

**CRESTON MOLY CORP.**

#860-625 HOWE STREET  
VANCOUVER, BRITISH COLUMBIA V6C 2T1  
TEL: 604 694-0005 FAX: 604-689-5041

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Three and Six Month Periods Ended January 31, 2010

Contact Person:

Contact's Position:

Contact Telephone Number:

Date of Report:

E-Mail Address:

Website:

D. Bruce McLeod

Director

604-694-0005

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info@crestonmoly.com

www.crestonmoly.com

# **CRESTON MOLY CORP.**

## **Management Discussion and Analysis for the three and six month periods ended January 31, 2010**

### **Background**

The following interim management's discussion and analysis ("MD&A") has been prepared as of March 30, 2010 and is intended to supplement and complement the Company's unaudited interim consolidated financial statements for the three and six month periods ended January 31, 2010.

This discussion and analysis of financial position and results of operation should be read in conjunction with the audited consolidated financial statements for the years ending July 31, 2009 and 2008 of Creston Moly Corp. (the "Company" or "Creston"). Those financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). All dollar figures included therein and in the following MD&A are quoted in Canadian dollars unless otherwise indicated. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

### **NATURE OF BUSINESS**

Currently the Company's main business activity is the evaluation, exploration and development of the El Creston Molybdenum Property in Sonora, Mexico ("Creston Property") and the Ajax and Moly Brook molybdenum properties in Canada. The Company is a reporting issuer in British Columbia, Alberta and Manitoba, and is a Tier 1 issuer trading on the TSX Venture Exchange under the symbol "CMS".

### **HIGHLIGHTS FOR THE THREE MONTH PERIOD ENDED JANUARY 31, 2010**

During the period ended January 31, 2010 the Company has:

- Raised \$3,488,398 on the exercise of warrants and stock options to finance ongoing exploration, development activities and operations.
- Completed a detailed mapping and surface sampling program of selected areas on the El Creston Property away from the deposit that were previously identified as being favourable for hosting molybdenum mineralization. The results showed several areas to host anomalous molybdenum values.
- Commenced a 5,000 metre drill program at the El Creston Property in late January 2010, the purpose of which was to test areas for their potential to host additional resources and to complete hydrological and structural studies. The drilling is focused within and adjacent to the northern boundary of the existing resource.
- Completed multi-element analysis on pulp samples from selected drill holes from the 2007 and 2008 drill program on the El Creston Property. The results show anomalous, >2 ppm silver values to occur in both the oxide and sulphide portions of the deposit. Results include 117.80 metres averaging 3.88 g/t silver (Hole EC08-025) and 112.90 metres averaging 5.49 g/t silver (Hole EC07-014)
- Restructured the Company's financial commitments
- Undertook the appeal process of the Company's arbitration loss

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#### MINERAL RESOURCE SUMMARY OF THE CONSOLIDATED COMPANY

At a 0.03% Mo equivalent cut-off of the El Creston molybdenum deposit contains the following Mineral Resources:

<u>Project</u>	<u>Category</u>	<u>Tonnes (000)</u>	<u>Mo%</u>	<u>Lbs Mo (000)</u>	<u>Cu %</u>	<u>Lbs Cu (000)</u>
El Creston	Measured	52,240	0.074	85,490	0.050	58,080
	Indicated	124,650	0.070	192,720	0.044	121,060
	<b>Total (M+I)</b>	176,890	0.071	278,210	0.046	179,140
	Inferred	16,300	0.051	18,320	0.061	21,860

*The mineral resources referred to herein have been estimated in a NI 43-101 technical report (the "MDA Report") prepared for the Company in December 2008 by Mine Development Associates ("MDA"). The person responsible for the mineral resource estimate on behalf of MDA is Michael Gustin, P.Geol, and a Qualified Person for the purposes of National Instrument 43-101. The MDA Report is available at [www.sedar.com](http://www.sedar.com). Proven and probable mineral reserves are included in the statement of resources.*

The Moly Brook and Ajax molybdenum deposits contain the following mineral resources at a 0.04% Mo cut-off grade:

<u>Project</u>	<u>Category</u>	<u>Tonnes (000's)</u>	<u>Mo %</u>	<u>Lbs Mo (000's)</u>	<u>Cu %</u>	<u>Lbs Cu 000's</u>
Moly Brook <sup>(1)</sup>	Indicated	86,781	0.065	124,600	0.034	65,800
	Inferred	31,263	0.056	38,600	0.027	18,800
Ajax <sup>(2)</sup>	Indicated	69,000	0.065	98,900	N/A	N/A
	Inferred	483,120	0.061	649,800	N/A	N/A

