

# **Stina Resources Ltd.**

## **Management Discussion & Analysis for the 2nd Quarter Ended March 31, 2009**

**Ste 717 – 165 LaRose Ave.  
Etobicoke, ON M9P 3S9  
Tel (416) 368-2271 / Fax: (416) 368-2635**

**STINA RESOURCES LTD.**

**FORM 51-102F1**

**Management’s Discussion & Analysis  
for the 3rd Quarter Ended March 31, 2009  
(and containing information as of May 21, 2009)**

**TABLE OF CONTENTS**

---

	<b>Page</b>
Item 1: ANNUAL MD & A - Forward-looking Information.....	1
Section 1.1 - Date.....	1
Section 1.2 - Operations Detail and Financial Conditions.....	1
- Selected Annual Information .....	3
- Summary of Quarterly Results .....	3
- Liquidity and Solvency.....	5
- Capital Resources .....	5
Section 1.3 - Exploration, News Release & Material Change Reports.....	5
Section 1.4 - Off-Balance Sheet Arrangements .....	12
Section 1.5 - Transactions with Related Parties.....	12
Section 1.6 - Proposed Transactions .....	13
Section 1.7 - Critical Accounting Estimates and Policy .....	14
Section 1.8 - Changes in Accounting Policies including Initial Adoption .....	16
Section 1.9 - Financial and Other Instruments.....	16
Section 1.10 - Other M D &A Requirements	
A. Authorized and Issued Share Capital .....	16
B. Options, Warrants & Convertible Securities Outstanding .....	16
C. Subsequent Events.....	17
D. Evaluation of Disclosure Controls and Procedures .....	18
E. Corporate Governance Disclosure.....	18

**STINA RESOURCES LTD.**

**FORM 51-102F1**

**Management's Discussion & Analysis  
for the 3rd Quarter Ended March 31, 2009  
(and containing information as of May 21, 2009)**

**Item 1: INTERIM MD&A**

**Forward-looking Information**

This Management Discussion and Analysis ("MD&A") contains certain forward-looking statements and information relating to Stina Resources Ltd. (the "Company") that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of Company exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional important factors, if any, are identified here.

**NATURE OF BUSINESS:**

Stina Resources Ltd. (the "Company") is incorporated under the laws of British Columbia and is primarily engaged in the acquisition, exploration and development of resource properties. The Company's primary activity is the exploration of the Bisoni McKay Vanadium Property in northern Nevada and the Zeibright Gold property in Nevada County, California.

The Company also is engaged in the health food and supplement product industry under the trade name Northern Seas Products.

The Company's shares are traded on the TSX Venture Exchange.

**1.1 DATE**

The following discussion and analysis was approved by the Directors of the Company and should be read in conjunction with the unaudited financial statements for the quarter ended December 31, 2008, audited financial statements dated September 30, 2008 and the related notes thereto. All figures are in Canadian dollars unless otherwise noted.

**1.2 OPERATIONS DETAIL AND FINANCIAL CONDITIONS:**

(a) Acquisitions & Dispositions:

See Note 5 – Mineral Property Interest for specific details of various property agreements.

- 1) **On January 27, 2005** the company entered into an option agreement with Vanadium International Corp. (see news release dated January 27, 2005) to acquire 100% of the rights to 19 mining claims covering 392.6 acres, located in Nye county, Nevada, USA.

To earn its interest, the Company was required to make a series of cash payments totaling \$250,000, issue 1,250,000 shares to Vanadium, as well as fund \$700,000 of exploration activities, as follows:

<u>Due</u>	<u>Cash payments</u>	<u>Common shares</u>	<u>Exploration Work</u>
Regulatory approval – June 3, 2005	\$ 60,000	-	-
Within one year of approval	-	-	\$ 150,000
Within two years of approval	\$ 90,000	625,000	\$ 200,000
Within three years of approval	\$ 100,000	625,000	\$ 350,000
	\$ 250,000	1,250,000	\$ 700,000

Cash payments of \$75,000 were made (\$60,000 on approval and \$15,000 in December 2007). Additionally 1,250,000 shares were issued subject to escrow terms, and exploration work exceeding \$700,000 was completed (see below)

- 2) **On July 3, 2008** the Company completed this option in addition to the option for the second 50% of the Bisoni McKay property from VIC. Stina now holds 100% of the rights to 37 mineral claims on the property. Through this agreement Vanadium International Corp. acquired control and direction over 2,795,600 common shares (representing 19.12 per cent of the outstanding shares) of Stina Resources Ltd. Vanadium now has control and direction over a total of 3,378,600 common shares (representing 23 per cent of the outstanding shares) of Stina.

Of the 2,795,600 shares, 800,000 shares were issued by Stina to Vanadium in order for Stina to exercise its option to earn a 50-per-cent interest in the Bisoni Mackay vanadium property. Stina further agreed to purchase the remaining 50-per-cent interest in the property for a purchase price of \$2-million (U.S.). Stina issued 1,995,600 shares at a deemed price of \$1 (Canadian) per share to Vanadium as payment of the \$2-million (U.S.) purchase price (based on a deemed exchange rate of \$1 (Canadian):\$1.0022 (U.S.)). These shares will be subject to a four-month hold period.

Vanadium does not have any intention of acquiring any further securities of the issuer through market purchases. An early warning report with Canadian securities commissions in respect of the acquisition may be obtained from SEDAR.

- 3) **On February 19, 2009** the Company entered into an option agreement with Steephollow Resources Inc. to purchase a 100-per-cent beneficial interest in certain mining claims located in sections 28, 27 and 21 in T17N and R11E, Nevada county, California, United States, subject to a 2-per-cent net smelter interest in favor of Dennis La Prairie

Pursuant to the option agreement, to exercise the option the company must: (i) incur and finance exploration expenditures on the property of not less than \$100,000, on or before the second anniversary of the approval date of the option agreement by the TSX Venture Exchange; and (ii) allot and issue one million shares in the capital stock of the company to SRI upon the completion of such exploration expenditures.

The TSX Venture Exchange approved this transaction on March 18, 2009.

The Zeibrigt mine is a former gold producer located in northeastern California along the border between Placer and Nevada counties in the Sierra Nevada mountain range, and is within the Sierra Nevada gold-bearing area, immediately east of the productive Grass Valley and Nevada City gold districts. The area is considered related to the motherlode structure, the northern limit of which is approximately 40 kilometers (25 miles) to the south-southwest of the Zeibrigt mine.

