

Q-GOLD RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2008

DATED APRIL 30, 2009

GENERAL

The following Annual Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited Consolidated Financial Statements for the year ended December 31, 2008 of Q-Gold Resources Ltd. ("Q-Gold" or the "Corporation") and the notes thereto.

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

The financial statements have been audited by DNTW, LLP, Chartered Accountants of Calgary, Alberta in accordance with Canadian GAAP (see Note 1 to the Financial Statements). The independent auditors of the Corporation have been appointed by the shareholders of the Corporation.

OVERALL PERFORMANCE

The Company is currently focused on advancing the exploration of the historic Gold Camps at Mine Centre, Ontario and Crown King, Arizona. These two gold camps were significant producers during the 19th Century, yet have only incurred minor production and exploration since. Currently these properties are only in the exploration stage and the Company has not conducted any pre-production development or mining operations on them.

At Mine Centre, where the Company owns rights to over 30,000 acres of mining claims, leases and patents (the "Mine Centre Properties"), the Company has concentrated its efforts on the de-watering and exploration of the historic Foley Gold Mine, where over 2.5 kilometres of drifting and a shaft to 850 feet were developed in the 1920's. Financial constraints prohibited the Company from obtaining its goal in 2008 of reaching the 400 foot level of the North Shaft for a comprehensive underground exploration program. Currently, the de-watering program has been postponed until the Company can obtain additional financing or a partner to join in the program.

During 2008, the Company acquired options on 9 federal patents and 3 Bureau of Land Management Mining Claims in near Crown King, Arizona (the "Crown King Properties"). The Company plans on raising funds in 2009 to initiate a comprehensive exploration program on its Crown King Properties.

The Company also owns rights to almost 5,000 acres of mineral claims and patents in the Rainy River greenstone belt of Northwestern Ontario. No significant exploration expenditures were incurred on the Company's Rainy River properties in 2008.

In 2008, the Company also acquired options on five copper and base metals properties in Arizona. As of the date of this MD&A, the Company is in the process of evaluating these properties to determine the feasibility of retaining the Company's rights and financial obligations pursuant to the option agreements.

The Company completed one equity financing during 2008, resulting in gross proceeds totaling \$619,060. These funds were used to fund mine rehabilitation activities at the Foley Mine, Ontario property acquisitions, exploration activities at Mine Centre, and for general and administrative expenditures.

RESULTS OF OPERATIONS

As the Company is currently a mineral exploration company, it did not have any revenues or profits from operations during 2008, or as of the date of this MD&A. Results from exploration activities, coupled with the price of gold, will materially affect any future development plans for the Company's properties.

The primary operational activity for the Company during 2008 was a de-watering program at the Foley Gold Mine, near Mine Centre, Ontario, where the Company incurred expenditures totaling \$1,198,183 (2007 - \$2,517,905). During the last six months of 2008, the Company suspended the de-watering program because of a lack of operating funds at the time. The Company's other operational expenditures were incurred on its Arizona properties, where it expended \$309,914 (2007 – nil) on property acquisitions, data compilation and for preparation of geological reports on the properties.

Subject to the Company's ability to raise additional operating funds, the Company anticipates the resumption of the de-watering program at Foley and the initiation of exploration activities on its Crown King, Arizona gold and silver properties during 2009.

The Company remains optimistic about the outlook for gold prices and is hopeful that the financial markets will improve during 2009 to allow the Company to access additional equity so that it can conduct an active exploration program on its properties during that period.

SELECTED ANNUAL INFORMATION

	2008	2007	2006
Total Revenues	\$ 22,999	\$ 47,407	\$ 15,707
Income (Loss) before discontinued operations & extraordinary items	(2,053,430)	(3,105,552)	(1,420,822)
Income (Loss) per Share	(0.04)	(0.08)	(0.07)
Income (Loss) per diluted share	(0.03)	(0.04)	(0.04)
Total Assets	191,326	1,362,463	1,933,935
Total long-term liabilities	15,192	Nil	Nil
Cash dividends	Nil	Nil	Nil

The turmoil in the financial markets during 2008 created an extremely difficult environment for fundraising and resulted in the Company being able to raise only a limited amount of operating funds. Therefore, the decreased losses reported in 2008 over the previous year can be directly attributed to the limited amount of funds available to the Company for its exploration activities at Mine Centre, the costs of which are expensed and charged against earnings until economically recoverable reserves are established. In addition, limited cash on hand as of December 31, 2008 greatly reduced the Company's assets reported in 2008 from 2007.