- The Mineral Resource estimate for the Moly Brook Molybdenum Property was completed by Kirkham Geosystems Ltd. under the direction of Garth Kirkham, an independent qualified person as defined by National Instrument 43-101. The Moly Brook Report is available at [www.sedar.com](http://www.sedar.com).*
- The Mineral Resource estimate for the Ajax Molybdenum Property was completed under the direction of Gary Giroux, P.Eng., an independent qualified person as defined by National Instrument 43-101. The Ajax Report is available at [www.sedar.com](http://www.sedar.com).*

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### Mineral Reserves and Mineral Resources

In accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators, the Company has delineated proven and probable mineral reserves and measured, indicated and inferred mineral resources.

### Proven and Probable Mineral Reserves and In-Pit Inferred Resources

The El Creston molybdenum deposit contains the following Mineral Reserves and Inferred Mineral Resources at a 0.037% Mo equivalent cut-off grade:

El Creston Property

<u>Category</u>	<u>Tonnes</u> <u>(000's)</u>	<u>Mo</u> <u>(%)</u>	<u>lbs Mo</u> <u>(000's)</u>	<u>Cu</u> <u>(%)</u>	<u>lbs Cu</u> <u>(000's)</u>
Proven Mineral Reserves	44,736	0.079	78,024	0.053	52,217
Probable Mineral Reserves	101,968	0.076	171,924	0.047	106,614
<b>Proven and probable Mineral Reserves</b>	<b>146,705</b>	<b>0.077</b>	<b>249,948</b>	<b>0.049</b>	<b>158,831</b>
In-pit Inferred Mineral Resources	8,718	0.065	12,464	0.063	12,158
*Mo equivalent: $Mo\% + (Cu\%/7.5)$					

## EXPLORATION

### El Creston Property

- As of March 15 the Company had received the complete results for seven holes. The results show above cut-off grade to extend outside of the currently defined resource limits. Results included 189.05 metres @ 0.091% molybdenum including 94.55 metres @ 0.150% molybdenum (Drill Hole EC10-67)
- A 3D Inversion Induced Polarization Survey totaling 40.75 line km in length was completed over portions of the Main, Red Hill, A-37 and Alejandra Zones. The results showed the Main Zone to be coincidental with a high resistivity zone whereas the Red Hill Deep and A-37 are coincidental with a zone of high chargeability. Elsewhere on the property there are several chargeability and resistivity anomalies some of which are coincidental. The company is presently awaiting the final report.

### Moly Brook Property

- Compiled the results of a surface exploration program completed at its Moly Brook Property. The results show an extensive molybdenum in soil anomaly to correspond with the Chimney Pond Zone. In addition, grab samples from along the eastern property boundary above Grey River Fjord has identified widespread molybdenum values.

### Ajax Property

- No work was conducted on the Ajax Project in 2009

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### EXPLORATION UPDATE

#### El Creston Property, Sonora, Mexico

##### *Overview*

Creston Moly Corp. has a 100% interest in the El Creston Property. The property, centered 94 kilometres northeast of Hermosillo, State of Sonora, Mexico near the village of Opodepe, hosts several zones of porphyry-style molybdenum/copper mineralization including the Main Zone of the El Creston molybdenum deposit and Red Hill Zone. Access is by paved highway and all season gravel roads.

In 2009 a comprehensive compilation of the El Creston Property data identified a number of exploration targets on the El Creston Property on the basis of anomalous molybdenum geochemistry and/or ASTER (Advanced Spaceborne Thermal Emission and Reflection Radiometer) sericite and potassic signatures. The Main deposit is located in the center of this belt. The geochemical anomalies were generated from rock chip samples collected by AMAX and Creston, as well as from mesquite and stream-sediment samples taken by AMAX. The compilation identified seven areas; Creston North, Creston East, Red Hill West, A-37, Alejandra, Southwest Aster and Creston North Aster, as having the potential to host significant molybdenum mineralization. In addition a review of the Amax drill results based on limited data, showed that in addition to molybdenum and copper the Main deposit contains anomalous silver, gold and tungsten values. In late 2009 sampling of the pulps from selected holes drilled by Creston in 2007 and 2008 were analyzed by 30 element Inductively Coupled Plasma (ICP) analysis. In addition follow up surface mapping and sampling were completed.