**Selected Financial Information:**

The following table sets forth selected audited financial information of the Company for the last three completed financial years.

	FISCAL YEARS ENDED		
	September 30, 2008	September 30, 2007	September 30, 2006
<b>Total Revenue</b>	\$ 65,437	\$ 64,008	\$ 76,811
<b>Gross Profit</b>	\$ 44,426	\$ 47,355	\$ 56,473
<b>Operating Expenses</b>	\$ 265,911	\$ 234,937	\$ 274,577
<b>Net Income (Loss)</b>	\$ (221,485)	\$ (184,628)	\$ (216,088)
<b>Loss Per Share</b>	\$ (0.02)	\$ (0.02)	\$ (0.02)
<b>Total Assets</b>	\$ 3,563,114	\$ 1,527,196	\$ 1,189,279

**Summary of Quarterly Results**

The following table sets forth selected (unaudited) quarterly financial information for each of the last eight most recently completed quarters:

	QUARTERS ENDED			
	Mar. 31, 2009	Dec. 31, 2008	Sept. 30, 2008	June 30, 2008
<b>Total Revenue</b>	\$ 20,594	\$ 12,691	\$ 15,727	\$ 14,066
<b>Gross Profit</b>	\$ 17,338	\$ 8,844	\$ 9,402	\$ 10,196
<b>Oper. Expenses</b>	\$ 140,216	\$ 29,574	\$ 61,976	\$ 64,623
<b>Net Income (Loss)</b>	\$ (122,878)	\$ (20,730)	\$ (52,574)	\$ (54,427)
<b>(Loss) Per Share</b>	\$ (0.008)	\$ (0.001)	\$ (0.004)	\$ (0.005)
<b>Total Assets</b>	\$ 3,610,155	\$ 3,624,125	\$ 3,563,114	\$ 4,109,022
<b>Total Liabilities</b>	\$ 143,496	\$ 148,872	\$ 131,631	\$ 100,845
	QUARTERS ENDED			
	Mar. 31, 2008	Dec. 31, 2007	Sept. 30, 2007	June 30, 2007
<b>Total Revenue</b>	\$ 18,467	\$ 17,177	\$ 16,714	\$ 16,953
<b>Gross Profit</b>	\$ 13,209	\$ 11,619	\$ 13,481	\$ 12,230
<b>Oper. Expenses</b>	\$ 84,855	\$ 54,457	\$ 70,328	\$ 48,814
<b>Net Income (Loss)</b>	\$ (71,646)	\$ (42,838)	\$ (107,107)	\$ (34,799)
<b>(Loss) Per Share</b>	\$ (0.006)	\$ (0.004)	\$ (0.009)	\$ (0.003)
<b>Total Assets</b>	\$ 1,389,469	\$ 1,457,394	\$ 1,527,196	\$ 1,312,291
<b>Total Liabilities</b>	\$ 122,465	\$ 118,744	\$ 145,708	\$ 54,415

**Expenditure Comparison and Variances – Stina Administration Division:**

**Increases:** \$8,493 in Audit and Legal; \$1,602 in Travel & Promotion; \$46,484 in Stock based compensation, resulting from the repricing of the stock options; \$4,237 in Regulatory Fees and Shareholder communications, as a result of review of two acquisitions since the prior period; \$1,939 in Transfer agent fees.

**Decreases:** \$1,350 in Consulting fees.

**Expenditure Comparison and Variances – Mineral Exploration Division:**

During the period between October 1, 2008 and March 31, 2009 Mineral Exploration Division expenditures totaling \$9,604 were classified as Mineral Interest in company assets, for a total of \$3,518,732 as of March 31, 2009. (Of these expenditures, (\$19,371) were allocated to Acquisition Costs, including (\$21,768) for reclassifying reclamation bond posted on the property; and \$28,921 to Exploration Expenditures, including \$21,768 for Reclamation estimate.

Comparative mineral property exploration expenditures were incurred as follows:

<b><u>Bisoni McKay Vanadium Property, Nevada, USA</u></b>	<b><u>Six Months Ended Mar 31, 2008</u></b>	<b><u>Year Ended Sept. 30, 2008</u></b>
<b>Acquisition costs</b>		
<b>Balance, beginning of period</b>	<b>\$ 2,858,617</b>	<b>\$ 647,797</b>
Incurring during the period:		
- Accrual for option payment	-	(75,000)
- Option payments, shares for debt . 175,000 shares in lieu of cash	-	175,000
- Option payment, 625,000 shares	-	500,000
- Acquire 50% for 1,995,600 shares	-	1,596,480
- Staking and claim costs	2,451	14,340
-Reclassify reclamation bond posted on property	(21,768)	
<b>Balance, end of period</b>	<b>2,839,300</b>	<b>2,858,617</b>
<b>Exploration expenditures</b>		
Balance, beginning of period	650,511	599,236
Geological consulting	2,656	43,200
Assaying, transportation and field supplies	-	120
Reclamation Estimate	21,768	-
Storage	4,497	7,955
<b>Balance, end of period</b>	<b>679,432</b>	<b>650,511</b>
<b>Cumulative mineral interest expenditures</b>	<b>\$ 3,518,732</b>	<b>\$ 3,509,125</b>

In a prior year the Company posted a reclamation bond with the Nevada state government should any site reclamation or environmental remediation be required. Effective October 1, 2008, the reclamation bond of \$21,768 has been disclosed as an asset retirement obligation on the property.

**Bisoni McKay Phase I Expenditures:**

Total expenditures for the Phase I program were originally estimated at US \$224,000 (approximately CAD \$278,000), plus approximately US \$30,000 (approximately CAD \$37,200) for metallurgical testing. A 9% contingency rate had been established in these budgeted expenditures.

Total Phase I expenditures were \$80,721 (29%) over-budget. This budgetary overrun is primarily as a result of decisions made on-site to drill additional diamond core holes, increased drill rig and mobilization costs, and unforeseen requirements for additional engineers on-site, and additional fieldwork.

