

LABRADOR TECHNOLOGIES INC.

NINE MONTHS ENDED JULY 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. The reporting and measurement currency is the Canadian dollar.

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 September 24, 2008.

Overall Performance

CEO'S REPORT TO SHAREHOLDERS

The 2007 Annual Report provides a comprehensive summary of the Company's thinking, strategies, and planning for its web-based product, Labrador® eTriever™. What follows is a succinct update, as of today's date.

Working the Plan

In what only can be described as a very unstable market, particularly in the U.S., the Company has stayed the course with its Business Plan. In brief summary, our Plan is to continue with focused, aggressive software development, and bring on "early adopter clients", one at a time, to both test eTriever's infrastructure for scalability and to ensure that its capabilities meet with basic market requirements.

In this regard, we are pleased to have brought on our first large client, with whom we have been working closely over the past three months. Building and expanding solid relationships are hallmarks of LTI's approach to business, and we are very pleased to report that this first client's feedback has been as good as I can ever remember experiencing – in short, eTriever is a winner.

Infrastructure Is the Key to Growth

In order to support a growing client base, infrastructure, at every level, is fundamental to success. Thus, while we have been developing a DLS (Dominion Land Survey) gridding system and materially expanding WebMap's flexibility and depth, there are critical support systems that must be in place so that clients can be provided the same exceptional level of service we are now providing to our first senior client. Accordingly, the Company has continued to hire purposefully, with remarkable results, both at the intermediate and senior

levels, including sales. Thus, as soon as Management concludes that eTrierer is "industrial strength", and our team is fully trained and prepared, with a comprehensive sales plan, aggressive marketing will be initiated by an experienced sales team.

Equity Financing Continues

Since February 2008, the Company has been successful in raising \$1,000,000, at the same terms and conditions. The Company's principal Agent, in this regard, is also a shareholder who believes in the Company's vision and, as a result, LTI has attracted some astute investors who understand the oil & gas industry. Our principal Agent continues to be actively engaged in our equity financing, which is currently necessary to finance the above mentioned infrastructure, and is optimistic about our prospects. Minimizing share dilution, while still providing for the ongoing financial stability of the company, continues to be our goal.

"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		Nine months ended	
		July 31	July 31	July 31	July 31
		2008	2007	2008	2006
Expenses	\$	275,810	321,049	766,723	901,016
Net loss		(275,810)	(321,049)	(766,723)	901,016
Net loss per share		(0.01)	(0.02)	(0.03)	(0.04)
Outstanding shares		24,936,037	20,792,803	24,936,037	20,792,803

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 July 31, 2008 were \$123,189 compared to \$149,065 for the three month period ended July 31, 2007, an decrease of \$25,876. The decrease is primarily due to a staffing change.

Computer and related costs

Computer and related costs include programmers' salaries, software costs, and telecommunication costs. This category of expenses totaled \$83,062 for the three month period ended July 31, 2008 compared to \$87,661 for the three month period ended July 31, 2007 a decrease of \$4,599. The decrease is primarily due to a reduction of programmers' salaries/consulting fees.

Sales and marketing

Sales and marketing expenses include expenses for sales and support salaries/consulting fees, and promotion/advertising. For the three month period ended July 31, 2008, sales and marketing expenses were \$62,792 compared to \$27,654 for the three month period ended July 31, 2007, an increase of \$35,138. The increase is primarily due to an increase in support salaries.

Stock-based compensation

No share options were granted by LTI to any employees, officers, directors and consultants during the three month period ended July 31, 2008 (2007 – 260,000). Stock-based compensation expense of \$3,892 was recorded for the three month period ended July 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 July 31, 2008 was \$3,200 compared to \$3,126 for the three month period ended July 31, 2007.

Working capital

At July 31, 2008, LTI had cash of \$391,444, no long-term debt, and working capital of \$383,462. 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, in the future to continue to fund its strategic business plan.

Summary of Quarterly Results

Fiscal 2008	1-QTR	2-QTR	3-QTR	4-QTR
Expenses	\$ 226,131	264,782	275,810	N/A
Net loss	(226,131)	(264,782)	(275,810)	N/A
Net loss per share	(0.01)	(0.01)	(0.01)	N/A
Outstanding shares	20,831,145	24,267,922	24,936,037	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 July 31, 2008, LTI had cash of \$391,444, no long-term debt and working capital of \$383,462. The Corporation announced a private placement on February 25, 2008 for between 2,000,000 and 6,000,000 units at \$0.25 per unit which closed date of May 26, 2008. Each unit consists of one common share and one half common share purchase warrant. Each whole purchase warrant entitles the holder to purchase one common share of the Corporation at \$0.45 per share and expires one year from the closing date of the private placement. As at July 31, 2008, the Corporation had received \$850,000 in proceeds and had issued 3,400,000 units. Of the proceeds raised, \$809,000 was allocated to common share capital and \$41,000 was allocated to share purchase warrants.

A new private placement for between 2,000,000 and 6,000,000 units at a price of \$0.25 per unit was announced on May 26, 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 July 25, 2008, the closing date of this private placement, the Corporation had received \$150,000 in proceeds for 600,000 units. 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 and cash equivalents, accounts receivable and accounts payable.

Outstanding Share Data

As of September 24, 2008 LTI had 25,206,822 common shares, 2,803,555 warrants and 1,275,000 options to acquire common shares outstanding.

Subsequent Events

On September 15, 2008, 252,000 common shares were issued as a finder's fee. This arrangement was approved by the TSX in conjunction with the Corporation's private placements.

International Financial Reporting Standards (IFRS)

Effective for the 2011 fiscal year, the Corporation will be required to adopt IFRS. The Corporation is currently evaluating and developing a plan to address this issue.

H. Ronald Sterne

Jeffrey Howe

"signed"

"signed"

President & Chief Executive Officer
Labrador Technologies Inc.

Chief Financial Officer
Labrador Technologies Inc.