Pebble Creek Mining Ltd.

Management Discussion and Analysis of Financial Conditions and Results of Operations
Three Months ended June 30, 2008

This Management Discussion and Analysis ("MD&A") is a discussion and analysis of the operations and financial results of Pebble Creek Mining Ltd. (the "Company") for the three months ended June 30, 2008, with comparisons for the three months ended June 30, 2008 and for the year ended March 31, 2008. The following information should be read in conjunction with the audited consolidated financial statements and related notes for the fiscal year ended March 31, 2008. The consolidated financial statements and related notes have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and are filed with various Canadian regulatory authorities in Canadian dollars. The date of this MD&A is August 12, 2008.

FORWARD LOOKING STATEMENTS

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "plan," or "continue" or the negative thereof or variations thereon or similar terminology. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

OVERVIEW & OVERALL PERFORMANCE

The "Company" refers to Pebble Creek Mining Ltd. ("PCM"), formerly Broadcast Capital Corp. ("Broadcast"), and its wholly owned Indian subsidiaries Adi Gold Mining Private Ltd. ("Adi") and Hirakund Diamond Exploration Private Ltd. ("Hirakund"). PCM and its wholly owned subsidiary company, Pebble Creek Resources Ltd. ("PCR"), completed a vertical amalgamation on May 30, 2007 and the newly amalgamated company continued under the name "Pebble Creek Mining Ltd."

The Company is a mineral exploration company which has been focused on India for the past 12 years. It is one of few foreign mineral exploration and development companies that has developed a business and technical infrastructure and acquired considerable expertise in India.

The Company holds 100 per cent of the mineral rights on two properties and has active applications pending on 14 more covering 17,000 square kilometres in five states, all in India.

The Company's principal mineral property is the Askot property in Uttarakhand state (called "Uttaranchal" prior to January, 2007). Askot is a high-grade deposit of copper and zinc, with lead, silver and gold, which is the focus of its exploration and development.

PCR entered into an agreement with Broadcast Capital Corp. ("Broadcast") dated October 6, 2006, amended on October 24, 2006 and completed on December 15, 2006, pursuant to which the shareholders of PCR acquired control of Broadcast, a company listed for trading on the TSX Venture Exchange, through a "reverse take over."

On completion of the RTO, PCM had a total of 19,137,523 common shares issued and 4,503,330 common shares reserved for issuance for options and warrants. Of the issued shares, 85.6% were held by former holders of PCR's shares and Subscription Receipts and 14.4% were held by existing Broadcast shareholders. Of the options and warrants, 90.0% were held by former holders of PCR's warrants and 10.0% were held by the holders of Broadcast options. In accordance with generally accepted accounting principles, PCR was identified as the acquirer at the completion of the RTO since the shareholders of PCR acquired control of PCM, the legal parent company.

Pebble Creek Mining Ltd. started trading as "PEB" on the TSX Venture Exchange as a Tier 2 company on December 29, 2006.

The Company changed its financial year ends from September 30 (Broadcast) and December 31 (PCR) to March 31, effective on March 31, 2007, to harmonize the year ends with those of its two Indian subsidiaries, Adi and Hirakund, which are required by law to report with March 31 year ends.

FINANCIAL RESULTS

Selected Quarterly Financial Results

The following selected unaudited quarterly financial information for the last eight quarters is derived from the unaudited interim consolidated financial statements of the Company prepared in accordance with GAAP.

Three months ended

	June 30, 2008	Mar 31, 2008	Dec 31, 2007	Sept 30, 2007	June 30, 2007	Mar 31, 2007	Dec 31, 2006	Sep 30, 2006
Interest Income	$ 6,514	$ 17,451	$ 4,529	$ 5,233	$ 9,330	$ 6,862	$ 14,803	$ 9,275
Net Loss	$ (252,816)	$ (811,350)	$ (156,108)	$ (367,125)	$ (220,116)	$ (321,546)	$ (68,900)	$ (69,007)
Basic & Diluted (Loss) Per Share	$ (0.01)	$ (0.03)	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.02)	$ (0.00)	$ (0.01)
Basic & Diluted Weighted Average Shares	29,171,219	29,171,219	24,871,980	23,697,384	20,342,020	20,032,375	17,010,721	16,387,521

The pace of exploration activities at Askot picked up significantly with drilling in the second half of calendar 2006 and drilling on both Askot and Gadarwara during 2007. The increase led to the accompanying increase in fixed expenses starting in the first quarter of calendar 2007. The fixed expenses increased at the Company's three office sites: Askot, Delhi and Vancouver. Both quarters in calendar 2006 showed losses between \$60,000 and \$70,000. In calendar 2007 the losses increased to the range of \$160,000 to \$370,000, an average of \$266,224. The first quarter of calendar 2008 showed a significant increase in loss to \$811,350 due mainly to the write-off of \$509,791 of the expenditures incurred on the Gadarwara property. The second quarter of calendar 2008 includes a further write-off of $35,102 of Gadarwara drilling expenditures incurred during the period.

As financings progressed the number of shares increased from 16.388 million at September 30, 2006 to 29.171 million at June 30, 2008.

The Company incurred general and administrative expenses of $224,228 during the three months ended June 30, 2008 (2007 - $229,446), reflecting the overall increase in the Company's activities. Significant general and administrative expenses incurred by the Company during the three months ended June 30, 2008, compared to the three months ended June 30, 2007, were as follows:

- corporate development costs of $11,846 (2007 - $15,349)
- foreign exchange costs of $32,518 (2007 - $7,682)
- insurance costs of $5,479 (2007 - $4,358)
- management fees of $65,400 (2007 - $47,400)
- office expenses of $7,641 (2007 - $5,800)
- legal and audit fees of $33,464 (2007 - $11,854)
- rent of $11,922 (2007 - $15,033)
- salaries of $20,684 (2007 - $18,096)
- share compensation costs of $4,365 (2007 - $nil)
- shareholder costs of $24,212 (2007 - $47,201)
- travel of $700 (2007 - $50,287)
- telephone costs of $4,643 (2007 - $3,743).