**Bisoni McKay Phase II Expenditures:**

A total of \$62,983 has been spent on drilling 12 additional reverse circulation holes on Northern Section A. Additionally \$96,191 has been spent on geological consulting (\$43,200 in 2008), \$22,790 on assaying and transport, and \$33,461 on metallurgical testing, \$10,478 on Permitting and Bonds, \$15,416 on Storage Rental (\$7,955 in 2008).

The revised Phase II is underway and a budget of CAD \$700,000 has been estimated as a total cost.

**Northern Seas**

**Expenditure Comparison and Variances – Northern Seas Division:**

**Increases:** \$934 in Advertising and promotion; \$597 in office; \$456 in Wages, commissions and contract services

**Decreases:** \$5,856 in rent

**Liquidity and Solvency**

The company's liquidity will depend upon its ability to raise financing for the continued development of the Bisoni McKay property in addition to the ability to continue to market Northern Seas products at a profitable markup.

During the period ended March 31, 2009 over the same period in 2008, cash resources decreased by \$26,232 mainly as a result of update of the Geo Tech report accompanied with the generation of the Company's first NI 43-101 Resource Estimate, completion of the option agreement with VIC and acquisition of the remaining 50% of the property, and promotional expenditures incurred during the year, including attendance at the 2008 PDAC trade show in Toronto. At the period ending March 31, 2009 the Company had a working capital deficiency of \$75,171 (March 31, 2008 – deficiency of \$73,025).

In January 2009, the Company completed a non-brokered private placement consisting of 661,500 common shares of the Company at an offering price of \$0.20 per share. The shares are subject to a four month hold period ending on May 15, 2009.

**Capital Resources**

The company's liquidity will depend upon its ability to market Northern Seas' products at the current markup of over 100%, as well as the ability to raise additional financing to meet exploration requirements and working capital obligations. The Company is currently in the process of arranging a financing for working capital (see Section 4. Subsequent Events below). The Company also plans another financing for the spring of 2009 in order to raise the CAD \$700,000 required to complete the revised Phase II.

In response to a trend of decreasing product sales over the past few years, the company has been exploring the future of the Northern Seas division. The company intends to continue operation of the Northern Seas Products division in the interim, but to review with company directors and officers, the direction and future of Northern Seas Products with respect to its profitability and economic feasibility.

With respect to the audit committee meeting in January 2008 during which the year-end financial summary was reviewed with the company auditors, management discussed with the directors of the company the need for increased control measures within the company. The Company initiated addressing these issues during the year and discussed possible solutions.

**1.3 EXPLORATION, NEWS RELEASES & MATERIAL CHANGE REPORTS**

In 2005 the Company entered into an option agreement with Vanadium International Corp. (VIC) for 50% of the Bisoni McKay property rights. The Company had previously issued 625,000 common shares of stock under an escrow agreement and had made cash payments of \$75,000 CAD to VIC.

In July 2008, in exercising this option to earn a 50 % interest in the Bisoni MacKay vanadium property located in Nye county Nevada, the company issued 800,000 shares to Vanadium. 625,000 of these shares were recorded at \$0.80 per share, being their estimate fair value, based on a 20% discount from the quoted market price of \$1.00 per share at the time of issuance to factor in a large block discount and time release provisions.

Pursuant to the option exercise agreement, the company further agreed to purchase the remaining 50-per-cent interest in the property for a purchase price of \$2-million (U.S.). The company issued 1,995,600 shares at a deemed price of \$1 per share to Vanadium as payment of the \$2-million (U.S.) purchase price (based on a deemed exchange rate of \$1 (Canadian) to \$1.0022 (U.S.)). These shares are subject to a four-month hold period. These shares were recorded at \$0.80 per share, being their estimate fair value, based on a 20% discount from the quoted market price of \$1.00 per share at the time of issuance to factor in a large block discount.

Subsequent to the issuance of the 2,795,600 total shares to Vanadium, Vanadium now has control and direction over a total of 3,378,600 shares (representing 23 % of the outstanding shares) of the company.

Stina now has a 100 % interest in the Bisoni McKay property subject to a 2.5-% net smelter interest in favor of Dennis La Prairie. (*see news release dated July 7, 2008*)

### **Exploration Events During the Prior Periods**

In September 2005 the Company contracted Kettle Drilling of Coeur d'Alene, Idaho and drilled 1,024 feet of diamond core drilling on the Bisoni McKay property. Included was a fence of three holes on the north end of the property, immediately adjacent to Vanadium International's second reverse circulation hole drilled in 2004, as well as adjacent to Hecla RC holes BMK 17, 18 and 19 respectively, each of which showed strong grades of V2O5 at various intervals. Holes were drilled at angles of 45 degrees, 57.5 degrees and 66 degrees to the northwest.

A second fence of two diamond core holes was drilled on the southern end of the property adjacent to Vanadium International's first reverse circulation hole, and also to Hecla's RC holes BMK 6, 7 and 8 respectively. All four of these RC holes showed reasonable V2O5 grade at various intervals. This was the first diamond drilling ever conducted on the property.

Results of this diamond drilling showed very encouraging results from the northern fence, including grades much higher than from any other drilling on the property. (*see news release dated October 18, 2005*) The results from the southern fence of diamond drilling were less encouraging. The Company encountered technical difficulties in drilling these two holes and eventually had to abandon the second hole of this fence. The angle of the holes was reduced to 35 degrees from the planned 57.5 degrees to attempt to overcome these difficulties. As a result, the Company believes that it may have overshot the zone of mineralization encountered the year before by Vanadium International in its reverse circulation drilling. At this time the Company released the results of further trench sampling at surface. (*see news release dated October 26, 2005*)

In November 2005, the Company contracted O'Keefe Drilling of Butte, MT to conduct approximately 3,600 to 4,000 feet of reverse circulation (RC) drilling, stepping out to the north and south of the two diamond drill fences. O'Keefe was the same drilling company contracted by Vanadium International Co to drill two RC holes in November 2004.

10 RC holes were drilled at 45 degrees to the northwest at step out intervals of 210 feet from the two diamond drill fences; 3 holes to the north of the northern fence, 3 to the south of the northern fence, and three holes drilled to the north of the southern diamond drill fence. One RC hole was drilled vertically in Trench ASC50.

