Pebble Creek Mining Ltd.

Management Discussion and Analysis of Financial Conditions and Results of Operations
Six Months ended September 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 six months ended September 30, 2008, with comparisons for the six months ended September 30, 2007 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 November 19, 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

	Sept 30, 2008	**June 30, 2008**	**Mar 31, 2008**	**Dec 31, 2007**	**Sept 30, 2007**	**June 30, 2007**	**Mar 31, 2007**	**Dec 31, 2006**
Interest Income	$ 2,117	$ 6,514	$ 17,451	$ 4,529	$ 5,233	$ 9,330	$ 6,862	$ 14,803
Net Loss	$ (581,646)	$ (252,816)	$ (811,350)	$ (156,108)	$ (367,125)	$ (220,116)	$ (321,546)	$ (68,900)
Basic & Diluted (Loss) Per Share	$ (0.02)	$ (0.01)	$ (0.03)	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.02)	$ (0.00)
Basic & Diluted Weighted Average Shares	29,171,219	29,171,219	29,171,219	24,871,980	23,697,384	20,342,020	20,032,375	17,010,721

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. The increase in loss in the third quarter of calendar 2008 is due mainly to share-based compensation expense of 353,373 incurred for the issue of stock options to employees, directors, officers, and consultants. The relative increases in the losses in both of the March 31 quarters were due in part to lagging overhead and indirect costs that resulted from drilling campaigns carried out in the second halves of calendar 2006 and 2007.

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

The Company incurred general and administrative expenses of $807,098 during the six months ended September 30, 2008 (2007 - $601,804). Significant general and administrative expenses incurred by the Company during the six months ended September 30, 2008, compared to the six months ended September 30, 2007, were as follows:

- corporate development costs of $20,178 (2007 - $27,783, decreased)
- foreign exchange costs of $46,663 (2007 - $18,167, more than doubled)
- insurance costs of $9,267 (2007 - $8,722, little changed)
- management fees of $132,260 (2007 - $114,600, increased)
- office expenses of $11,435 (2007 - $11,901, little changed)
- legal and audit fees of $74,995 (2007 - $32,278, increased)
- rent of $23,594 (2007 - $22,854, little changed)
- salaries of $34,936 (2007 - $36,238, little changed)
- share compensation costs of $357,739 (2007 - $192,498, increased significantly)
- shareholder costs of $72,365 (2007 - $65,875, increased)
- travel of $12,848 (2007 - $54,029, decreased significantly)
- telephone costs of $7,485 (2007 - $11,892, decreased slightly).

During the six months ended September 30, 2008, acquisition and lobbying, exploration, drilling and underground development costs at Askot were $479,872 (2007 - $564,847).

The Company also spent $35,995, composed of drilling and associated costs, on the Gadarwara property during the six months ended September 30, 2008 (2007 - $4,670). The Company wrote down the accumulated costs of $545,786 it had incurred on the Gadarwara property to September 30, 2008 as it does not expect any potential future benefits from these expenditures at this time.

Furniture, equipment, computers and vehicles costing $5,206 were purchased during the six months ended September 30, 2008 (2007 - $78,805). All of that increase was incurred directly or indirectly to support the Askot project.

Other significant costs incurred during the six months ended September 30, 2008 included share compensation costs of $357,739 (2007 – $192,498), 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 4 to the consolidated financial statements.

Total assets decreased by $376,431 during the six months ended September 30, 2008 compared to an increase of $764,464 during the six months ended September 30, 2007. Of the total assets, $387,806 is represented by current assets, $4,751,051 is invested in the Company's mineral properties and $188,164 is capital equipment.

At September 30, 2008, the Company had cash of $231,279 (2007 - $756,253) and working capital of $186,539 (2007 - $879,998).

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, consistent)
- insurance costs of $14,389 (2007 - $1,773, increased coverage)
- management fees of $210,960 (2007 - $179,500, consistent with increased activity)
- office expenses of $33,465 (2007 - $54,264, decreased slightly)
- legal and audit fees of $89,902 (2007 - $84,451, consistent)
- rent of $46,608 (2007 - $27,563, increased space in India)
- salaries of $76,978 (2007 - $19,367, increased staff in India)
- share compensation costs of $297,563 (2007 - $nil, substantial increase)
- shareholder costs of $51,083 (2007 - $17,344, increased costs of reporting to shareholders)
- travel of $145,963 (2007 - $114,327, increased)
- telephone costs of $23,056 (2007 - $11,815, increased).

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 September 30, 2008 amounted to, respectively, $231,279 and $186,539, 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.

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, which is held by Adi.

The engagement will be for a placement of a minority interest in Adi with one or more investment funds based in India or in the Middle East. No transaction has been undertaken at the date of this MD&A, but should a transaction of this mature be completed, it would dilute the interest of the current shareholders in the Askot project. The transaction is expected to include a shareholders' agreement entitling Adi shareholders to subscribe to further shares in order to maintain their relative interests in the Askot project. The funds raised are expected to be used for additional drilling and a feasibility study on the Askot property.

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.