During the three months ended June 30, 2008, acquisition and lobbying, exploration, drilling and underground development costs at Askot were $309,516 (2007 - $262,447).

The Company also spent $35,102, composed entirely of drilling costs, on the Gadarwara property during the three months ended June 30, 2008 (2007 - $3,155). The Company wrote down the accumulated costs of $544,893 it had incurred on the Gadarwara property to June 30, 2008 as it does not expect any potential future benefits from these expenditures at this time.

Furniture, equipment and vehicles costing $1,085 were purchased during the three months ended June 30, 2008 (2007 - $54,700). All of that increase was incurred directly or indirectly to support the Askot project.

Other costs incurred during the three months ended June 30, 2008 that were not incurred in the previous period were share compensation costs of $4,365, representing the fair value of the portion of the share purchase options issued to employees, directors, officers, and consultants which vested during the current period. The fair value was calculated at the grant date using the Black-Scholes option pricing model, using the assumptions described in Note 7 to the consolidated financial statements.

Total assets decreased by $181,543 during the three months ended June 30, 2008 compared to an increase of $847,224 during the three months ended June 30, 2007. Of the total assets, $750,790 is represented by current assets, $4,575,927 is invested in the Company's mineral properties and $195,192 is capital equipment.

At June 30, 2008, the Company had cash of $575,536 (2007 - $1,386,825) and working capital of $750,790 (2007 - $1,586,638).

Selected Annual Information

The following table shows the financial results derived from the Company's financial statements for each of the three most recently completed fiscal periods.

	March 31, 2008	March 31, 2007	December 31, 2005
Total Revenue – Interest Income	$ 36,543	$ 33,424	$ -
Net Income (Loss)	$ (1,554,699)	$ (579,728)	$ (218,653)
Net Income (Loss) per Share	$ (0.06)	$ (0.04)	$ (0.02)
Total Assets	$ 5,703,452	$ 3,644,955	$ 1,458,969
Shares Outstanding	29,171,219	20,062,590	11,412,021

The Company is in the exploration stage and has no mineral production yet. Incidental revenue is derived solely from interest earned on term deposits. $36,543 was earned during the year ended March 31, 2008, compared to $33,424 during the fifteen months ended March 31, 2007.

The Company incurred general and administrative expenses of $1,081,451 during the year ended March 31, 2008, compared to $613,152 during the fifteen months ended March 31, 2007, reflecting the overall increase in the Company's activities. Significant general and administrative expenses incurred by the Company during year ended March 31, 2008, compared to the fifteen months ended March 31, 2007, were as follows:

- corporate development costs of $83,978 (2007 - $94,993)
- insurance costs of $14,389 (2007 - $1,773)
- management fees of $210,960 (2007 - $179,500)
- office expenses of $33,465 (2007 - $54,264)
- legal and audit fees of $89,902 (2007 - $84,451)
- rent of $46,608 (2007 - $27,563)
- salaries of $76,978 (2007 - $19,367)
- share compensation costs of $297,563 (2007 - $nil)
- shareholder costs of $51,083 (2007 - $17,344)
- travel of $145,963 (2007 - $114,327)
- telephone costs of $23,056 (2007 - $11,815).

During the year ended March 31, 2008, acquisition and lobbying, exploration, drilling and underground development costs at Askot were $1,920,788, compared to $945,505 during the fifteen months ended March 31, 2007.

The Company also spent $418,338, primarily composed of drilling costs of $386,298, on the Gadarwara property during the year ended March 31, 2008, compared to $31,394 during the fifteen months ended

March 31, 2007. The Company also wrote down the accumulated costs of $509,791 it had incurred on the Gadarwara property to March 31, 2008 as it does not expect any potential future benefits from these expenditures at this time.

Furniture, equipment and vehicles costing $76,404 were purchased during the year ended March 31, 2008, compared to $159,157 during the fifteen months ended March 31, 2007. Nearly all of those expenditures were incurred directly or indirectly to support the Askot project.

Fixed expenses, also to support the Askot project and incurred in Vancouver, New Delhi or at the project site, grew markedly during the current fiscal year and are a major component of the increased loss for the year ended March 31, 2008.

Other costs incurred during the year ended March 31, 2008 that were not incurred in the previous period were share compensation costs of $297,563, representing the fair value of the portion of the share purchase options issued to employees, directors, officers, and consultants which vested during the current fiscal year. The fair value was calculated using the Black-Scholes option pricing model, using the assumptions described in Note 5 to the consolidated financial statements.

Total assets increased by $2,058,497 during the year ended March 31, 2008, compared to $2,185,986 during the fifteen months ended March 31, 2007. This reflects the financings completed during the current fiscal year. Of the total assets, $1,234,812 is represented by current assets, $4,263,748 is invested in the Company's mineral properties and $204,892 is capital equipment.

At March 31, 2008, the Company had cash of $1,066,193 as compared to $945,393 at March 31, 2007.

At March 31, 2008, the Company had working capital of $1,133,838 as compared to $990,908 at March 31, 2007.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and working capital balances at June 30, 2008 amounted to, respectively, $573,536 and $582,908, compared to, respectively, $1,066,193 and $1,133,838 at March 31, 2008. The reduction of cash and working capital during the current quarter resulted from the use of funds for mineral property operations in India and corporate administration in Canada. The Company did not issue any shares and no warrants or share purchase options were exercised during the quarter.

The Company expects to issue additional shares during the immediate future in order to complete its exploration program at the Ascot property in India and to fund its administration costs. The Company has commenced discussions in this regard, but there is no certainty that it will be able to complete these discussions and raise the additional funds it requires within the near future or on a cost-effective basis.

During the 15 months ended March 31, 2007, in anticipation of going public, the Company raised a total of $2,595,658 after costs, including amounts allocated to the issue of accompanying warrants, broker warrants and broker options.