Results from the three RC holes stepping out south of the northern diamond drill fence were released on November 29, 2005, and which were very encouraging to the Company. (*see news release dated 11/19/05*)

On January 11, 2006, the Company announced further drilling results from the northern section of the Bisoni McKay property. (*see news release dated January 11, 2006*)

These results were from three reverse circulation holes drilled at 210 foot step outs from the diamond drill fence drilled on the northern section in September 2005. Results from these three holes were very encouraging to the Company. The Company has now drilled into the main mineralization zone at the northern end of the claim block over a strike length of approximately 1,300 feet.

On February 8, 2006, the Company announced the completion of Phase I, and that the technical report prepared by JA Mine was being updated. (*see news release dated February 8, 2006*). At that time the Company also announced the proposed \$1.35M USD Phase II for further exploration of the Bisoni McKay property, outlined by JA Mine. Phase II would include further core drilling and reverse circulation drilling totaling over 33,000 feet, metallurgical testing and a scoping study, focusing primarily on the north section of the property, where strong mineralization was encountered in Phase I, and also where mineralization definition was more easily assessed. In this press release the Company also announced the final results of reverse circulation drilling from the Phase I program, from holes drilled south of the northern drilling section, which were received as very acceptable.

In March 2006 the Company received an updated Technical report from JA Mine with recommendations to proceed to Phase II of the exploration of the Bisoni McKay vanadium property in Nevada.

In April 2006 the Company contracted Hazen research of Colorado for the metallurgical and leach testing of vanadium from core and reverse circulation drilling on the Bisoni McKay property in the fall of 2005. (see news release dated April 6, 2006) Hazen carried out mineralogical characterization to determine the mode of occurrence of vanadium, followed by two sets of tests on samples from three zones: the oxidized zone (mudstone), the transition zone (mudstone to carbonaceous shale) and the unoxidized zone (carbonaceous shale).

The tests comprised of:

- (i) direct acid leaching with sulfuric acid, at two grinds and at two temperatures, for a total of 12 experiments; and
- (ii) roasting experiments, with at least four roasting conditions for samples from each zone, followed by appropriate leaching, either alkaline or acidic, i.e., a minimum of 12 roasting/leaching experiments.

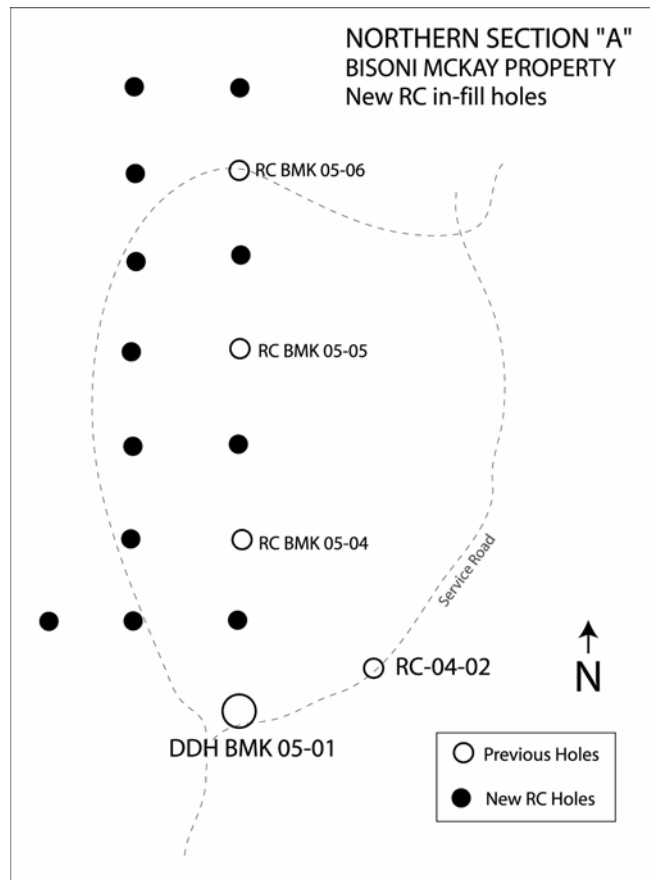
The tests were designed to define the steps and conditions needed to obtain reasonable vanadium extraction and examine the reagent consumptions in leaching and roasting, and thus develop the first stages of a process flowsheet. The cost of the testing was \$US 49,500.

#### Current Exploration – Phase II

The Company received final test results in January 2007, and a report on recovery of oxidized vanadium pentoxide using an acid pug/ leach recovery method, including some results as high as 95%. Test results on transition and carbonaceous material showed recovery as high as 70% and 75% of vanadium pentoxide using a roast/ leach recovery method. Hazen Research also recommended further metallurgical test work to continue the refinement of these processes, as well as explore other recovery options. (see news release dated February 6, 2007)

In May 2007, the Company contracted O'Keefe Drilling of Boise, ID to conduct reverse circulation (RC) drilling on Northern Section "A" of the Bisoni McKay property, with respect to target drill sites outlined in the technical report by JA Mine, revised in November 2006. A total of 12 RC holes were drilled according to schedule, for a total of 5,130 feet. (see news release dated May 23, 2007)

This drilling campaign was comprised of step-out holes at 100 foot intervals directly north for 700 feet along strike length from core hole fence DDH-05-1/2/3. Additionally, drilling was conducted parallel to the immediate west by 100 feet and north by 700 feet. The result of this campaign is a section approximately 700 feet long by 100 feet wide, with 100 foot intervals, immediately to the north of core hole fence DDH-05 and inclusive of RC holes BMK-05-04, BMK-05-05 and BMK-05-06 drilled by the Company in 2005. (see map below)



In the fall of 2007 the Company contracted Edward Ullmer, P. Geo, to produce an updated geological technical report based on the report presented to Stina by JA Mine in 2005, and updated in 2006. The report includes exploration developments since that time, as well as updated recommendations. The report also includes a resource estimate on a sub-section of Northern Section "A" which extends 700 feet long by 100 feet wide, directly north of BMK DDH – 2005, and with 100 foot interval RC drilling. The Company contracted Maptek Co. of Lakewood, CO to conduct the resource estimate.

The updated Technical Report (February 2008), which also contains the updated Resource Report is also available on the Company website at [www.stinaresources.com](http://www.stinaresources.com).