##### ***Highlights of Exploration completed October 31 to March 30/2010***

The resampling of the pulp samples from selected holes from the 2007 and 2008 program showed lengthy intersections of anomalous, >2 ppm silver in both the oxide and sulphide portions of the Main Zone. Highlights include drill intercepts of:

- 86.65 metres averaging 6.05 g/t silver (Hole EC08-022)
- 117.80 metres averaging 3.88 g/t silver (Hole EC08-025)
- 112.90 metres averaging 5.49 g/t silver (Hole EC07-014)
- 211.70 metres averaging 2.61 g/t silver (Hole EC08-021)

##### **Additional highlights include:**

- Anomalous molybdenum values extend up to 250 metres to the north of the Main Zone of the El Creston molybdenum deposit
- Anomalous molybdenum values extending up to 400 metres to the east of the limits of the Main Zone of the El Creston molybdenum deposit.
- Identification of a molybdenum bearing anomaly 100 by 500 metres that is open in all directions centered about Hole A-37 (74 metres averaging 0.094% molybdenum commencing at 44 metres depth).
- Confirmed the Red Hill West Zone hosts anomalous molybdenum and silver values throughout an area up to 500 metres in length and up to 800 metres wide.
- Outlined two major and several minor zones of anomalous molybdenum and/or silver in rock geochemistry on the Alejandra grid

##### ***Details***

In 2009, pulp samples from holes drilled in 2007 and 2008 by Creston Moly Corp. were assayed for silver and a series of other elements by Inductively Coupled Plasma (I.C.P.). The drill holes were located along three sections spaced at 200 metre intervals over the Main Zone and Red Hill Zone of the El Creston molybdenum deposit. The program resulted in fifteen holes from the Main Zone and three from the Red Hill Zone being analyzed. The results showed extensive silver bearing intersections to occur in both the oxide and sulphide portions of the Main Zone within the tested area while at Red Hill Zone a 48.20 metre section averaging 2 ppm silver was intersected that correlates with the Red Hill Shallow Zone. The results are summarized below.

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<b>Zone</b>	<b>Section</b>	<b>Hole</b>	<b>From (metres)</b>	<b>To (metres)</b>	<b>Int. (metres)</b>	<b>Ag (g/t)</b>	
Main	533000	EC08-038	5.80	27.95	22.15	2.32	
<b>Main</b>	<b>533000</b>	<b>EC08-021</b>	<b>24.15</b>	<b>235.85</b>	<b>211.70</b>	<b>2.61</b>	
		inc.	266.95	273.70	6.80	10.70	
Main	533000	EC08-029	129.40	154.60	25.20	2.72	
			184.00	208.65	24.65	6.96	
		inc.	184.00	188.85	4.85	25.80	
Main	533200	EC08-019	0	82.9	82.9	3.18	
		inc.	0.00	54.00	54.00	3.63	
Main	533200	EC08-018	7.05	67.9	60.85	2.30	
		inc.	9.90	37.25	27.35	2.75	
Main	533200	EC07-014	2.5	115.4	112.9	5.49	
		inc.	2.50	66.95	64.45	8.32	
			249.45	274.00	24.55	35.80	
		inc.	249.45	253.1	3.65	208.00	
Main	533200	EC08-025	5.75	123.55	117.8	3.88	
Main	533200	EC08-020	89.80	112.15	22.35	12.12	
Main	533200	EC08-022	5.80	92.45	86.65	6.05	
Main	533400	EC07-013	22.32	126.98	104.7	2.90	
		and	47.68	87.85	40.17	4.08	
		or	47.68	49.28	1.60	40.17	
Main	533400	EC07-012	2.45	26.50	24.05	4.52	
			155.40	188.00	32.60	10.60	
		inc.	155.40	158.42	3.02	94.20	
Main	533400	EC08-049	0.70	17.80	17.10	5.02	
			71.50	74.10	2.60	33.50	
Main	533400	EC07-010	22.45	28.27	5.72	6.87	
			141.50	162.40	20.90	2.01	
Main	533400	EC07-009	No significant Results				
Main	533400	EC08-011	No significant Results				
Red Hill	533000	EC08-56	83.00	131.20	48.20	2.00	
Red Hill	533200	EC08-62	382.00	385.00	3.00	5.70	

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Red Hill	533200	EC08-54	No significant results			
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A review of the I.C.P. results shows tungsten values to be low while zinc occurs throughout in varying amounts. In addition, assaying for gold was routinely completed with none of the samples returning anomalous values.