The largest financing of the 15-month period was a two-tranche private placement brokered by Loewen, Ondaatje, McCutcheon Ltd. ("LOM"). This raised net funds of $1,940,020 in June 2006 and $376,654 in December 2006. Funds were also realized from the exercise of 120,500 warrants, 91,667 options, non-brokered private placements of 405,000 shares and retention of Broadcast's treasury of $581,830 (before costs of the RTO and costs allocated to assuming Broadcast's options and warrants). Not counting the 2,750,002 shares of Broadcast before the RTO, the Company issued 5,900,567 shares during the fifteen months ended March 31, 2007 on the exchange of Subscription Receipts, private placements of units and the exercise of warrants and options.

During the 15-month period ended March 31, 2007 the Company also issued 2,964,870 new warrants and 1,017,507 options, brokers' warrants, and brokers' options.

In May 2007 the Company initiated a non-brokered private placement in Europe at the prevailing share price at the time of $0.35. The non-brokered private placement of 3,150,000 units raised an additional $1,102,500 before costs. The majority of placees were in Europe. There was a 4-month hold period, now expired, on shares issued in this private placement.

Each unit consists of one common share of the Company; one-half of one Series A common share purchase warrant (an "A Warrant"); and one-half of one Series B common share purchase warrant (a "B Warrant"). Each whole A Warrant is exercisable for one common share of the Company for a period of two years at a price of $0.65. If the closing trading price of the Company's common shares is $1.00 per share or higher for any 20 consecutive trading days during the term of the A Warrants, the Company may elect to provide notice of acceleration of the exercise term to holders of the A Warrants and the A Warrants will then expire thirty days after such notice is given. Each whole B Warrant is exercisable for one common share of the Company for a period of two years at a price of $1.00.

The Company paid certain parties finder's fees of $16,660 in cash and issued 156,599 units. The Company also paid other cash costs related to its financing of $27,488.

The TSX Venture Exchange approved the private placement on July 20, 2007.

On December 19, 2007 the Company completed a similar non-brokered private placement (the "Private Placement") of 5,270,000 units ("Units") at $0.40 per Unit for gross proceeds of $2,108,000. Each Unit was composed of (a) one common share of the Company, one-half of one Series A common share purchase warrant (an "A Warrant"), and one-half of one Series B common share purchase warrant (a "B Warrant") (the A Warrants and the B Warrants are collectively referred to as the "Warrants").

Each whole A Warrant is exercisable for one common share of the Company for a period of two years at a price of $0.75. If the closing trading price of the Company's common shares on the TSX Venture Exchange is $1.50 per share or higher for any 20 consecutive trading days during the term of the A Warrants, the Company may elect to provide notice of acceleration of the exercise term to holders of the A Warrants and the A Warrants will then expire thirty days after such notice is given.

Each whole B Warrant is exercisable for one common share of the Company for a period of two years at a price of $1.50.

Included in this Private Placement were 5,000,000 Units purchased by India Resources Limited ("India Resources"), representing approximately 17% of the issued and outstanding common shares of the Company (or 29% of the issued and outstanding common shares assuming the full exercise by India Resources of all Warrants comprising the Units it has purchased).

The Company paid certain parties commissions of $7,040 in cash and also paid other cash costs related to its financing of $30,623.

As the exercise of Warrants by India Resources may result in India Resources holding, in the aggregate, greater than 20% of the issued and outstanding common shares of the Company, shareholder approval was obtained at a Special General Shareholder's Meeting on March 13, 2008 to approve of the possible change of control resulting from India Resources' increased shareholdings on the exercise of the Warrants. The TSX Venture Exchange subsequently gave final approval to the private placement.

The common shares and warrants comprising the Units and the common shares issuable upon exercise of the warrants were subject to a four-month hold period which expired on April 20, 2008.

The net proceeds from the Private Placement are being used for exploration and development of the Company's projects, particularly the Askot deposit, for acquisitions and for working capital.

Warrants, Options and Brokers' Warrants

As at June 30, 2008, the following options and warrants to purchase shares of the Company were outstanding:

Options, Broker Options and Warrants

	Number of Shares	Price Per Share	Expiry Date	Date Granted or Issued
Options	795,000	$0.60	August 10, 2012	August 10, 2007
Options	225,000	$0.60	January 18, 2013	January 18, 2008
	1,020,000			

Warrants

Number of Shares	Price Per Share	Expiry Date	Date Granted
1,653,300	$0.65	June 22, 2009 If the closing trading price is $1.00 per share or higher for any 20 consecutive trading days, the Company may elect to accelerate the term to expire within 30 days of notice to the holders	June 22, 2007
1,653,300	$1.00	June 22, 2009	June 22, 2007
2,635,000	$0.75	December 14, 2009 If the closing trading price is $1.50 per share or higher for any 20 consecutive trading days, the Company may elect to accelerate the term to expire within 30 days of notice to the holders	December 14, 2007
2,635,000	$1.50	December 14, 2009	December 14, 2007
8,576,600			

Other Relevant Share Transactions

Warrants. At March 31, 2008 the share purchase warrants outstanding included 458,370 warrants which were issued in 2006 with an exercise price of $0.75 per share and an expiry date of June 29, 2008. These warrants expired unexercised.

Shares Held in Escrow. During the three months ended June 30, 2008, an additional 354,431 shares were released from escrow. On June 30, 2008 the balance in escrow was 3,864,450.

Option Plan. The Company has implemented a rolling share purchase option plan which allows the Company to reserve up to 10% of the issued and outstanding common shares of the Company for granting share purchase options. On August 13, 2007, the plan was approved by the TSX Venture Exchange. The Company has granted 1,020,000 share purchase options to directors, officers and employees, exercisable at $0.60 per share for a period of five years under this plan of which 225,000 were granted during the three months ended June 30, 2008.