In February 2008 the Company received a further updated geological technical report from Ed Ullmer, P. Geo, which updated all geological aspects of the property with respect to the previous report issued by John James, P.Eng in 2005 (later revised in 2006) **Additionally, the report included a resources estimate, the first ever conducted on the Bisoni McKay property, and which was conducted by Maptek of Lakewood, CO. (see news release dated 2/27/08)**

The NI 43-101-compliant mineral resource study, completed in November, 2007, by Maptek using the Vulcan program, determined **indicated resources in the north half of Area A totaling 8.07 million short tons averaging 0.43 per cent V2O5 at the 0.3 per cent grade cut-off zone and 10.6 million short tons averaging 0.39 per cent V2O5 at the 0.2 per cent cut-off.**

The indicated resources calculations table separates reduced and oxide mineralization. About 130 feet to 150 feet of oxidized shale overlies the carbonaceous mineralization, the result of deep weathering of the carbonaceous-shale host rock. The transition from oxidized to reduced zone is typically abrupt, and in some holes there is supergene vanadium enrichment of vanadium from five feet to 35 feet below the redox horizon with grades that can be 50 per cent to 150 per cent higher than grades in the reduced shale below. Because of geological evidence and good grade and mineralization continuity in Area A-North, an inferred resource estimate was calculated Area A-South using data from three 2005 RC holes, BMK 05-1, 2 and 3 at intervals slightly more than 200 feet apart. The results are presented in the attached inferred resources calculations table. Also included is a small increment of inferred resources on the north half of Area A.

The detailed drilling on the north half of Area A reveals a thick section of vanadiferous carbonaceous shale capped with mineralized weathered, oxidized shale. Vanadium-bearing rock begins essentially on or within a few feet of the surface and continues down-dip below 450 feet, the current depth limit of drilling into vanadium-bearing strata. From Area A-North, the vanadium trend continues south over 6,000 feet to Area B. The character of the mineralization in Area B appears similar to that drilled in Area A, but parts of the trend appear to have been narrowed and thinned by faulting, especially between Area A and Area B. Evidence that the vanadiferous trend continues south of Area B comes from two historic borings and trenching by Hecla Mining Company. The southernmost area of the projected strike of the vanadiferous trend in Area C and beyond is still unexplored by Stina.

Hazen's vanadium extraction tests from oxide and reduced ore successfully recovered 74 per cent vanadium from carbonaceous shale and 90 per cent from the oxide zone rocks. The recovery procedures will be further optimized in future tests.

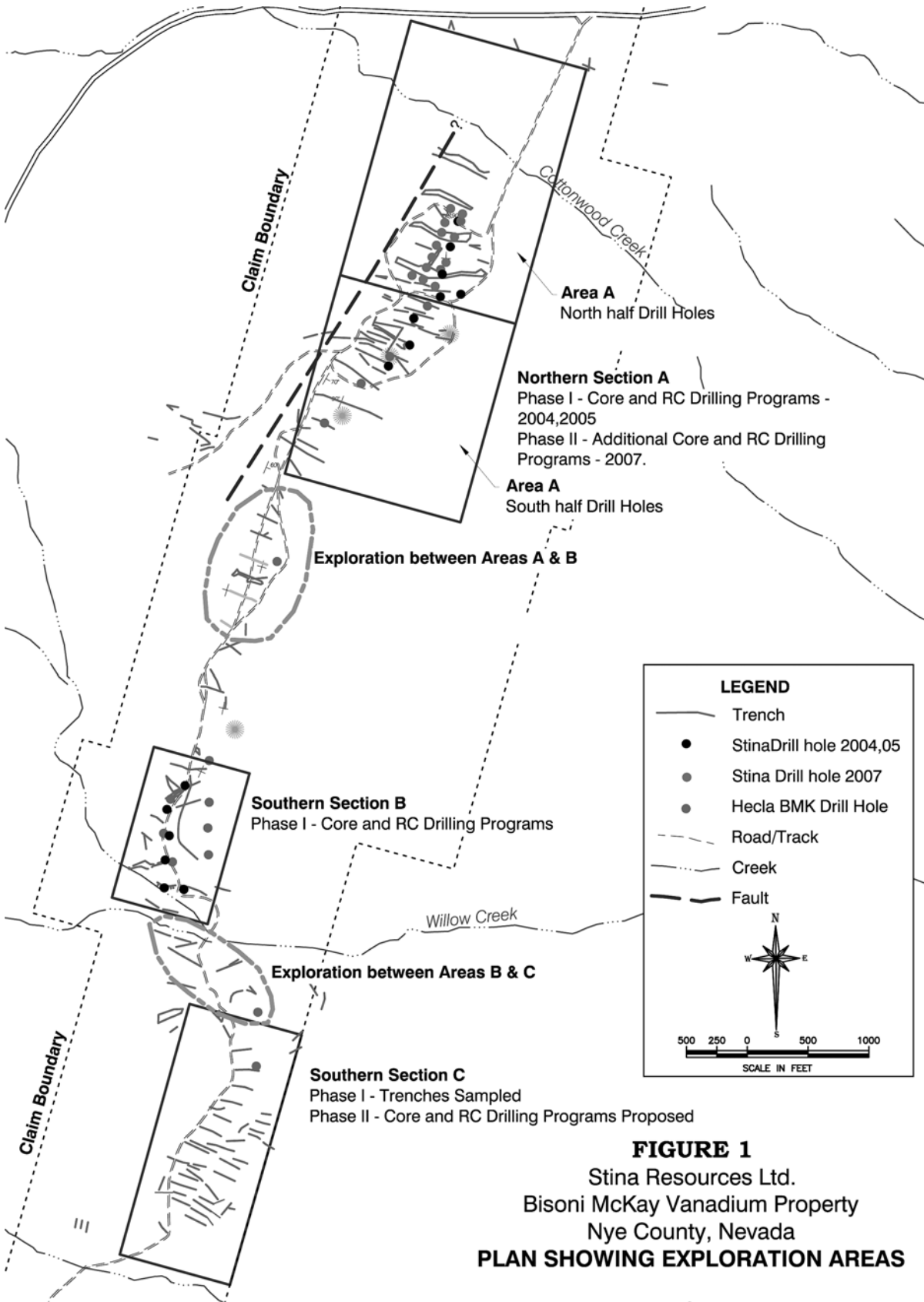
**Indicated Resource Calculations for Area A-North**

