 relating to the sale of Mt. Thomas, the Turee Creek agreement and other recoveries regarding settlement of accounts payable and exploration agreements totalling \$100,144, resulting in total other recoveries of \$434,382. There were no such recoveries in the previous year.

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At January 31, 2009, the Company had cash and cash equivalents on hand of \$213,749 compared to \$284,940 on January 31, 2008. The Company will require further financing to fund its exploration programs, for operations and for general working capital purposes. Further details on financing alternatives available to the Company are more fully discussed in 1.6/1.7 LIQUIDITY AND CAPITAL RESOURCES.

Company Objectives and the Year Ahead

The Company's corporate objectives are to continue to pursue other opportunities to enhance shareholder value including business combinations, joint venture agreements and any other appropriate business ventures. The Company has been successful during the year in rationalizing its land holdings with various agreements which enable exploration to continue at no-cash cost to the Company. As well, properties were all reviewed and returned to the vendors where the Company determined the cost was prohibitive based on the assessment of opportunities available on the particular properties. The Company has managed its cash flow through this challenging year and will continue to minimize its expenditures as much as possible until financing markets are more favourable.

1.3 SELECTED ANNUAL INFORMATION

	Year ended January 31		
	2009	2008	2007
Exploration costs	\$ (555,460)	\$ 2,825,573	\$ 1,016,235
Other operating expenses	628,957	1,949,080	1,352,074
Foreign exchange loss (gain)	(8,427)	102,542	(6,990)
Gain on sale of equipment	(21,764)	-	-
Interest income	(16,050)	(62,950)	(19,848)
Write-down of resource properties	2,377,045	1,013,750	62,000
Net loss	2,404,301	5,827,995	2,403,471
Basic and diluted (loss) per share	\$ (0.04)	\$ (0.10)	\$ 0.07
Resource properties acquisition costs	-	2,194,625	1,040,075
Total assets	318,321	2,979,045	1,455,605
Shareholders' equity	203,350	2,550,916	1,205,142

The above financial information has been prepared in Canadian dollars in accordance with Canadian generally accepted accounting principles.

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1.4 RESULTS OF 2009 OPERATIONS

Aldershot did not spend significant amounts on **exploration costs** during the year, whereby the effort was undertaken on rationalizing its current properties. In this regard, management executed several joint venture and sale agreements as well as other agreements returning properties to the vendors in a cash neutral manner to the Company. A total of \$477,733 was spent on exploration for the current year compared to \$2,825,573 in the prior year. With the receipt of exploration tax credits of \$598,811, the sale of the Northern Territory licence for \$136,764, the Turee Creek exploration cost recovery of \$197,474, and recoveries totalling \$100,144 regarding the settlement of exploration agreements and accounts payable, recoveries totaled \$1,033,193 and resulted in a net (recovery) on exploration for the year ended January 31, 2009 of \$(555,460). There were no such recoveries for the prior year.

The Company's other operating expenses decreased significantly during the current year compared to the prior year. Significant changes in these expenses are outlined below.

Consulting fees were reduced from \$149,795 to \$93,150 due to less activity in the Company this year and more organizational work undertaken in the prior year.

Interest and bank charges were higher by \$27,937 due to the accretion of the conversion feature in the amount of \$44,735 related to the debenture financing, offset by lower cash interest costs.

Aldershot spent less funds on **investor relations** activities during the year decreasing the spending in this category from \$258,080 for the year ended January 31, 2008 to \$10,420 for the year ended January 31, 2009. The decrease is due to efforts to reduce costs in this area and included the completion of the agreement with CHF Investor Relations, the elimination of spending on investor relations activities in the United States and the lack of specific projects undertaken in this area in the current year compared to the prior year.

Professional fees were reduced as well from \$182,220 to \$84,344, primarily due to reduced legal, audit and tax fees, due to less activity this year compared to the prior year.

Regulatory fees also decreased from \$67,185 to \$21,404 for the current year ended January 31, 2009 compared to the prior year due to less regulatory filings being required due to reduced activity.

The costs paid to the President for his services in regards to **management fees** are now included in **salaries and benefits administration** and did not change significantly during the year compared to the prior year.

Stock-based compensation is \$Nil for the year ended January 31, 2009 compared to \$736,641 for the prior year due to the completion of vesting of stock options granted in the prior year. No options were granted in the current year.

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Travel costs are down from \$116,825 for the year ended January 31, 2008 to \$18,761 for the year ended January 31, 2009 due to efforts to reduce costs and less operating activity.