Prospective Financing of Subsidiary. Subject to approval of the TSX Venture Exchange, on November 7, 2007 the Company and its wholly-owned Indian subsidiary, Adi Gold Mining Pvt. Ltd. ("Adi"), engaged Ernst & Young Pvt. Ltd., of Gurgaon, India, to advise and assist in assembling up to $10 million of financing for its Askot project. Askot is held as to 100 per cent by Adi.

The engagement will be for a placement of a minority interest in Adi with one or more India investment funds based in India or the Middle East. The Company expects the placement to be at a premium to the valuation that the market is putting on Askot based on the Company's recent market capitalization. No transaction has been undertaken at the date of this MD&A. The transaction visualized would not involve placements of Pebble Creek Mining Ltd. shares, but would dilute the interest of the current shareholders in the Askot project.

The funds are expected to be used for additional drilling and a feasibility study on the Askot property. The placement will be subject to a shareholders' agreement entitling Adi shareholders to subscribe to further shares in order to maintain their relative interests in the Askot project.

Third Subsidiary Formed

On January 8, 2008 two directors of the Company, following Indian law, incorporated an Indian company, Narsinghpur Gold Mining Private Limited ("NGM"). The directors expect to transfer all the outstanding shares of NGM, at cost, to Pebble Creek Mining Ltd. The Company expects to use NGM as a vehicle for certain property acquisitions.

CONTRACTUAL OBLIGATIONS

The Company has entered into premises leases in Vancouver and New Delhi which require minimum annual payments of $201,000 to August 2009 and $166, 000 to August 2011.

OFF BALANCE SHEET OBLIGATIONS

The Company has not entered into any off-balance sheet obligations other than the leases for premises reported above.

RELATED PARTY TRANSACTIONS

The Company's policy is that all transactions with related parties must be on terms comparable to terms available in arms-length transactions.

During the three months ended June 30, 2008, the Company paid $9,964 (2007 - $22,904) for legal services and share issue costs to a law firm of which the Company's corporate secretary is a partner. The legal services were rendered in connection with the proposed financing and general corporate affairs.

The Company also paid management, accounting, and consulting fees of $65,400, included in general and administrative expenses, and geological and engineering fees of $15,600, included in mineral property acquisition costs, to directors and officers during the three months ended June 30, 2008 (2007 - $47,400 and $32,600, respectively).

EXPLORATION PROGRESS AND RESULTS

Askot Property, Uttarakhand, India

More than 90 percent of the Company's managerial and technical effort was and continues to be directed to the Askot project, a program of advanced exploration of a massive sulphide deposit of copper and zinc that also contains significant silver, lead and gold.

Mineral Title and Permits. The Company has the distinction of being the first foreign company in many decades to receive approval of a Mining Lease ("ML") application in the non-ferrous metals sector by the Ministry of Mines of the Government of India.

The ML was approved on September 26, 2007 and forwarded to the state of Uttarakhand government for granting.

On December 26, 2007 the Secretary of Industry, Government of Uttarakhand ("UA") sent the Company a formal Letter of Intent ("LOI") that it intended to grant the ML. The LOI also directed the state government survey agency to survey the boundary of the 386 Hectare ML and the Company to submit a Mining Plan to the Indian Bureau of Mines. Those tasks were completed immediately after March 31, 2008. The Company also obtained a "No Objection" certificate from the state's Pollution Control Board, which had rejected the certificate a year earlier as fallout from an election and change of government.

In June 2008 the Company obtained two additional required certificates from the District Magistrate ("DM") and submitted them to the state government: A "Good Character" Certificate and a "No Dues" Certificate (meaning no police record and no taxes owing).

Remaining elements to be satisfied before the final granting and execution of the Mining Lease are as follows:

- Final approval of Mining Plan by Indian Bureau of Mines (IBM), Northern District, Ajmer, Rajasthan. It has been cleared by the branch office in Dehradun. Following that, two clearances can be done simultaneously, each before a different branch of the Ministry of Environment and Forests (MoEF):
    1. Environmental Clearance
    2. Forest Clearance
- Two minor prerequisites for the two MoEF clearances (above) are that the Chief Game Warden, DM and others sign off on a map showing that our ML area is outside the Askot Game Sanctuary and that the same persons endorse a list of the fauna known in the region.

In addition the Company has an active Reconnaissance Permit ("RP") application on 200 square kilometres surrounding the 3.86-square-kilometre ML application. The Company intends to explore this area for outlying prospects similar to the known Askot deposit. The RP application is nearing its final stages of technical review by the District office of the state government.

Community Relations. During the year the Company employed an average of 60 local persons, some in skilled office and technical positions. In addition, the Company's drilling contractor employed and trained at least a dozen more local people. There is little opportunity for employment in the Askot area. Local people cannot find work without leaving the area. The Company has a pay scale that is generous, without upsetting local sensitivities, and not exploitive; and a hiring protocol that spreads the available jobs fairly throughout the community.

The Company has a policy of sourcing goods and services locally and within the region as much as possible. The Company has taken part in and supported community activities and festivals. The Company's relations with the Askot and regional community are excellent.

The Company is currently planting more then 1,000 tree seedlings within the Askot mining lease area in cooperation with the State Forest Department and local schools. This has been covered favorably in the local press.

Drilling. In August 2006 the Company started a program to confirm results of holes drilled 20 to 40 years ago. In December 2006 the Company released the contractor for poor performance after drilling 1,137 metres in total. In all, three holes were started and lost before reaching planned total depth; one of these was lost short of the main target.

In June 2007 the Company resumed the program with another contractor. The 2007 phase drilled 14 holes for a total of 3,505 metres before the drill was released in mid-December 2007.

Most of the 17 holes were twins of holes drilled 20 to 40 years ago or fill-ins between those holes. The previous holes were drilled by three public agencies: the Geological Survey of India, the United Nations Development Programme, and the Uttar Pradesh Directorate of Geology and Mining. That work was done before Canada's National Instrument 43-101 was instituted.