Lithology	IdIf	Distance to Measured Samples	0.1% V <sub>2</sub> O <sub>5</sub> Cutoff Tonnage	0.2% V <sub>2</sub> O <sub>5</sub> Cutoff Tonnage	0.3% V <sub>2</sub> O <sub>5</sub> Cutoff Tonnage	Average grade for 0.1% V <sub>2</sub> O <sub>5</sub> Cutoff	Average grade for 0.2% V <sub>2</sub> O <sub>5</sub> Cutoff	Average grade for 0.3% V <sub>2</sub> O <sub>5</sub> Cutoff
Oxide Total	Indicated	0-200 ft	5,386,090	4,617,674	3,546,154	0.33	0.36	0.39
Reduced Total	Indicated	0-200 ft	8,069,182	6,009,170	4,527,690	0.35	0.42	0.47
<b>Grand Total</b>			<b>13,455,272</b>	<b>10,626,844</b>	<b>8,073,844</b>	<b>0.34</b>	<b>0.39</b>	<b>0.43</b>

**Table 17: Inferred Resource Calculations for Area A-South and North**

Lithology	IdIf	Distance to Measured Samples	0.1% V <sub>2</sub> O <sub>5</sub> Cutoff Tonnage	0.2% V <sub>2</sub> O <sub>5</sub> Cutoff Tonnage	0.3% V <sub>2</sub> O <sub>5</sub> Cutoff Tonnage	Average grade for 0.1% V <sub>2</sub> O <sub>5</sub> Cutoff	Average grade for 0.2% V <sub>2</sub> O <sub>5</sub> Cutoff	Average grade for 0.3% V <sub>2</sub> O <sub>5</sub> Cutoff
<b>South Half</b>								
Oxide	Inferred	All	3,363,818	2,227,622	1,257,334	0.26	0.32	0.37
Reduced	Inferred	All	4,851,884	4,260,328	3,486,880	0.44	0.47	0.52
<b>Total</b>			<b>8,215,702</b>	<b>6,487,950</b>	<b>4,744,214</b>			<b>0.48</b>
<b>North Half</b>								
Oxide & Reduced	Inferred	200+	1,064,786	893,328	746,142	0.34	0.39	0.45
<b>Grand Total</b>			<b>9,280,488</b>	<b>7,381,278</b>	<b>5,490,356</b>	<b>0.36</b>	<b>0.42</b>	<b>0.48</b>

Following is a summary map of all drilling to date on the Bisoni McKay property.



The Report outlined a number of updated Interpretations and Conclusions, and Recommendations. (*see Technical Report dated February 20, 2008 on Company's website*)

The Company's focus for immediate development is on Northern Section "A."  
*Recommendations on this section is as follows:*

The ultimate aim of the Phase II program is to develop a resource inventory over a significant part of the vanadiferous trend to the point of justifying a preliminary assessment report. Further exploration and appraisal tasks in Area A will explore for extensions of vanadium mineralization east, west, north and south of the known trend and block out additional resources. The drilling program should include up to 13 core holes (DDH) and up to 36 RC holes, totaling 6,530 feet and 20,000 feet, respectively, in and around Area A. See Figure 24 for general locations of additional drilling and exploration adjacent to the 2007/2005 drilling programs in Area A.

Surface mapping coupled with core holes and RC drilling will evaluate the ends and east and west sides of the Area A mineralization trend for additional vanadium resources. Also infill drilling where necessary will strive to resolve unexplained structural anomalies found during the 2005-2007 drilling and to tighten up evaluation of the Area A-South to upgrade the resources category to "indicated". The following summarizes the work planned to enlarge and better appraise the Area A resource base. See the "Interpretation and Conclusions" section for explanations of some of these recommended activities and Figure 24 for areas identified for drilling and other exploration. Supplemental diamond drill core holes will be sited in critical locations to better define lithologic elements. The prelude to drilling will include surface field mapping and surface examinations to better determine relevant drill sites and to gain more understanding of the surrounding structure. Additionally, professional photogeologic mapping of Area A and the entire BMK property and surrounding vicinity is an excellent and inexpensive method to provide a base of geologic information and understanding to be followed up by ground mapping

- Establish the down-dip extension (eastward) of the vanadiferous beds beyond the present drill hole locations: The work will block out inferred or indicated resources down to a minimum of 600 feet. See Figure 24 – A1 for the location of designated area. If the stratigraphy cooperates, this drilling will also measure the depth from the top of the mineralization to the top of the Woodruff Formation. This stratigraphic information will be valuable when exploring for deep mineralization that may also lie under younger strata west of the fault (see bullet below and Figure 24 – A4).
- Explore and map the vanadiferous shale trend under sedimentary cover north of the limit of current drilling: Block out inferred or indicated resources as much as financially feasible for resources. If an offset has shifted the mineralized unit, conduct a minimum of drilling to determine where it ended up for future reference. See Figure 24 – A2 for location.
- Block out resources along the east side of the fault: On the west side of Area A-North, drill to resolve the fold pattern of the vanadium-bearing beds and the fault disruption of beds along the east margin of the fault zone. See Figure 24 – A3 for location.
- Angle drill holes eastward on the west side of the west fault to cross the fault zone and penetrate the Woodruff lithology: Also, if the stratigraphy is favorable, one or two vertical hole(s) should advance down to locate the possible down-faulted Woodruff Formation. This will determine if vanadiferous beds are present within feasible mining depths. See Figure 24 – A4 for location.
- Extend the mineralized trend south of the current limits of drilling: Drill a series of holes to evaluate the mineralized trend intersected by Hecla holes 14 and 15 located south of the limits of the Area A-South resource block limit. See Figure 24 – A5 for location.
- Sufficient infill drilling to intersect a complete thickness and attitude confirmation of the vanadiferous unit between DDH BMK 05-03 and RC BMK 05-03 in Area A- South. (Figure 24-A6). Drilling to east between the 2005 holes and the Devils Gate Limestone outcrop; the holes to the east (down dip) will evaluate the grade tenor and depth for a potential resource assessment.
- In the 2007 drill pattern, borings should confirm or better characterize the apparent dip changes observed in hole pairs RC BMK 07-04 and 06 and RC BMK 07-07 and 08 (see sections Figures 18 and 20 and Figure 24-A7).