Due to more limited funds on hand and the currency movements of the CAD dollar compared to foreign currencies during the year, the Company realized a modest **foreign exchange** gain of \$8,427 compared to a loss of \$(102,542) for the prior year.

The Company sold equipment during the year for proceeds of \$140,633, of which \$90,547 was received in cash and the balance used to settle accounts payable. The Company realized a **gain on sale of equipment** of \$21,764 on these disposals.

Due to the Company rationalizing its properties and exiting its exploration programs in Quebec and British Columbia, the Company **wrote-off its resource property costs** by a total of \$2,377,045 for the year ended January 31, 2009 compared to \$1,013,750 for the prior year.

The Company's net (loss) for the year ended January 31, 2009 was \$(2,404,301), (\$0.04) per share, compared with a net loss of \$(5,827,995) (\$0.10) per share in the prior year.

Aldershot's **cash and cash equivalents** amounted to \$213,749 at January 31, 2009 compared to \$284,940 at January 31, 2008. Working capital was \$131,335 at January 31, 2009 compared to \$108,909 at January 31, 2008. The Company will require further financing to fund its exploration programs, pay for its operations and for general working capital purposes. See details on financing alternatives available to the Company as more fully discussed in 1.6/1.7 LIQUIDITY AND CAPITAL RESOURCES.

Commitments and Contingencies

The Company has no commitments for lease rentals, nor any property commitments. The Company is not involved in any legal disputes and has a contingency to a maximum of \$6,000 that may be required when remedial work is completed on the Quebec properties later this year.

Segmented Information

All of the Company's operations are in the mineral resource exploration industry with its principal business activity in the acquisition and exploration of mineral resource properties. The Company has no value assigned to its resource properties as at January 31, 2009. The expenditures (recoveries) on exploration costs for the year ended January 31, 2009 are: \$(495,670) in Canada, \$(63,862) in Australia and \$4,072 in Zambia. The cash and cash equivalents and the equipment are located as follows: \$223,875 in Canada and \$94,446 in Australia.

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1.5 SUMMARY OF QUARTERLY RESULTS

	2009				2008			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Exploration costs	\$ (158,840)	\$ (432,320)	\$ 34,056	\$ 1,644	\$ 391,590	\$ 981,428	\$ 1,180,873	\$ 271,682
Stock based comp (non-cash)	(60,969)	-	-	60,969	42,486	77,706	616,449	-
Other cash expenses	110,088	172,047	179,212	167,610	250,495	284,597	366,892	310,455
Interest income	(12,347)	(688)	(751)	(2,264)	(1,887)	(30,865)	(26,128)	(4,070)
FX, gain on sale	2,534	4,556	1,415	(38,696)	5,745	59,488	12,697	24,612
Write-down or prop	2,228,882		3,400	144,763	1,013,750	-	-	-
Net loss	\$ (2,109,348)	\$ 256,405	\$ (217,332)	\$ (334,026)	\$ (1,702,179)	\$ (1,372,354)	\$ (2,150,783)	\$ (602,679)
Loss per share								
Basic & diluted	\$ (0.02)	\$ -	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.04)	\$ (0.02)
Resource properties	\$ -	\$ 2,228,882	\$ 2,066,125	\$ 2,054,125	\$ 2,194,625	\$ 3,310,132	\$ 2,155,082	\$ 1,672,825
Total assets	\$ 318,321	\$ 2,579,768	\$ 2,591,864	\$ 2,636,588	\$ 2,979,045	\$ 4,507,989	\$ 4,648,149	\$ 6,154,759
Total liabilities	\$ 114,971	\$ 206,101	\$ 474,602	\$ 358,729	\$ 428,129	\$ 338,500	\$ 304,562	\$ 306,712
Shareholders' equity	\$ 203,350	\$ 2,373,667	\$ 2,117,262	\$ 2,277,859	\$ 2,550,916	\$ 4,169,489	\$ 4,343,587	\$ 5,848,047

Note: Certain of prior period quarterly amounts have been reclassified to conform with the financial statement presentation adopted in the current year.

Note: Loss per share amounts disclosed above on a quarterly basis may not necessarily equal the cumulative amounts disclosed in the Company's annual financial statements, due to the timing of changes in the weighted average number of shares throughout the year versus the weighted average number of shares throughout the quarter.

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1.6/1.7 LIQUIDITY AND CAPITAL RESOURCES

The Company held cash and cash equivalents of \$213,749 as at January 31, 2009 compared to \$284,940 as at January 31, 2008. The Company reported working capital of \$131,335 at January 31, 2009 compared to \$108,909 at January 31, 2008.