The Company suspended drilling for two reasons:

- It had met its objective of twinning a number of previously drilled holes; and
- Additional drilling requires a smaller, lighter drill that can be moved around the steep mountainous terrain more easily and without cutting up the ecologically sensitive steep mountain slopes with roads that may never be used again.

In general the twinned holes corroborate the old holes. Where results diverge between twinned and old drill holes, the explanations are poor core recovery in the old drill holes, lack of surface and down-hole survey control by prior workers, and omission of gold and silver assays by prior workers.

As presently known the Askot deposit, which strikes northwest and dips steeply northeast, is open at depth and along strike to the northwest. The strata that host the deposit have a total northwest-southeast length of more than 2,000 metres. At the southeast end the strata fold to the south and then west and continue west for another 1,000 metres.

The following sections describe work to set up future drilling: Down-dip from underground stations; and to the northwest and southeast, prioritized on the basis of geophysical and geochemical anomalies.

Tunnel and Underground Drill Stations. The underground crew has driven a total of 263 metres of 2m X 2m crosscut into the hanging wall for drill stations. One station is installed and another is in progress. A number of stations will be installed, spaced 75 to 100 metres apart in a line parallel to the mineralization.

The new headings are well supported with rock bolts, timbers, steel and concrete where needed. Rails, air line and ventilation pipe are installed. The supervisors emphasize safe practices and continually hold safety workshops.

Geophysical Survey. As previously reported the Company conducted a geophysical survey in 2006 comprised of 88 line-kilometers of magnetic survey on 50-metre line spacings and 27 line-kilometers of Max-Min Horizontal Loop Electromagnetic survey (“EM”). The area covered was 4.4 square kilometers of magnetics and 2.7 square kilometers of EM.

The magnetic belts were resurveyed with EM, which discovered seven significant anomalies – electrical conductors – at shallow depths and at distances of 500 metres to 2,000 metres along strike southeast and 600 metres northwest from the known 550 metres of strike length of the mineralization at Askot.

Soil Geochemical Survey. The Company conducted a geochemical survey of soils in the last quarter of 2007 on four grid areas covering the most significant EM anomalies. The grid lines are 50 metres apart and sample spacing is 25 metres. Approximately 500 samples were collected and analyzed. The “C” horizon, inorganic soil, was sampled.

The purpose was to seek geochemical confirmation of the EM anomalies and to establish priorities for drilling them.

Northwest of the Askot deposit, soil sample results confirmed two EM anomalies along strike and at distances of 300 and 500 metres from the open edge of the known mineralization. The soils are anomalous in two clusters around and down slope from the EM anomalies and have values between 300 and 1,400 parts-per-million copper, 300-1,200 ppm zinc, 150-900 ppm lead and up to 20 parts-per-billion gold.

The other EM anomalies are also moderately anomalous in metal content of soils.

Expenditures to Date. During the quarter a total of $309,516 was spent on the Askot project, to bring the total to date to $4,485,195. The indirect costs were related to drilling: geology, travel, assays, office costs and salaries.

The direct cost of drilling works out to CDN $303 per metre, as against an average "footage" component equivalent to US $120 per metre. The difference was due to difficult drilling, high cementing and reaming time, difficult moves between holes during the monsoon rains, materials lost in holes, and a 38% import duty on all drilling equipment and supplies.

Plans and Milestones. The Technical Report by Paul M. Boswell, BSc, FIMMM, CEng, dated November 7, 2006, endorsed a Stage I and II program at a total cost of $1,682,000. The Company has modified the recommended program and essentially completed it, although at higher cost than estimated.

On August 12, 2008 the Company announced that it had received an independent mineral resource estimate on its Askot property from SRK Consulting (India) Pvt. Ltd. ("SRK"). The estimate identified five metals of economic significance on the property and was prepared using a cut-off grade of US$100 net smelter return ("NSR"), considering the likely underground mining extraction scenario and metal prices and recovery assumptions reported below.

The mineral resources are reported in accordance with Canadian Securities Administrators' National Instrument 43-101 and have been estimated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserve. The mineral resource statement is presented in Table 1.

Table 1. Mineral Resource Statement* Askot Polymetallic Sulphide Deposit, India, SRK Consulting, August 10, 2008.

Category	**Quantity**			**Grade**		
	(Tonnes)	**Cu (%)**	**Zn (%)**	**Pb (%)**	**Au (gpt)**	**Ag (gpt)**
Indicated	1,860,000	2.62	5.80	3.83	38	0.48
Inferred	149,000	1.70	4.56	1.89	29	0.44

- Reported at a net smelter return cut-off of US$100 per tonne based on metal prices of US$2.00 per pound of copper, US$0.65 per pound of lead, US$0.90 per pound of zinc, US$15.00 per ounce of silver and US$900 per ounce of gold and metallurgical recoveries of 85%, 78%, 76%, 60% and 60%, respectively. Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates.

The mineral resources have been estimated using a block modelling approach constrained by three dimensional wireframes. SRK modelled one sulphide-rich zone using information from 74 core boreholes (13,900 metres) and underground chip sampling and mapping information. Assay data were composited to equal 1-meter length and after analysis SRK found it not necessary to cap composite. Copper, lead, zinc, silver and gold grades were estimated into a partial block model in Surpac using an inverse distance squared algorithm with a spherical search neighbourhood defined using variography. Two estimation runs were completed at full variogram and double the variogram ranges.

Mineral resources were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (December 2005) into Indicated and Inferred Mineral Resources on the basis of distance from the nearest informing composite and based on variography. All blocks located within 60 metres from the nearest composite and inside the modelled sulphide wireframe were classified as Indicated. Other blocks located within the modelled wireframes and located within 120 metres from the nearest composite were classified as Inferred.