In November 2008 the Company, under the direction of QP Ed Ullmer, P. Geo, revised Phase II to focus primarily on the Northern half subsection of Northern Section A, in which the NI 43-101 Resource Estimate was conducted by Maptek. The

revised program now calls for 4 core holes and 16 RC holes to be drilled with the intentions of establishing a Measured Resource on this subsection. Additionally, a Preliminary Assessment, Scoping Study, further Metallurgical Testing and Survey Work will be included. The initial budget for this revised Phase II program is approximately CAD \$700,000. The Company continues discussions with several parties with respect to the financing of Phase II of the Bisoni McKay property and intends to secure it early in 2009.

### **Recent News Releases**

The Company exhibited at the PDAC (Prospectors and Developers Association of Canada) Trade Show in Toronto in March 2008 and, in addition to developing its vanadium property, is also exploring other new exploration opportunities, most notably the examination of several gold property opportunities.

In January 2009, the Company completed a non-brokered private placement consisting of 661,500 common shares of the Company at an offering price of \$0.20 per share. The shares are subject to a four month hold period ending on May 15, 2009.

On January 8, 2009 the Company proposed a reduction in the exercise price of 887,475 incentive stock options held by insiders from 50 cents to 21 cents. These options shall continue to be subject to an expiry date of May 18, 2010. This proposal was carried at that time.

### **1.4 OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-Balance Sheet Arrangements.

### **1.5 TRANSACTIONS WITH RELATED PARTIES**

The Company entered into the following transactions with and had balances due to and from related parties at the quarter ended March 31, 2009 as follows (with comparative figures for the quarter ended March 31, 2008):

The Company entered into the following transactions with related parties:

- a) Incurred premises rent in the amount of \$Nil (2008 - \$3,765) to a company with common directors. The rent was payable on a month to month tenancy. This agreement has been terminated as of September 30, 2008.
- b) Sales commissions included in wages, commissions and contract services expense totaling \$15,000 (2008 - \$15,000) were paid to a director of the Company for product sales.
- c) The Company incurred consulting fees in the amount of \$24,457 (2008 - \$24,457) payable to a company owned by an officer for administrative services.
- d) Advanced \$Nil (2008 - \$8,878) to a company controlled by a director for future overseas product marketing which was recorded as prepaid expenses at year end.
- e) Received loans totaling \$63,106 (2008 - \$nil) from a company controlled by a director. The loans are unsecured, non-interest bearing, and have no specific terms of repayment.

During the period, the Company repriced a total of 887,475 incentive stock options held by insiders from \$0.50 to \$0.21. Fair market value of the repriced options is \$46,484 or approximately \$0.05 per share has been recorded as stock based compensation.

## 1.6 PROPOSED TRANSACTIONS/COMMITMENTS

The Company is currently arranging financing to complete Phase II of the Bisoni McKay vanadium project, as well as to initiate initial exploration work on the Zeighbrite Gold Property.

## 1.7 CRITICAL ACCOUNTING ESTIMATES

### Use of estimates:

The company's financial statements have been prepared in conformity with Canadian generally accepted accounting principles and form the basis for discussion and analysis of critical accounting policies and estimates. Management is required to make estimates and assumptions that affect the report amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant financial statement areas requiring the use of management estimates relate to the determination of impairment of assets and resource property interests, and their useful lives for amortization, the fair value of investments and share-based compensation, and the recoverability of future income tax assets. Financial results as determined by actual events could differ from those estimates.

### Accounting Policy

In the PREVIOUS year, the Company adopted new significant accounting policies in the current year, HB 1506 – Accounting Changes, HB 3862 – Financial Instruments – Disclosures, HB 3863 – Financial Instruments – Presentation, and HB 1535 – Capital Disclosures. These new accounting policies did not have a material impact on the financial statements in the current year other than changes in notes disclosures. Additionally, Company Directors and Officers have discussed the existing Company accounting policies, including the required policy changes which will take effect at the conclusion of the year ending September 30, 2010 and transition plans into IFRS. These discussions also include consultation for reference with Company Auditors and third party accounting consultants.

### Controls over disclosure and financial reporting

Under multi-lateral instrument 52-109 management is now required to certify that they have caused the company to design suitable controls over external disclosure and financial reporting. Management must also undertake reviews of the effectiveness of such controls and discuss areas of significant weakness and the associated risks as well as their plans to address them.

The company has not had sufficient financial resources to maintain dedicated internal financial reporting and qualified professional accounting personnel. Accordingly, financial reporting controls and internal transaction controls are designed and provided primarily by management with limited involvement from external consultants and professionals. This approach has been determined by management to be the most cost effective to date. However, controls may not be as strong as other entities with access to greater resources.

Management and the audit committee have discussed and identified areas that need to be improved as the company expands its scope of operations and strives to meet current market and regulatory expectations relating to the effectiveness of controls.

#### *Identified areas of control weaknesses include:*

- Payment authorization and signing authorities
- Handling of Accounts Receivable and Cash Receipts, Accounts Payable and Cash Payments
- Timely bookkeeping and account classifications and reconciliations
- Supplementing ongoing expertise in GAAS and disclosure requirements
- Segregation of duties
- Management override of controls
- Governance processes and clarification of duties.

When control weaknesses are identified there is increased risk of release of inappropriate disclosures. There is also increased risk of misstatement in financial reporting through errors, omissions or fraudulent activity that could occur and go undetected. Management and the directors of the company have started addressing the need for increased control measures. Included in these steps were the following:

1. Regular periodic review of all cash transactions by an audit committee director with management, with required written approval.
2. Required written approval for non-routine large transactions by an audit committee director.
3. Engagement of an independent third party accountant to review interim quarterly statements with Company management, check for bookkeeping and classification errors, and proper disclosure.

The Company recognizes that its existing control measures do not comply with a recognized internal control framework such as COSO. The Company believes such a framework not viable at this time due to its relative size.

The Company intends to initiate transition to IFRS on a test basis for the year ending September 2009, with formal transition scheduled for the year ending September 2010.

### **Risk Management:**

The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. Observed potential risks include those for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements. Company management acknowledges that there is no certainty that all environmental risks and contingencies have been addressed.

#### *Financial Risk Management:*

The Company is exposed in varying degrees to a variety of financial instrument related risks.

#### *Credit Risk:*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash accounts and accounts receivables. Cash accounts are held with major banks in Canada and the United States. This risk is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to credit risk is in its receivables, comprising amounts due from government agencies as well as amounts due from customers. The Company only grants credit where customers have established a history of purchases. New and infrequent customers are normally subject to COD terms.

