

Q-GOLD RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**INTERIM REPORT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008
DATED DECEMBER 1, 2008**

GENERAL

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited Consolidated Financial Statements for the nine months ended September 30, 2008 (the "Financial Statements") of Q-Gold Resources Ltd. ("Q-Gold" or the "Company") and the notes thereto.

This MD&A was prepared in conformity with National Instrument 51-102F1 and has been approved by the Company's Board of Directors prior to release. Under this Instrument, the Company is defined as a "Venture Issuer".

OVERALL PERFORMANCE

CANADA

The Company is currently conducting exploration for precious and base metals and platinum group elements (PGE's) on 32,585 acres in the historic Gold Camp at Mine Centre, Ontario. In addition to the Mine Centre properties, the Company also owns rights to an additional 4,796 acres in the Rainy River greenstone belt of Northwest Ontario (collectively referred to as the "Canadian Properties"). The Canadian Properties, which include the historical Foley and Golden Star gold mines at Mine Centre, which have remained undeveloped since the 1930's, are all located within the Archean Greenstone Belt of the Superior Province of Northwestern Ontario. Currently these properties are only in the exploration stage and the Company has not conducted any development or mining operations on them.

At the Foley Mine, the Company has made application with the Ontario Ministry of the Environment for two consecutive 30-day Permits to Take Water and a Certificate of Approval (Sewage). These permits each will allow the de-watering of the mine at a rate of up to 400,000 litres per day for a period of 30 days. Until these permits are received, pumping will be restricted to 50,000 litres per day. During the Third Quarter, mine water was pumped out to the 200 foot level, with new steel platforms and ladders installed to the 160 foot level.

At the date of this report, upon the advent of winter conditions, rehabilitation of the shaft has been suspended and the mine winterized and placed on "maintenance", with only periodic pumping of mine water recharge to maintain the water level at 200 feet. Once mining operations have been reactivated and the mine has been de-watered to the 400' level and "safe entry" declared by mining engineers, the Company plans to begin inspection and underground exploration activities on upper levels of the 2.5 kilometres of existing drifts in the mine. Production from the mine is not anticipated during the remainder of 2008.

During the quarter, a complete review of the Company's Ontario exploration prospects in both Mine Centre and Rainy River was held in conjunction with two consulting geologists and the president. A mineral inventory report was prepared and an exploration budget for the last quarter of 2008 and for the first half of 2009 was prepared and submitted to the Board of Directors for approval.

UNITED STATES

In Arizona, the Company holds options to purchase six historic gold and silver mines near Crown King and five base metals properties (collectively referred to as the "Arizona Properties"). The base metals properties

now consist of four large copper porphyry prospects in the southeast portion of the state and one volcanogenic massive sulfide (VMS) deposit in Western Arizona. During the Third Quarter, two large porphyry copper prospects located in Southeastern Arizona were optioned from Bronco Creek Exploration Inc., a Tucson-based geological consulting firm. During the quarter, over-burden on the largest prospect, “Courtland East”, located in Cochise County, was drilled to 800 feet. The hole was cased and will be re-entered with a core drill for an additional 200 feet of diamond drilling to penetrate the prospective porphyry zone. Also during the Quarter, an NI 43-101 technical report was received on the Pinafore Mine, a volcanogenic massive sulfide (VMS) deposit on the flanks of the Bagdad Mine, Arizona’s third largest copper mine. The Pinafore Mine, which produced 5,000 tons of copper/ zinc ore in 1944-45, is currently the subject of joint venture discussions with a third party.

RESULTS OF OPERATIONS

As the Company is currently a mineral exploration company, it did not have any revenues or profits from operations as of the date of this MD&A and does not expect to receive any income from its properties in the near future. Results from exploration activities, coupled with the prices of gold, silver, copper, zinc and other metals, will materially affect any future development plans for the Canadian or Arizona Properties.

Despite the recent sharp drop in mineral commodity prices, the Company remains optimistic about the long-term outlook for gold, silver and copper prices into 2009 and looks forward to continuing an active exploration program on its Ontario and Arizona properties through that period.

SUMMARY OF QUARTERLY RESULTS

The following table shows financial results from the Company’s eight most recently completed quarters:

	2008			2007			2006	
	3 rd Qtr.	2 nd Qtr.	1 st Qtr.	4 th Qtr.	3 rd Qtr.	2 nd Qtr.	1 st Qtr.	4 th Qtr.
Total Revenues	\$ 981	\$10,363	\$10,457	\$ 11,211	\$ 9,098	\$ 19,860	\$ 7,238	\$ 9,116
Income (Loss) before discontinued operations & extraordinary items	(571,853)	(515,531)	(616,395)	(274,072)	(778,895)	(1,260,557)	(792,028)	(335,449)
Income (Loss) per Share	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.04)	(0.02)	(0.01)
Income (Loss) per diluted share	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.02)	(0.01)	(0.01)
Net Income (Loss)	(654,699)	(540,580)	(599,920)	(427,779)	(767,694)	(1,196,874)	(757,452)	(357,122)
Net Income (Loss) per Share	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.03)	(0.02)	(0.02)
Net Income (Loss) per diluted share	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.02)	(0.01)	(0.01)