#### *Surface Exploration Program*

Mapping and sampling were completed over several zones located within the El Creston molybdenum deposit. A summary of the results is below.

#### *Creston North and East Targets*

The Creston North and Creston East Areas are located immediately adjacent to the Main Zone of the El Creston molybdenum deposit. The 2009 drill sections indicated the resource is open to the north, and in part both to the west and east. All of the northernmost holes drilled along a 350 metre segment of the El Creston resource intersected significant molybdenum values including intersections of 186.05 and 160.55 metres assaying 0.109% and 0.106% molybdenum respectively. A number of surface samples located up to 300 metres north of the resource limit assayed >0.01% molybdenum with the best result being a 6 metre sample averaging 0.144% molybdenum. Within the area molybdenum values ranged from 0.002% to 0.148% Mo.

Surface sampling along the eastern boundary of the Main Zone resource outline showed anomalous, molybdenum values to extend up to 400 metres to the east. Surface sampling within the northern portion and along the north, east and south margins of the Main Zone of the El Creston molybdenum deposit between 2008 and 2009 yielded 82 chip samples. Assay results of the samples taken within the El Creston Zone (as defined by the resource limits) generally returned low silver values with the best chip sample assaying 3.5 g/t silver over 3 metres. Along the south-eastern margin of the deposit a 150 x 200 metre zone was outlined (defined by six samples with the best sample assaying 8.6 g/t Ag over 3 metres). To the west, east and north silver values are erratically high with spot anomalies being formed.

#### *A-37 Zone*

The A-37 Zone is located to the south of the Red Hill Zone. A hole drilled in the area by Amax Exploration Inc. in 1975 intersected 74 metres averaging 0.094% molybdenum commencing at a depth of 44 metres below surface. The nearest drill hole is located 200 metres to the north.

The A-37 Zone, as defined by 13 rock chip and grab samples, is 100 metres wide by up to 500 metre long and is open in all directions. Chip sample results include two 3 metre samples which are 100 metres apart and which assayed 0.523% and 0.272% molybdenum respectively.

#### *Red Hill West*

The Red Hill West target refers to the possible western extension of the Red Hill Zone. Previous owner sampling outlined a zone 400 metres in length and up to 800 metres wide in which several sites returned values in excess of 0.025% molybdenum to a maximum of 0.080% molybdenum. Sampling by Creston confirmed and extended the zone 50-100 metres to the west. Of the 40 samples taken from the Zone, seven assayed greater than 0.025% molybdenum with the best result being a 3 metre chip sample assaying 0.083% molybdenum. The Red Hill West Zone is overlain by a > 2 g/t in silver rock geochemical anomaly measuring up to 300 metres wide by 1,100 metres long (defined by 22 chip and 11 grab samples). Within the anomaly chip samples results included several sites returning values >5 g/t Ag, up to a maximum of 14 g/t Ag. over 3 metres.

#### *Alejandra Grid*

The Alejandra Grid refers to a 1.5 x 2 kilometer area in which several zones of anomalous molybdenum +/- silver values hosted by granitic rocks of widely varying age occur. The grid was initially mapped and sampled in 2008 with additional sampling being completed in 2009. The sampling has identified two major zones, the Alejandra East and the Alejandra West. The Alejandra East is 800 metres long and open and up to 300 metres wide as defined by 54 rock

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chip and grab samples. Of the 54 samples, 15 assayed >0.025% molybdenum with the best result being a 3 metre sample assaying 0.256% molybdenum. The Alejandra West is 900 metres long and up to 500 metres wide as defined by the >0.01% molybdenum in rock contour. Of the 70 samples comprising the zone 16 assayed >0.025% molybdenum with the best sample being a 3 metre chip assaying 0.102% molybdenum. Elsewhere on the grid there are several other smaller zones of molybdenum mineralization. Sampling at the Alejandra Grid yielded 359 grab samples in 2008 and 206 chip in 2009, of which 124 assayed >2 g/t silver. Using the 2 g/t silver grade as a cut-off, several multi-site anomalies were outlined throughout a 1 km x 2 km area. The largest of the anomalies (defined by 46 samples that include three 3.0 metre samples assaying 10.9, 8.9 and 7.9 g/t silver, respectively) outlines an area 300 metres wide x 800 metres long and is coincidental with the Alejandra West Zone.