The mineral resources for the Askot polymetallic sulphide deposit are not very sensitive to the selection of the cut-off grade. Table 2 presents the global quantities and metal grades at various US$NSR cut-off. The reader is cautioned that these figures should not be misconstrued as a mineral resource. The reported quantities and grades are only presented as a sensitivity of the resource model to the selection of cut-off grade.

Table 2. Global Block Model Quantity and Grade Estimates* at Various US$ NSR Cut-off Grades, Askot Polymetallic Sulphide Deposit.

Cut-off	Quantity			Grades		
NSR (US$)	(MTns)	Cu (%)	Zn (%)	Pb (%)	Ag (gpt)	Au (gpt)
Indicated						
80	1.90	2.59	5.72	3.78	36	0.47
100	1.86	2.62	5.80	3.83	36	0.48
120	1.72	2.72	6.06	3.99	38	0.49
140	1.62	2.80	6.29	4.10	39	0.49
Inferred						
80	0.18	1.56	4.18	1.79	25	0.42
100	0.15	1.70	4.56	1.89	29	0.44
120	0.12	1.83	5.00	1.93	33	0.47
140	0.09	1.99	5.39	2.04	34	0.47

* The reader is cautioned that the figures presented in this table should not be misconstrued as mineral resource statements. The reported quantities and grades are only presented as a sensitivity of the resource model to the selection of cut-off grade

The Company had previously announced that geophysical and soil geochemical studies have found anomalies along 3,000 metres of strike length beyond the known deposit, and that it is characteristic of volcanogenic massive sulphide deposits to occur as multiple lenses.

Mr. Souvik B Banerjee and Dr. Jean-Francois Couture have visited the property and reviewed the content of this news release. By virtue of his education and relevant experience, Dr. Couture, P. Geo (APGO#0197), is an independent qualified person for the purpose of National Instrument 43-101. An NI 43-101 technical report detailing the mineral resource estimate will be filed within 45 days of this release.

Work on the project is proceeding and a renewed drilling program is planned for the fall, after the summer monsoon rains. As soon as suitable drills and drillers become available in India, or can be brought into India, the Company plans to drill from underground stations and from the surface. Each program will be designed to seek extensions of the known mineral deposit.

Possible Claim for 11% Carried Interest in Askot. In April 2008 the government-owned Uttar Pradesh State Mineral Development Corporation (UPSMDC) reopened a question the Company had thought closed for the past five years. The UPSMDC demanded that the Company convey it 11% carried interest in the Askot project.

The Company's Filing Statement of December 20, 2006 disclosed a risk that the Government of Uttaranchal (now Uttarakhand) might have a claim on an 11% carried interest in the Askot project. This arose from a Memorandum of Understanding (MOU) executed between the Company and UPSMDC in 1997, long before the state of Uttaranchal was formed from part of Uttar Pradesh on November 9, 2000. UPSMDC had certain obligations under the MOU in return for its proposed 11% carried interest.

After formation of Uttaranchal, Askot was located in the new state. Both the Company and UPSMDC believed that whatever benefits and obligations that would accrue to UPSMDC under the MOU would transfer to Uttaranchal through its government-owned development company.

Officers of the Company and UPSMDC jointly met with the Uttaranchal government and its government-owned development corporation on December 6, 2003. Uttaranchal rejected any interest or other involvement in the Askot project. That rejection, along with two separate legal opinions obtained by the Company stating that the MOU gave no other party any rights, caused the Company to believe that the matter was closed. In addition, UPSMDC never performed any of its duties as described in the MOU.

However on April 24, 2008, UPSMDC wrote to the Company demanding that the Company follow up the MOU with a formal agreement granting UPSMDC an 11% carried interest in the Askot project.

The Company has engaged legal counsel and responded to the demand, citing the "UP Reorganization Act, 2000" and other legal arguments, and believes that this demand has no merit.

Gadarwara Property, Madhya Pradesh, India

Mineral Title and Permits. The Reconnaissance Permit ("RP") on Gadarwara expired on December 24, 2007. The Company, as the RP holder, has the preferential right to apply for a Prospecting Licence ("PL") within a reasonable period after expiry. The Company duly applied on December 27, 2007 for a

PL on 69.8 square kilometres covering the 50-square-km magnetic anomaly. The Company's RP application for net 3,884 square kilometres surrounding the PL application is still pending.

Work Performed and Findings. During the period August 24 through November 24 the Company drilled 1,639 metres in four holes, the first two of which were lost in overburden. The program established that the thickness of the overburden is 300 metres, plus or minus 12 metres, and that the cause of the magnetic anomaly is a banded iron formation ("BIF").

The formation consists of thinly layered jasper, hematite, quartzite, magnetite, carbonate and metatuff. Traces of pyrite, pyrrhotite and chalcopyrite are present. Jarosite (iron sulphate) and goethite (iron oxide) are prominent as oxidized products of the hematite and magnetite. The layers dip 40 to 50 degrees to the north and some are tightly folded. Geologists experienced in the region consider the formation to be Mahakoshal of early Proterozoic age.

Of the 441 metres of bedrock cored in two holes, the iron content ranges from a few percent to 57%. Copper and gold are at subcommercial levels.

Plans. The Company will reexamine the potential for commercial grade gold in the Gadarwara BIF once the PL is granted.

Expenditures on Gadarwara. Between April 1, 2007 and March 31, 2008 the Company spent $418,338 on Gadarwara, of which $386,298 was paid to the drilling contractor. The total spent as of March 31, 2008 is $509,791.

During the quarter ended June 30, 2008, the Company expended $35,102 on drilling on the property and immediately wrote off these expenditures. In total, the Company has written off $544,893, being the net costs of both Gadarwara Prospect and Gadarwara Extension incurred to June 30, 2008. Adi has no right to conduct exploration on either application at the present time, but intends to pursue exploration of both RP and PL at such time as the state may grant them.

Banda Prospect, Uttar Pradesh, India

Hirakund Diamond Exploration Pvt. Ltd. executed a Reconnaissance Permit in May 2006 on a 2,012 square km tract (measured by the government as 2,190 square km) in the Banda District of Uttar Pradesh.

