

WESTSTAR RESOURCES LTD.

Management Discussion and Analysis For the six months ended June 30, 2008

The Management Discussion and Analysis (“MD&A”), prepared August 18, 2008, should be read in conjunction with the unaudited interim financial statements and notes thereto for the six month period ended June 30, 2008 and the audited financial statements for the year ended December 31, 2007 and the notes thereto of Weststar Resources Ltd.. (“Weststar”) which were prepared in accordance with Canadian generally accepted accounting principals.

This management discussion and analysis may contain forward-looking statements in respect of various matters including upcoming events. The results or events predicted in these forward-looking statements may differ materially from the actual results or events. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

The Company was incorporated under the laws of the Province of British Columbia on October 27, 2004. The Company common shares were listed for trading on the TSX Venture Exchange (“TSX”) as a junior mineral exploration company on September 19, 2006.

The Company is a junior mineral exploration company engaged in the business of acquiring, exploring and evaluating natural resource properties. The Company is currently focusing its financial resources on conducting an exploration program on the Axe Property in British Columbia. The Company has not yet determined whether this property contains reserves that are economically recoverable. The recoverability of amounts shown for resource property and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of the resource property and upon future profitable production or proceeds from the disposition thereof.

EXPLORATION PROJECT – AXE PROPERTY

Pursuant to an option agreement dated July 19, 2005, the Company was granted an option to acquire up to a 66% interest in the Axe claims comprised of 119 units situated in the Similkameen Mining District, Province of B.C. As consideration for the property, the Company paid \$5,000.

Under the terms of the agreement the Company is required to spend \$300,000 (spent) in exploration expenses on or before December 31, 2006 and issue up to 200,000 (issued) shares to earn a 51% interest in the claims.

The Company has the option to earn an additional 15% interest in the property by issuing an additional 100,000 (issued) shares and expending an additional \$200,000 (spent) on the property by December 31, 2007.

Pursuant to an agreement dated March 23, 2007, the Company acquired four claims increasing the size of the Axe Property. As consideration for the claims the Company paid \$15,000. The claims are subject to a 2% net smelter royalty and under the terms of the agreement the Company has the right to purchase the net smelter royalty in stages for up to \$3,000,000.

EXPLORATION PROJECT – 18 METER

The company has entered into an agreement to acquire 72 coal permit applications. The coal lease applications cover approximately 138,240 acres. Under the terms of the agreement the Company has agreed to make the following payments and issue the following shares:

\$150,000 on signing (paid);
\$500,000 and 1,300,000 shares upon regulatory approval;

\$500,000 and 2,000,000 shares six months from the date of regulatory approval;

In addition the coal permit applications are subject to a 2% Net Smelter Royalty (“NSR”). Under the terms of the agreement the Company can purchase the NSR for \$2,000,000. Further the Vendors of the coal permit applications will retain a Flat Rate of Production Royalty (“FRUP”) equal to \$2 per tonne of coal produce or sold from the property. The Company, at its discretion, may reduce the FRUP to \$1 per tonne by paying the Vendors \$2,000,000.

The company is seeking regulatory approval for the acquisition.

SELECTED ANNUAL INFORMATION

(\$000’s except loss per share)

	Dec.31 <u>2007</u>	Dec. 31, <u>2006</u>
Revenue	\$ 0	\$ 0
Net Loss	\$ (516)	\$ (87)
Basic and Diluted Loss Per Share	\$ (0.02)	\$ (0.01)
Total Assets	\$ 1,615	\$ 683
Long-Term Debt	\$ 0	\$ 0
Dividends	\$ 0	\$ 0

OPERATIONS

Three month period ended June 30, 2008

During the three months ended June 30, 2008 the Company reported a net loss of \$187,778 (2007 - \$94,830). Included in the determination of operating loss was \$73,946 (2007 - \$34,146) spent on investor communications, \$27,500 (2007 - \$15,000) on management and administration, and \$42,485 (2007 - \$17,371) on professional fees.

Six month period ended June 30, 2008

During the six months ended March 31, 2008 the Company reported a net loss of \$239,509 (2007 - \$191,509). Included in the determination of operating loss was \$87,986 (2007 - \$64,662) spent on investor communications, \$42,500 (2007 - \$30,000) on management and administration, and \$46,770 (2007 - \$36,066) on professional fees.