#### *Currency Risk:*

The Company's functional currency is the Canadian dollar. There is moderate foreign exchange risk to the Company as some of its natural health food customers and suppliers and its resource property interest are located in the United States. Management monitors its foreign currency balances and makes adjustments based on anticipated need for currencies. The Company does not engage in any hedging activities to reduce its foreign currency risk.

#### *Interest Rate Risk:*

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash accounts is relatively unaffected by changes in short term interest rates. The income earned on certain bank accounts is subject to the movements in interest rates.

#### *Liquidity and Funding Risk:*

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements.

The Company is not utilizing any other financial instruments other than cash at this time.

Funding Risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable market terms and conditions.

Under current market conditions both liquidity and funding risks have been assessed as high.

**Stock-based compensation:**

The Company follows the guidelines of the CICI Handbook Section 3870, relating to stock-based compensation and other stock-based Payments. The Company follows a fair-value method for all stock-based compensation and similar stock based awards to directors, employees and consultants. Where the Company has issued options that vest over a period of expected service, the fair value of the options at the date of grant is estimated and charged to income over the respective vesting periods.

## 1.8 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company intends to initiate transition to IFRS on a test basis for the year ending September 2009, with formal transition scheduled for the year ending September 2010.

## 1.9 FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, cash equivalents, marketable securities, accounts receivables, amounts due to and from related parties, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency risks arising from financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

## 1.10 OTHER MD&A REQUIREMENTS

Additional information relating to the Company's operations and activities can be found by visiting the Company's website [www.stinaresources.com](http://www.stinaresources.com) as well as numerous news releases and 43-101 reports filed on SEDAR at [www.sedar.com](http://www.sedar.com)

### A. Authorized and Issued Share Capital as at March 31, 2009:

Authorized: Unlimited common shares without par value.

Issued and outstanding: **15,285,567 common shares**

*See Note 6 – Share Capital of the Financial Statements*

### B. Options, Warrants & Convertible Securities Outstanding as at March 31, 2009:

#### Stock options

Under the Company's Incentive Share Option Plan, the Company may grant options to employees, consultants and directors when the number of shares reserved does not exceed 10% of the issued and outstanding share capital at the date of grant. The exercise price of the options granted will be no less than the discounted market price of the Company's shares and the maximum term of the options will be 5 years.

The following stock options are vested and exercisable:

<u>Number of shares</u>	<u>Exercise price - \$ -</u>	<u>Expiry (Date)</u>
887,475	0.21	May 18, 2010

**Escrow shares**

On June 24, 2008, the Company issued a total of 2,795,600 shares to acquire 100% interest in the Bisoni MacKay Vanadium Property. (subject to a 2.5% NSR) of which 625,000 shares are subject to a time release escrow agreement and were recorded at \$0.80 per share. The remaining 2,170,600 shares were recorded at a deemed price of \$1.00 per share.

**As of March 31, 2009, 562,500 shares were held in escrow.**

The shares are subject to a time release escrow agreement as follows:

<u>Anticipated release dates:</u>	<u>Shares for release</u>
June 14, 2009	93,750
June 24, 2009	93,750
December 24, 2009	93,750
June 24, 2010	93,750
December 24, 2010	93,750
June 24, 2011	<u>93,750</u>
	<u>562,500</u>

**Share purchase warrants**

<u>No. of warrants</u>	<u>Exercise price</u>	<u>Expiry Date</u>
<u>78,000</u>	<u>1.70</u>	<u>August 20, 2009</u>

**A. Subsequent Events**

On April 10, 2009 the Company appointed Mr. Stanley Barnard of Calgary, AB to the Board of Directors.

On May 1, 2009 Vanadium International Corp., holding 1,994,350 common shares of the Company (13% of I/O) filed through sedar a Form 45-102F1m notice to sell privately 1,356,850 common shares to Lextacan Developments Ltd. and Arcade Investments Ltd., neither major shareholders. The transfer of these shares was in progress as of May 21, 2009.

No other arrangements or transactions have occurred subsequent to March 31, 2009.

**B. Evaluation of Disclosure Controls and Procedures**

Based on our evaluation for the quarter ended March 31, 2009, and up to the date of this Management Discussion and Analysis, we have concluded that our disclosure controls and procedures are sufficiently effective to provide reasonable assurance that material information required to be disclosed in the Company's interim and annual filings and other reports filed or submitted under Canadian securities laws are recorded, processed, summarized and reported within the time periods specified by those laws and that the material information is accumulated and communicated to Management of the Company, including the President and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

**C. Corporate Governance Disclosure**

The company has submitted to its members and shareholders details in the Information Circular dated May 21, 2009 Corporate Governance Disclosure guidelines that have been presented to the Board of Directors for periodic review.

Some of these guidelines are: Outlining the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Management of the Company periodically updates directors with regulatory policy changes. The Management encourages and promotes a culture of ethical business conduct. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

# STINA RESOURCES LTD.

## CORPORATE DATA

### Head Office

Ste 717 – 165 LaRose Avenue  
Etobicoke, ON M9P 3S9  
Contact: Edward Gresko  
Tel: (416) 368-2271 Fax: (416) 368-2635  
E-Mail: info@stinaresources.com  
Websites: [www.stinaresources.com](http://www.stinaresources.com)  
[www.northern-seas.com](http://www.northern-seas.com)  
[www.petwonder.com](http://www.petwonder.com)

### Directors and Officers

Edward Gresko, President/Director  
Sidney Mann, Treasurer/Director  
George Weinstein, Director  
Stanley Barnard, Director  
Jim Wall, Secretary/ Controller  
Zigurts Strauts, Consultant

### Registrar and Transfer Agent

Computershare Trust Company of Canada  
3<sup>rd</sup> Floor 510 Burrard Street  
Vancouver, BC V6C 3B9

### Solicitors

Fang & Associates  
3<sup>rd</sup> Floor, 576 Seymour Street  
Vancouver, B.C. V6B 3K1

### Auditors

Dale, Matheson, Carr-Hilton, Labonte, LLP,  
Chartered Accountants  
#1700 – 1140 W. Pender Street  
Vancouver, B.C. V6E 4G1

### Listing

TSX Venture Exchange  
Symbol: SQA