The Company entered into an agreement with De Beers India Private Limited ("DBIPL") on November 6, 2006 pursuant to which De Beers could earn an 85% interest in the Banda prospect in return for managing and funding work on the prospect. De Beers terminated the agreement on September 24, 2007 after conducting indicator mineral studies.

In mid-2007 the Company engaged an independent geologist from South Africa to examine the prospect and review the data. The geologist reported that the level of erosion was so deep that if any kimberlite-type pipes had existed there, they might be worn down to narrow root zones of little commercial interest.

The Company plans to hold the prospect for the remainder of the three-year term and will conduct further exploration if results of work done on adjacent properties by other companies are successful.

Acquisition and exploration expenditures on this prospect by the Company during the quarter ended June 30, 2008 amounted to $125,and the total expenditures on the property to that date were $56,230.

Reconnaissance Permit Applications

The Company has filed 17 Reconnaissance Permit ("RP") applications covering 23,000 square kilometres in five states. Three of these are contiguous with Askot, Gadarwara and Banda. Target commodities in the others are oxide and sulfide copper, gold, zinc, silver, lead, diamonds and potash.

The total spent on scouting, outside exploration and acquisitions to date is $34,502. The amount spent during the quarter ended June 30, 2008 was $2,538.

Qualified Persons

Andrew E. Nevin, P.Eng., a qualified person under NI 43-101, supervised work at Askot, and jointly with Gyan C. Singhai, P.Eng., also a qualified person under NI 43-101, supervised work at Gadarwara, Banda and elsewhere. Each has read and approved the technical information in this MD&A.

Factors and Trends Affecting the Company's Projects

Adverse Factors. Some of these are well-known phenomena of our times; others are particular to mineral development in India:

- Shortage of skilled people, equipment and contracting capacity worldwide, especially in the mineral and heavy construction businesses.
- While Askot's probable products of copper, zinc, silver, lead and gold are trading at peak prices, the other side of that coin is that prices of steel goods, fuels, lubricants and other commodities have also increased to levels higher than the Company foresaw one or two years ago.
- The North American and European fallout from the sub-prime credit crisis has made conventional equity financing of advanced exploration difficult.
- Tariffs in India of 38% on imported drills, ancillary equipment, spare parts, and including drilling muds, chemicals and down-hole additives. Indian-made drill pipe and bits are inferior and do not stand up to performance-oriented drilling. Even drilling muds and special polymers to handle loose and caving rock have to be imported from Australia.
- The Indian bureaucracy is obsessive about the "process" irrespective of the end result. And it is infamous for vetting permits and licences at a snail's pace. Coping with those practices requires considerable management and staff time and effort. Of the applications the Company has filed for mineral rights cited above, most were filed in 2004, 2005 or 2006. Only four were filed less than one year ago.
- Corruption is endemic within the Indian government system as well. It requires footwork to sidestep numerous overt and implied requests for illegal payments.

Positive Factors. The Company and its competitors in India believe that positive factors outweigh the negative:

- Prices of the Company's potential metal products are at secular all-time highs.
- For twelve years the Company has been active in India, but only 18 months ago it established a substantial beachhead in India with senior officers resident there. This is truly important – to become a full partner in the Indian business and mining culture.
- India remains one of the least explored countries in the world and its non-ferrous metal mining capacity is the weakest of any society living on a mineral-rich Precambrian Shield.
- India is a heavily industrialized country that manufactures nearly every component needed for a modern mine, some at lower cost than in the West.
- It has a well educated, highly intelligent professional work force.
- It has a hard working and low-cost labor force.
- It has a modern business and commercial infrastructure – banks, insurance companies, transportation network and so on.
- India's laws are written; written in English; and copies are widely distributed.
- India's court system is mature and seasoned – unlike some other Asian and Africa countries – and it has a large body of case law.
- India is a pluralistic society and the world's most populous democracy; it is unlikely to suffer from a catastrophic regime change.
- India has libraries and collections of geologic and geophysical data that form the basis for exploration decisions; geologic work has been carried out with British-type discipline, both in colonial days and since Independence in 1947.
- The central government of India is pushing as hard as politically possible to improve the exploration regime for all participants, and in particular to attract foreign investment into the mineral exploration, development and mining sectors. The now Mining Policy in preparation for three years has been approved by the Indian Cabinet and is awaiting passage by Parliament.

Outlook

The Company requires additional capital to pursue development of the Askot project and to pursue its larger goals in India. The Company is confident that such capital will be assembled in a timely manner, if not from Canada and Europe, from institutional investors based in Asia and the Middle East.

ADDITONAL INFORMATION

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions about future events that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant accounting estimates used in the preparation of the Company's financial statements are:

Fair value of options and warrants

The Company has estimated the fair value of options, warrants and broker options using the Black-Scholes option pricing model. The following weighted-average assumptions were used:

Average risk-free interest rate	4.53%
Expected share price volatility	132.97%
Expected average period until exercise	5 years
Expected dividend yield	$nil

Carrying value of mineral property interests

The amounts shown for mineral property interests represent acquisition, holding and exploration costs, and do not necessarily represent present or future recoverable values. The recoverability of these amounts is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain the necessary financing to successfully complete their development and to meet the requirements, from time to time, of lenders, including shareholders, who are providing this financing and upon future profitable production.

The Company reviews the carrying values of its mineral property interests whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and undiscounted net cash flows. An impairment loss is recognized when the carrying value of those assets exceeds their fair value.

Carrying value of other capital assets

The Company reviews the carrying values of its other capital assets whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and undiscounted net cash flows. An impairment loss is recognized when the carrying value of those assets exceeds their fair value.