The Company used cash of \$165,369 in its operations for the year ended January 31, 2009 compared to using cash of \$4,050,834 for the year ended January 31, 2008. This was offset by cash generated of \$6,868 in regards to financing activities for the year ended January 31, 2009 compared to cash generated from financing activities of \$4,877,361 from share financing for the year ended January 31, 2008. Aldershot generated \$87,310 from investing activities in regards to sale of equipment for the year ended January 31, 2009 compared to cash spent of \$790,912 on resource properties' acquisition costs and equipment for the year ended January 31, 2008.

During the year, the Company received exploration tax credits totalling \$598,811 and also received funds of \$434,382 relating to option payments and other recoveries. Management does not expect any significant amounts for similar transactions in the upcoming year.

The Company has no contractual commitments for operating leases and has recently down-sized its space requirements. Since Aldershot has relinquished and abandoned its properties in Quebec and British Columbia the Company no longer has any cash and share commitments pursuant to mineral property option agreements.

The Company is dependent upon its ability to raise additional funds to support its operations and it does require additional financing since it is an exploration stage company with no current sources of revenue. Funding options available to the Company are limited in this market and are outlined below.

The Company will utilize the public market when practicable to raise the additional funds it requires, either through brokered or non-brokered private placements. It announced its intention to raise approximately \$180,000 in private placement financing subsequent to the year-end through the issuance of approximately 6,000,000 units at \$0.03 per unit with each unit enabling the holder to purchase one common share and one share purchase warrant to purchase an additional common share within two years at \$0.05 in the first year and at \$0.10 in the second year. It is currently seeking a joint venture partner for its remaining Yuinmery licence and has been successful in optioning out all of its other properties to share the costs and risks in exploring them. The Company has periodically raised funds through debt financing as well, but this option is limited. The Company has also received significant funds related to exploration tax credits which are used to fund operations, but no further significant amounts are anticipated in this regard. Aldershot has 4,210,000 stock options outstanding, exercisable at a weighted average price of \$0.26 which expire from 2009 to 2012. The Company does not expect to generate any cash from the exercise of these options in the near future.

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Management continues to downsize its operations to maximize its cash runway and seek other business opportunities to enhance and continue the Company's operations in this difficult market environment.

1.8 OFF-BALANCE SHEET ARRANGEMENTS

Aldershot does not utilize off-balance sheet arrangements.

1.9 TRANSACTIONS WITH RELATED PARTIES

[a] Related party transactions with directors and officers or companies controlled by them during the years ended January 31 are as follows:

	2009	2008
	\$	\$
Exploration costs--geological consulting fees	—	40,568
Consulting fees	17,500	15,000
Management fees	—	110,000
Rent	16,368	39,117
Proceeds received from the sale of equipment	89,527	—
Gain on sale of equipment	13,559	—

Subsequent to the year-end, the Company entered into an agreement with Royal Resources Limited ("Royal"), a related company that has a director in common with the Company, granting Royal the option to acquire a 60% interest in resource property licences in the Northern Territory of Australia.

Related party transactions are in the normal course of operations, occurring on terms and conditions that are similar to those of transactions with unrelated parties and, therefore, are measured at the exchange amount.

[b] The balances due from (to) related parties are non-interest bearing and have no fixed repayment terms.

1.10 FOURTH QUARTER

Please see 1.5 SUMMARY OF QUARTERLY RESULTS for information on the fourth quarter of 2009.

1.11 PROPOSED TRANSACTIONS

None.

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1.12 CRITICAL ACCOUNTING ESTIMATES

Not applicable as the Company is a venture issuer.

1.13 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Changes in accounting policies

None.

Initial adoption of accounting policies

Effective February 1, 2008, the Company adopted the requirements of Canadian Institute of Chartered Accountants ("CICA") Handbook *Section 1535—Capital Disclosures*. This section requires the disclosure of both qualitative and quantitative information that enables users of financial statements to evaluate the entity's objectives, policies and processes for managing capital. 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.

Effective February 1, 2008, the Company adopted the requirements of the CICA Handbook *Section 1400 – General Standards of Financial Statement Presentation* which includes an assessment by management of the Company's ability to continue as a going concern. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast doubt upon the Company's ability to continue as a going concern, these uncertainties should be disclosed.

Effective February 1, 2008, the Company adopted the requirements of the CICA Handbook *Sections 3862 and 3863—Financial Instruments—Disclosures and Presentation*. These new standards replace Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing disclosure requirements, and carrying forward unchanged the presentation requirements. Section 3862 requires entities to provide disclosure of quantitative and qualitative information in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and management's objectives, policies and procedures for managing such risks. Entities will be required to disclose the measurement basis or bases used, and the criteria used to determine classification for different types of instruments.

