

LABRADOR TECHNOLOGIES INC.

THREE MONTHS ENDED JANUARY 31, 2008

MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management's Discussion and Analysis ("MD&A") is prepared in accordance with National Instrument 51-102F1, and should be read in conjunction with the audited financial statements of Labrador Technologies Inc. ("LTI" or the "Corporation") for the year ended October 31, 2007. Additional information with respect to LTI can be found on the Corporation's website at www.labradortechnologies.com or on SEDAR at www.sedar.com.

Certain statements in the MD&A constitute forward-looking statements that involve various risks and uncertainties. These risks and uncertainties include, but are not restricted to, the Corporation's continuing ability to promote and license its products, the Corporation's ability to attract and retain key employees, and the Corporation's ability to raise capital on acceptable terms when needed. These uncertainties may cause actual results to differ from information contained herein. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These forward-looking statements are based on the estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice.

This MD&A is dated as of March 20, 2008.

Overall Performance

CEO'S REPORT TO SHAREHOLDERS

As in past years, there is only a matter of a few weeks between our 2007 Annual Report and the reporting of 1st Quarter, 2008. Shareholders are asked to reference the CEO's Report to Shareholders in the 2007 Annual Report as a current representation of where the Company is today.

"signed"

H. Ronald Sterne
President & C.E.O.

Results of Operations

Revenue

Currently, the Corporation has no current ongoing sources of revenue.

Financial Summary

	Three months ended	
	January 31, 2008	January 31, 2007
Expenses	\$ 226,131	\$ 247,531
Net loss	(226,131)	(247,531)
Net loss per share	(0.01)	(0.01)
Outstanding shares	20,831,145	17,983,837

Expenses

General and administrative

This category of expenses is comprised primarily of office rent, office equipment rentals, administrative salaries, corporate expenses related to shareholder reporting, and professional fees. General and administrative expenses for the three month period ended January 31, 2008 were \$82,150 compared to \$111,015 for the three month period ended January 31, 2007, a decrease of \$28,865. The decrease is primarily due to a reallocation of staff resources to marketing and sales.

Computer and related costs

Computer and related costs include programmers' salaries, software costs, and telecommunication costs. This category of expenses totaled \$79,812 for the three month period ended January 31, 2008 compared to \$54,288 for the three month period ended January 31, 2007, an increase of \$25,524. The increase is primarily due to an increase in programmers' salaries/consulting fees.

Marketing and sales

Marketing and sales expenses include expenses for sales and support salaries/consulting fees, and promotion/advertising. For the three month period ended January 31, 2008, marketing and sales expenses were \$60,601 compared to \$9,802 for the three month period ended January 31, 2007, an increase of \$50,799. The increase is primarily due to increased staff resources being directed to sales.

Stock-based compensation

LTI issued 60,000 share options to an employee during the three month period ended January 31, 2008 (2007 – 225,000). Stock-based compensation expense of \$1,693 was recorded for the three month period ended January 31, 2008, based on an estimate of the fair value of the options calculated using the Black-Scholes option-pricing model.

Amortization

Amortization expense for the three month period ended January 31, 2008 was \$2,134 compared to \$3,126 for the three month period ended January 31, 2007. The reduction is primarily due to the absence of significant additions to property and equipment in the last year.

Working capital

At January 31, 2008, LTI had cash of \$67,184, no debt, and working capital of \$481. The Corporation has no current sources of ongoing revenue and is relying on future sales to generate additional cash. As a result, the Corporation's ability to maintain its operations in the future is dependent on its ability to generate sufficient revenue, and/or raise sufficient capital to continue to fund its strategic business plan. Please refer to "Subsequent Events" for current details on the success of LTI's private placement announcement.

Financing and Investing

During the three month period ended January 31, 2008, the Corporation's cash position decreased by \$96,583 primarily as a result of the loss from operations. Please refer to "Subsequent Events" for details on the success of LTI's private placement.

Summary of Quarterly Results

Fiscal 2008	1-QTR	2-QTR	3-QTR	4-QTR
Expenses	226,131	N/A	N/A	N/A
Net loss	(226,131)	N/A	N/A	N/A
Net loss per share	(0.01)	N/A	N/A	N/A
Outstanding shares	20,831,145	N/A	N/A	N/A

Fiscal 2007	1-QTR	2-QTR	3-QTR	4-QTR
Expenses	247,531	332,441	321,049	361,618
Net loss	(247,531)	(332,441)	(321,049)	(361,618)
Net loss per share	(0.01)	(0.02)	(0.02)	(0.02)
Outstanding shares	17,983,837	20,463,247	20,792,803	20,808,872

Fiscal 2006	1-QTR	2-QTR	3-QTR	4-QTR
Expenses	188,984	292,541	243,308	203,499
Net loss	(188,984)	(292,541)	(243,308)	(203,499)
Net loss per share	(0.02)	(0.02)	(0.02)	(0.01)
Outstanding shares	11,488,508	15,794,678	16,594,016	17,863,347

Liquidity and Capital Resources

At January 31, 2008, LTI had cash of \$67,184, no debt and working capital of \$481. The Corporation announced a private placement for between 2,000,000 and 6,000,000 units at a price of \$0.25 per unit with an expected closing date of April 21, 2008. Each unit consists of one common share and one half common share purchase warrant. Each whole share purchase entitles the holder to purchase one common share of the Corporation at \$0.45 per share and expires one year from the date of the private placement. As at March 31, 2008, the Corporation had received signed subscription agreements for 3,200,000 units and \$800,000 in proceeds. As at March 31, 2008, the Corporation had a cash balance of \$582,000. The Corporation has no current sources of ongoing revenue and is relying on future sales to generate additional revenue. As a result, the Corporation's ability to maintain its operations in the future is dependent on its ability to generate sufficient cash in the future.

LTI has two contractual obligations: an operating lease for office space and a lease for a vehicle supplied to an officer of the Corporation. The office space lease is for a three-year term ending August 2009 and has a monthly cost of \$9,063. The vehicle lease is for a three-year term ending January 2010 and has a monthly cost of \$491.

Financial Instruments

As of the date of this MD&A, the Corporation had no financial instruments other than cash, accounts receivable and accounts payable.

Related Party Transactions

During the first quarter, \$7,500 in consulting fees was paid to a director of the Corporation. This was measured at the exchange amount.

Outstanding Share Data

As of March 20, 2007 LTI had 20,853,567 common shares, 803,566 warrants and 1,560,000 options to acquire common shares outstanding.

Subsequent Events

The Corporation announced a private placement for between 2,000,000 and 6,000,000 units at a price of \$0.25 per unit with an expected closing date of April 21, 2008. Each unit consists of one common share and one half share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share of the Corporation at \$0.45 per share and expires one year from the date of the private placement. As at March 31, 2008, the Corporation had received signed subscription agreements for 3,200,000 units and had received \$800,000 in proceeds, of which \$700,000, representing 2,800,000 units, were received after January 31, 2008.

H. Ronald Sterne

Jeff Howe

“signed”

“signed”

President & Chief Executive Officer
Labrador Technologies Inc.

Chief Financial Officer
Labrador Technologies Inc.