Asset retirement obligations

The Company recognizes liabilities for statutory, contractual or legal obligations associated with the reclamation of mineral properties, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding asset retirement cost is added to the carrying amount of the related asset and the cost is amortized as an expense over the economic life of the asset using either the unit-of-production method or the straight-line method, as appropriate. Following the initial recognition of the asset retirement obligation, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the amount or timing of the underlying cash flows needed to settle the obligation.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company has adopted the recommendations of Sections 3855 and 1530 of the CICA Handbook on financial instruments and comprehensive income during the fiscal year ended March 31, 2008. Canadian generally accepted accounting principles require the Company to report comprehensive income separately in interim and annual financial statements commencing on or after October 1, 2006. Comprehensive income is defined as the change in equity (net assets) of an enterprise during a period from transactions and other events and circumstances from non-owner sources. Examples of items reported in a statement of comprehensive income would be changes in the market value of available for sale assets of a company, foreign exchange adjustments relating to self sustaining operations of a subsidiary company with transactions denominated in another currency and the changes in fair values of a company's effective cash flow hedging instruments.

Other accounting pronouncements issued by the CICA and which the Company intends to evaluate and, if required, adopt in the preparation of its future financial statements are:

Capital disclosures

In December 2006, the CICA issued Section 1535 of the CICA Handbook, Capital Disclosures, which applies to fiscal years beginning on or after October 1, 2007. This section establishes standards for disclosing information about an entity's capital and how it is managed. The Company has implemented these disclosures during the first quarter of 2008.

Goodwill and intangible assets

In February 2008, the CICA issued Section 3064, Goodwill and Intangible Assets, replacing Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. The new pronouncement establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. This section is effective in the first quarter of 2009. The adoption of this section is not currently expected to affect the Company.

Business combinations

The proposed amended recommendations of the CICA for accounting for business combinations will apply to the Company's business combinations, if any, with an acquisition date subsequent to the effective date. Whether the Company would be materially affected by the proposed amended recommendations would depend upon the specific facts of the business combinations, if any. Generally, the proposed recommendations will shift from a parent company conceptual view of consolidation theory (which results in the parent company recording the book values attributable to non-controlling interests) to an entity conceptual view (which results in the parent company recording the fair values attributable to non-controlling interests). Adoption of this section is not expected to affect the Company.

Convergence with International Financial Reporting Standards

In 2006, Canada's Accounting Standards Board ratified a strategic plan that will result in Canadian GAAP, as used by public companies, evolving and being converged with International Financial Reporting Standards (IFRS) over a transitional period currently expected to be complete by 2011. The International Accounting Standards Board currently has projects underway that should result in new pronouncements.

This Canadian convergence initiative is very much in its infancy as of the date of these statements. Consequently the Company has not yet assessed the impact of the ultimate adoption of IFRS on the Company.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments include cash and equivalents, accounts receivable, accounts payable, and payable to directors. They are measured at amortized cost which, as at the end of the fiscal year, approximated their fair values.

The Company incurs certain of its expenses in currencies other than the Canadian dollar. As such, the Company is subject to foreign exchange risk as a result of fluctuations in exchange rates.

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents. To reduce credit risk, cash and cash equivalents are on deposit at major financial institutions.

The Company's financial instruments may include bankers' acceptances and treasury bills. These instruments bear a fixed rate of interest and a fixed maturity date. If the Company is required to liquidate them prior to the maturity date, there is a risk that interest rates will have increased such that the market value of the instrument is less than the expected value.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's Chief Financial Officer and Chief Executive Officer (the "Certifying Officers") are responsible for establishing and maintaining disclosure controls and procedures ("the Procedures") which provide reasonable assurance that information required to be disclosed by the Company under provincial or territorial securities legislation (the "Required Filings") is reported within the time periods specified. Without limitation, the Procedures are designed to ensure that material information relating to the Company is accumulated and communicated to management, including its Certifying Officers, as appropriate to allow for timely decisions regarding the Required Filings.

The Company's Certifying Officers are also responsible for establishing and maintaining internal controls over financial reporting ("Internal Controls") and have designed such Internal Controls, or caused it to be designed under their supervision, which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP.

During the three months ended June 30, 2008 there were inherent weaknesses in the Company's internal controls which are typical of small companies, which have a limited ability to segregate incompatible functions. The Company expects to remedy these weaknesses by expanding the number of individuals involved in the accounting function as it grows. Effective disclosure controls were achieved, despite the inherent weaknesses in internal control over financial reporting, because of the President and Chief Executive Officer's direct involvement in the disclosure controls and procedures process.

The Certifying Officers evaluate the Company's Internal Controls on a regular basis throughout the year and have certified that there were no changes in the Company's Internal Controls during the Company's most recent interim period that materially affected, or is reasonably likely to materially affect, the Company's Internal Controls.

RISKS AND UNCERTAINTIES

Country Risk. The principal business of the Company is in the exploration and development of mineral properties in India. The Company is subject to the political risks and bureaucratic delays that might transpire.

Exchange Rates. The Company incurs costs and expenses in foreign currencies other than Canadian dollars. The exchange rates covering such currencies, including the U.S. dollar and the Indian rupee, are subject to fluctuations which give rise to foreign currency exposure, either favorable or unfavorable. The Company does not hedge any currencies against others.

Exploration Risk. Exploration for minerals and development of mining operations involve many risks, many of which are outside the company's control. In addition to the normal risks of exploration and mining, the Askot project is in a remote location that lacks certain elements of infrastructure.

The Company has no mineral resource with a National Instrument 43-101 compliant estimate. It will take time and money to develop such, and even then commercial production may not be feasible.

Permits and Clearances. The Company requires several permits to perform exploration activities and, as noted above, to enter into commercial production. These are granted by various departments of state and central government. Some departments are ambivalent about mining. There may be delays in acquiring the necessary permits that would be detrimental to the Company's operations.

APPROVAL

The Board of Directors of Pebble Creek Mining Ltd. has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it and can be obtained, along with additional information, on the SEDAR website at www.sedar.com.