FINANCIAL CONDITION

For the three months ending September 30, 2008, Q-Gold reported (prior to extraordinary items) a loss of \$571,853 (\$0.01 per share) versus a loss of \$778,895 (\$0.02) in the same period of 2007. During the three months ending September 30, 2008, the Company’s principal expenditures were incurred in the dewatering of the Foley Mine to the 200 foot level, the costs of which are expensed and charged against earnings until economically recoverable reserves are established. Until Q-Gold can establish economically recoverable reserves and initiate mineral production on the Canadian or Arizona Properties, the outlook for both cash

flow and profit will be negative. In the near-term, the Company will seek to obtain additional funds via equity financings to continue exploration activities on the Arizona Properties and the Foley Mine, as well as general corporate activities (see “Liquidity and Capital Resources”, below).

Revenue, as reported in the table above, is derived from interest earned on the Company’s cash deposited in various interest earning accounts with financial institutions in Canada.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2008, the Company had a working capital deficit of \$45,698. The Company is currently seeking additional funds through an equity financing to eliminate this deficit.

Since the Company is a mineral exploration company without any sales to generate positive cash flow, it will need to obtain funds for future exploration and development activities on its properties via equity or debt financings. Also, the Company is actively seeking partners to jointly explore and develop the Canadian and Arizona Properties.

ADDITIONAL DISCLOSURES

For the three months ending September 30, 2008, the Company incurred expenditures totaling \$284,760 (2007 - \$638,034) on the Canadian Properties and \$184,876 on the Arizona Properties (2007 – nil). General and Administrative Expenditures for the period totaled \$103,198 (2007 - \$149,958).

OUTSTANDING SHARE DATA

The Company’s authorized capital consists of an unlimited number of common shares (“Common Shares”) and an unlimited number of first and second preferred shares (“Preferred Shares”). A total of 53,888,817 Common Shares were issued and outstanding and 80,296,219 Common Shares on a fully-diluted basis as of the date of this MD&A. No Preferred Shares were issued as of the date of this MD&A,

As of the date of this MD&A, the Company has 3,475,000 stock options outstanding to Directors, Officers, Employees and Consultants of the Company at an option prices ranging from \$0.13 to \$0.27 per share, with expiry ranging from May 15, 2010 to August 27, 2012. As of the date of this MD&A, there are purchase warrants and Agent’s Options outstanding, as a result of completed financings, allowing for the purchase of an additional 22,932,403 common shares of the Company, with exercise prices ranging from \$0.10 to \$0.35 and expiration dates from December 29, 2008 to August 14, 2010.

RELATED PARTY TRANSACTIONS

As disclosed in Note 3 to the Financial Statements, officers and a director of the Company collectively owe \$80,637 to the Company as of September 30, 2008. The Promissory Notes relating to these debts were extended twelve months from their original maturity to March 1, 2009.

Pursuant to the terms of a Management Services Contract, the Company pays monthly management fees of US\$ 5,500 to Hexagon Resources, Inc., a private company of which J. Bruce Carruthers II, President, Chief Executive Officer and Director of Q-Gold, is a principal shareholder of (see Note 8 to the Financial Statements).

The Company is entered into a consulting contract with Eric A. Gavin, Chief Financial Officer, whereby Mr. Gavin is paid US\$ 5,233 per month (see Note 8 to the Financial Statements).

Eugene Chen, Corporate Secretary and Director of the Company, is an associate with Fraser Milner Casgrain, LLP, a firm that performs legal services to the Company (see Note 8 to the Financial Statements).

As of the date of this MD&A, there are no outstanding fees payable by the Company to any officers or directors.

FORWARD LOOKING STATEMENTS

Certain statements contained in the MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from actual future results and achievements expressed or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

Management has prepared the information and representations in this unaudited interim MD&A. The financial statements have been prepared in conformity with generally accepted accounting principles in Canada and, where appropriate, reflect management's best estimates and judgment. The financial information presented throughout this MD&A is consistent with the data presented in the financial statements.

Q-Gold maintains adequate systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors, through its Audit Committee, is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Audit Committee is composed of three directors. This Committee meets periodically with management and the external auditors to review accounting, auditing, internal control and financial reporting matters.

ADDITIONAL INFORMATION

Additional Information on Q-Gold, including Quarterly and Annual Financial Statements, an Annual Information Form, an Information Circular and the NI 43-101 Qualifying Report on the Company's Mine Centre Properties are all available on SEDAR at www.sedar.com