On November 12, 2008 the Company commenced a non-brokered private placement of up to 6,000,000 common shares of the Company at a price of $0.065 per common share for gross proceeds of up to $390,000. Certain directors of the Company intend to participate in this private placement. The Company may pay to certain finders a cash fee of up to 8% of the gross proceeds from arms length purchasers of the private placement.

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

Options and Warrants

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

Options

	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
Options	1,890,000	$0.24	August 12, 2013	August 12, 2008
	2,910,000			

Warrants

Number of Shares	Price Per Share	Expiry Date	Date Granted or Issued
1,653,300	$0.65	June 22, 2009[1]	June 22, 2007
1,653,300	$1.00	June 22, 2009	June 22, 2007
2,635,000	$0.75	December 14, 2009[2]	December 14, 2007
2,635,000	$1.50	December 14, 2009	December 14, 2007
8,576,600			

[1] 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

[2] 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

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 during the six months ended September 30, 2008.

Shares Held in Escrow. During the six months ended September 30, 2008, an additional 354,431 shares were released from escrow. On September 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 2,910,000 share purchase options to directors, officers and employees, exercisable at $0.60 and $0.24 per share for a period of five years under this plan of which 2,115,000 were granted during the six months ended September 30, 2008.

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 six months ended September 30, 2008, the Company paid $26,535 (2007 - $55,873) 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 or accrued management, accounting, and consulting fees of $132,260, included in general and administrative expenses, and geological and engineering fees of $30,740, included in mineral property acquisition costs, to directors and officers during the three months ended June 30, 2008 (2007 - $114,600 and $47,400, 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 shortly thereafter. 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).

On September 2, 2008 the Indian Bureau of Mines approved the Company's Mining Plan. In October and November the regional and state game wardens verified and signed the Company's regional fauna inventory and map showing that the Mining Lease area is outside the Askot Game Sanctuary. The Company submitted its Environmental Impact Assessment to the Ministry of Environment and Forests and began a program to inventory trees to be removed for its proposed surface facilities for the Askot underground mine.

In addition to the Mining Lease the Company has an active Reconnaissance Permit ("RP") application on 200 square kilometres surrounding that area. 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 state government.

Drilling. During the period August 2006 to December 2007 the Company drilled 4,642 metres in 17 core holes to confirm results of a "sample" of 57 holes (total 9,258 metres) drilled 20 to 40 years ago.

Most of the 17 holes were "twins" of the previous holes 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.

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.

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 modified the recommended program as work unfolded and completed it, although at higher cost than estimated.

On August 12, 2008 the Company 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 Polymetalic 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 modeling approach constrained by three dimensional wireframes. SRK modeled 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 modeled sulphide wireframe were classified as Indicated. Other blocks located within the modeled wireframes and located within 120 metres from the nearest composite were classified as Inferred.

The mineral resources for the Askot polymetalic 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 Polymetalic Sulphide Deposit.

Cut-off NSR (US$)	Quantity (MTns)	Grades 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 the 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.

Both the initial news release and the final Technical Report are available on the Company's web site at www.pebcreek.com and www.sedar.com.

Plans. Work on the project is proceeding and a renewed drilling program is being planned from both surface and underground drill platforms. The Company proposes to drill several geophysical and geochemical anomalies from the surface and to drill deeper from underground sites. Two sites are completed and several more are planned. Each program will be designed to seek extensions of the known mineral deposit.

Community Relations. During the year the Company employed an average of 60 local persons, some in skilled office and technical positions. 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.

Recently the Company financed the planting of more then 1,000 tree seedlings in the Askot area in cooperation with the State Forest Department and local schools. This was covered favorably in the local press.

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.

Expenditures to Date. During the six months a total of $479,872 was spent on the Askot project, to bring the total to date to $4,655,551. The costs were related to drilling: geology, travel, assays, office costs and salaries.

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, had 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 had previously applied for a second RP of net 3,884 square kilometres surrounding the first. The name for this is Gadarwara Extension. That 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 on the main Gadarwara property. The first two holes were lost in overburden. The program established that the thickness of the overburden is 300 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 six months ended September 30, 2008, late invoices and minor costs associated with the PL application cost another $35,995, which the Company also wrote off. In total, the Company wrote off $545,786, being the net costs of both Gadarwara Prospect and Gadarwara Extension incurred to September 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 six months ended September 30, 2008 amounted to $68, and the total expenditures on the property to that date were $56,298.

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 $39,202. The amount spent during the six months ended September 30, 2008 was $4,700.

Qualified Persons

Andrew E. Nevin, Ph.D., P.Eng., a qualified person under NI 43-101, supervised work at Askot, and jointly with Gyan C. Singhai, M.Sc., 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:

- The global fallout from the credit crisis has made conventional equity financing of advanced exploration difficult.
- 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 have traded at peak prices and are expected to rebound from their present lows, 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.
- 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 seven were filed less than one year ago.
- Corruption is endemic within the Indian government system as well, which is reported and criticized sternly in India's press. 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:

- For twelve years the Company has been active in India, but only 21 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 New Mining Policy in preparation for three years has been approved by the Indian Cabinet. Informed observers believe it will be enacted into law sometime after the anticipated national election in the spring of 2009.

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.

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	3.08%
Expected share price volatility	124.50%
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:

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 six months ended September 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.