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The Section requires specific disclosures to be made including the criteria for:

- (i) designating financial assets and liabilities as held for trading;
- (ii) designating financial assets as available-for-sale; and
- (iii) determining when impairment is recorded against the related financial asset or when an allowance account is used.

On March 27, 2009 the Emerging Issues Committee ("EIC") of the CICA issued *EIC-174 Mining Exploration Costs*, which provides guidance on capitalization of exploration costs related to mining properties in particular, and on impairment of long-lived assets in general. The Company has applied this new abstract for the year ended January 31, 2009. There was no impact on the financial statements as a result of applying this abstract.

New Canadian Accounting Standards

International Financial Reporting Standards ("IFRS")

In February 2008, the CICA Accounting Standards Board confirmed that the use of International Financial Reporting Standards ("IFRS") will be required in 2011 for public companies in Canada (i.e., IFRS will replace Canadian generally accepted accounting principles for public companies). The official changeover date will apply for interim and financial statements relating to fiscal years beginning on or after January 1, 2011.

The Company has determined that the key elements of this IFRS changeover on the Company will be in the areas of accounting for resource properties' acquisition and exploration costs, impairment of long-lived assets, accounting for reclamation costs, accounting for share capital including stock options and warrant valuations and general IFRS disclosure requirements. The Company is currently assessing the specific impact on the Company's financial reporting and developing an implementation timetable.

1.14 FINANCIAL INSTRUMENTS

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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In conjunction with its accounting policies, the Company classified its financial instruments into the related categories. Cash and cash equivalents, restricted cash and deposits are classified as held-for-trading; accounts receivable are classified as loans and receivables and accounts payable and amounts due to/from related parties are classified as other financial liabilities. The carrying value of cash and cash equivalents, restricted cash, accounts receivable, deposits, accounts payable and amounts due to related parties approximates their fair value because of the short-term nature of these instruments.

The Company is subject to currency risk as it conducts operations in jurisdictions other than Canada, primarily being exposed to changes in the Canadian dollar compared to the Australian and United States dollars. The Company has not hedged its exposure to currency fluctuations, but does manage its cash resources to complement the denomination of the expenditures required.

The Company is exposed to currency risk through the following CAD equivalent of financial assets and liabilities denominated in currencies other than Canadian dollars, i.e., the AUD (Australian dollar):

	2009	2008
	\$	\$
Cash and cash equivalents	15,862	91,495
Restricted cash	12,284	10,182
Accounts receivable	—	777
Prepaid expenses and deposits	—	34,553
Accounts payable and accrued liabilities	(57,204)	(86,606)
Due (to) from related parties	(1,068)	5,800
	(30,126)	56,201

Based on the above net exposures at January 31, 2009, a 10% depreciation or appreciation in the AUD dollar against the CAD dollar would result in a \$3,013 (2008 – \$5,620) increase or decrease in the Company's net loss.

The Company is subject to interest rate risk as it invests excess cash not immediately required for operations, in short-term investments. This risk is minimal as the Company does not have significant amounts of excess cash to invest and its investments are in instruments with short-term maturities. As well, the Company borrows funds periodically and the interest rate negotiated will affect the related interest cost on any financing completed. The Company mitigates this risk by offering non-cash options to purchase common shares of the Company in conjunction with any financing undertaken. This financing is not readily available to the Company since it is in the exploration stage and is not generating significant cash flows from its operations, so the financings occur infrequently, and therefore the interest rate risk is minimal.

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The Company is not subject to significant credit risk as its receivables are due from government agencies, so the risk is minimal.

The Company is subject to liquidity risk in that the Company may not be able to meet its financial obligations as they come due. The Company manages this risk through the management of its capital structure as outlined in note 1 to the Company's consolidated financial statements for the year ended January 31, 2009.

1.15 OTHER MD&A REQUIREMENTS

DISCLOSURES FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The information required on the Company's resource properties' capitalized acquisition costs and the related exploration costs expensed are readily available from the Company's consolidated financial statements for the year ended January 31, 2009 and therefore are not required to be repeated here.

DISCLOSURE OF OUTSTANDING SHARE DATA

The information on the Company's share capital including numbers of shares outstanding, details of any conversion features, number of shares issuable on conversion of stock options and warrants, etc. are detailed in the Company's consolidated financial statements for the year ended January 31, 2009. The number of common shares outstanding as of the date of this report on May 21, 2009 is 65,233,308 shares.

Additional disclosures pertaining to Aldershot including material change reports, press releases and other information are available at www.sedar.com.