SUMMARY OF QUARTERLY RESULTS

(\$000’s except earnings per share)

	Quarters Ended							
	June 30 <u>2008</u>	Mar 31 <u>2008</u>	Dec 30 <u>2007</u>	Sept 30 <u>2007</u>	June 31 <u>2007</u>	Mar 31 <u>2007</u>	Dec 30 <u>2006</u>	Sept 30 <u>2006</u>
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Loss	(188)	(52)	(64)	(\$291)	(\$ 192)	(\$ 97)	(\$ 40)	(\$ 47)
Basic and Diluted Loss Per Share	(\$0.009)	(\$0.002)	(\$0.000)	(\$0.014)	(\$0.009)	(\$0.001)	(\$0.001)	(\$0.001)

LIQUIDITY AND CAPITAL RESOURCES

The Company’s cash and cash equivalents at June 30, 2008 were \$394,939, compared to \$181,346 at December 31, 2007.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

- a) During the period, the Company paid \$42,500 (2007 - \$30,000) for management fees and administration expenses to a company's controlled by a directors.
- b) During the period the Company paid \$12,293 (2007 - \$9,600) to a firm in which two directors are partners for accounting fees.
- c) During the period the Company paid \$10,000 (2007 - \$7,500) in rent to a company in which a director has an interest.

SUBSEQUENT EVENTS

Subsequent to June 30, 2008, the Company completed a private placement of 3,650,000 units at \$0.12 per unit for gross proceeds of \$438,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one additional common share for a period of two years at a price of \$0.15 per share.

On June 25 2008 the Company announced the appointment of Mitchell Adam as President of the Company. Mr. Adam, 40 is the president of MGA Capital Corp. which provides management consulting services to public and private companies and various other consulting services including corporate finance and investor relations. Mr. Adam attended undergraduate studies at Simon Fraser University and in 1989 completed the Canadian Securities Course and RR exam. Mr. Adam spent four years working in the brokerage industry at Odlum Brown Ltd. and Nesbitt Thompson Inc. and has been for working with various public companies since 1993, holding the positions of officer and director of several public companies.

The Company is also pleased to announce the appointment of Christopher Verrico as a director of the Company. Mr. Verrico is currently a director of Raytec Metals Corp., is President and CEO of Lategra Gold Corp. is the former CEO of West Hawk Development Corp., and is an independent director for a number of other public companies. He has raised over \$40 million for junior resource energy and mining companies working throughout the Americas since 2000 (initially serving as a consultant and promoter for Candente Resources Corp. and its IPO in July of 2000). Apart from public company experience, Mr. Verrico also has an extensive industrial construction background due to his involvement with a number of western Canadian pulp mill, natural gas, thermal & micro hydro power and mine & mill plant construction companies.

On June 23, 2008 The company has accepted the resignation of Raj Chowdhry as director of the company.

On June 25, 2008 Christopher Dyakowski has resigned as President and director of the Company.

On July 25, 2008 Harry Chew has resigned as a director of the company.

On August 14, 2008 the Company announced Weststar Resources Corp. has closed its private placement of 3.65 million units at 12 cents per unit for total proceeds of \$438,000. Each unit consists of one common share and one non-transferable share purchase warrant, each warrant authorizing the holder to purchase one additional common share for a period of two years at a price of 15 cents per share. All securities issued under this placement are subject to hold periods expiring on Dec. 7, 2008. The company paid cash finder's fees of \$33,360 with respect to this financing.

Proceeds of the placement will be used for general working capital.

The company also announced that the warrants under its flow-through private placement announced in Stockwatch on June 23, 2008, have been repriced to 66 cents per share. All other terms of the placement remain the same.

The flow-through placement will close simultaneously upon TSX Venture Exchange approval of the company's acquisition of the Saskatchewan coal permit applications also announced in Stockwatch on June 23, 2008. Pursuant to the policies of the TSX Venture Exchange, the acquisition will require a 43-101 property report. The company has engaged Mitchell Geological Services Inc. to author the report and it is expected to be available by early September, 2008.

DISCLOSURE CONTROLS

Management has designed disclosure controls and procedures, or has caused them to be designed under its supervision to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiary, is made known to management, particularly during the period in which the annual filings are being prepared. Management has also designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements for the six month period ended June 30, 2008 in accordance with Canadian Generally Accepted Accounting Principles. There has been no change in the Company's disclosure controls and procedures or in the Company's internal control over financial reporting that occurred during the most recently completed quarter that has materially affected, or is reasonably likely to materially affect, the Company's disclosure controls and procedures or internal control over financial reporting.

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of the Company's disclosure controls and procedures in place as at June 30, 2008. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer of the Company concluded that the design and operations of these controls and procedures were effective.