SUMMARY OF QUARTERLY RESULTS

The following table shows financial results from the Corporation's eight most recently completed quarters:

	2008				2007			
	4 th Qtr.	3 rd Qtr.	2 nd Qtr.	1 st Qtr.	4 th Qtr.	3 rd Qtr.	2 nd Qtr.	1 st Qtr.
Total Revenues		\$ 981	\$10,363	\$10,457	\$ 11,211	\$ 9,098	\$ 19,860	\$ 7,238
Income (Loss) before discontinued operations & extraordinary items	(349,651)	(571,853)	(515,531)	(616,395)	(274,072)	(778,895)	(1,260,557)	(792,028)
Income (Loss) per Share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.04)	(0.02)
Income (Loss) per diluted share	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.02)	(0.01)
Net Income (Loss)	(286,284)	(654,699)	(540,580)	(599,920)	(427,779)	(767,694)	(1,196,874)	(757,452)
Net Income (Loss) per Share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.03)	(0.02)
Net Income (Loss) per diluted share	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.02)	(0.01)

FINANCIAL CONDITION

For the twelve months ending December 31, 2008, Q-Gold reported (prior to extraordinary items) a loss of \$2,053,430 (\$0.03 per share) versus a loss of \$3,105,552 (\$0.05 per share) in the same period of 2007. The reasons for the decrease in losses reported by the Corporation in 2008 over the previous year are discussed above in the section entitled “Selected Annual Information”. All exploration costs (and rehabilitation activities at the Foley Mine) 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 its properties, the outlook for both cash flow and profit will be negative. In the near-term, the Corporation anticipates being able to fund much of its 2009 exploration activities, as well as general corporate activities, from equity financings and joint ventures, for which it is actively seeking partners.

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 December 31, 2008, the Corporation had a working capital deficit of \$277,857. As noted above, the Company will need to obtain additional funds via equity financings to fund exploration activities and for general corporate activities. On April 9, 2009, the Company announced it had completed the first tranche of a previously announced \$300,000 private placement of its common shares. The closing of this tranche resulted in the Company receiving gross proceeds of \$184,800.

ADDITIONAL DISCLOSURES

For the year ending December 31, 2008, the Corporation incurred expenses on its mineral properties totaling \$1,508,097 (2007 - \$2,517,905). General and Administrative Expenditures for the year totaled \$568,332 (2007 - \$635,054). The decrease in expenditures over these comparative periods is the result of the Company’s decision to minimize its operations in view of the limited funds available from investors during the financial market turmoil of 2008.

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 72,368,817 Common Shares were issued and outstanding and 83,444,638 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 2,695,000 stock options outstanding to Directors, Officers, Employees and Consultants of the Company with option exercise prices ranging from \$0.13 to \$0.27 per share, and expiry dates ranging from September 16, 2010 to August 27, 2012. As a result of completed financings, there are purchase warrants and Agent’s Options outstanding, allowing for the purchase of an additional 8,380,821 common shares of the Company, with exercise prices ranging from \$0.06 to \$0.25 and expiration dates from November 9, 2009 to August 18, 2010.

RELATED PARTY TRANSACTIONS

As disclosed in Note 3 to the Financial Statements, officers and a director of the Company owe an aggregate \$79,827 to the Company as of December 31, 2008.

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. In 2008, the Company paid management fees to Hexagon Resources of CDN\$ 63,161 (2007 - \$ 72,549).

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. During 2008, the Company paid consulting fees of CDN\$ 51,666 (2007 - \$ 58,039) to Mr. Gavin.

Eugene Chen, Corporate Secretary and Director of the Company, is a partner with Fraser Milner Casgrain, LLP, a firm that the Company paid \$64,148 (2007 - \$116,445) for legal services during 2008.

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 annual MD&A. The financial statements have been audited by the Company's independent auditors in accordance with Canadian GAAP. 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