#### *Drilling*

In January 2010, Creston commenced a 5,000 metre drill program on the El Creston Property. Objectives include::

- Extend the El Creston Molybdenum deposit Main Zone to the north where all of the northern most holes, located in the resource outline, intersected significant molybdenum values along a 350 metre segment including intersections of 186.05 and 160.55 metres assaying 0.109% and 0.106% molybdenum respectively.
- Complete in-fill drilling in areas of limited drilling within the El Creston Main Zone Resource.
- Drill test the Red Hill Zone to evaluate a southern extension to the El Creston molybdenum deposit Main Zone and proposed open pit.
- Complete drill testing of the El Creston molybdenum deposit Main Zone for structural, geotechnical, metallurgical and hydrological information.

As of March 15 final results for eight holes had been received as listed below.

Hole	Azimuth	Dip	Length (metres)	From (metres)	To (metres)	Int (metres)	Mo (%)	Type
EC10-66	0	-90	390.4	115.90	137.25	21.35	0.046	Sulphide
				234.85	353.80	118.95	0.039	Sulphide
			incl	234.85	265.35	30.50	0.052	Sulphide
			and	326.35	353.80	27.45	0.067	Sulphide
EC10-67	360	-60	305	3.05	51.85	48.80	0.038	Oxide
				57.95	247.00	189.05	0.091	Sulphide
			incl	131.95	225.70	94.55	0.150	Sulphide
EC10-68	360	-68	338.55	15.25	25.77	10.52	0.045	Sulphide
				33.55	54.90	21.35	0.056	Sulphide
				76.25	82.35	6.10	0.048	Sulphide
				122.00	256.20	134.20	0.040	Sulphide
			incl	143.25	192.15	48.80	0.055	Sulphide
				271.45	277.55	6.10	0.044	Sulphide
				289.75	295.85	6.10	0.077	Sulphide
	329.40	334.60	5.20	0.051	Sulphide			
EC10-69	360	-45	184.85	99.45	120.80	21.35	0.027	Sulphide
				136.05	148.25	12.20	0.027	Sulphide
EC10-70	0	-90	318.45	4.00	18.05	14.05	0.040	Oxide

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				27.20	249.85	222.65	0.074	Sulphide
			incl	112.60	246.80	122.00	0.100	Sulphide
			or	124.80	191.90	67.10	0.130	Sulphide
EC10-71	0	-70	282.10	0.00	45.75	45.75	0.111	Oxide
				45.75	148.00	102.25	0.069	Sulphide
			incl.	54.90	91.50	36.60	0.076	Sulphide
				164.70	167.75	3.05	0.038	Sulphide
				176.95	189.10	12.15	0.052	Sulphide
EC10-72	0	-90	390.5	0.40	66.75	66.35	0.072	Oxide
				66.35	261.95	195.60	0.086	Sulphide
			Incl.	69.80	112.50	42.70	0.153	Sulphide
			and	161.30	210.10	48.80	0.104	Sulphide
				285.30	289.40	4.10	0.062	Sulphide
EC10-74	0	-90	219.6	21.35	27.45	6.10	0.041	Oxide
				73.20	85.40	12.20	0.041	Sulphide
				97.50	106.75	9.15	0.040	Sulphide
				115.90	118.95	3.05	0.043	Sulphide
				125.05	131.15	6.10	0.055	Sulphide
				155.55	158.60	3.05	0.167	Sulphide

All of the holes tested the area either within or immediately outside of the northern boundary of the El Creston molybdenum deposit Main Zone resource outline. The results show extensive intersections of above cut-off grade molybdenum mineralization in areas previously considered to contain only low grade values.

**Drilling of holes EC10-68 and 70** (step out holes) produced lengthy intersections of significant grade molybdenum outside the present resource limits, resulting in a successful expansion of the Main Zone north of the existing resource limits for the El Creston molybdenum deposit Main Zone. More specifically, **Drill hole EC10-68** (an angled hole) intersected molybdenum 160 metres north of the present resource limits. In addition, the hole showed a significant improvement in the length of the intersections in comparison to Drill hole A-27 (52 metres averaging 0.043% molybdenum that included a 28 metre section averaging 0.068% molybdenum) located 100 metres to the south of the collar of drill hole EC10-68. **Drill hole EC10-70**, (a vertically drilled hole) was positioned approximately 100 metres north of Hole EC08-37, which averaged 0.083% molybdenum over 175.62 metres.

**Drill hole EC10-67** was positioned within the northern portion of the resource limits to test an area previously projected to contain molybdenum values at less than cut-off grade. The drill hole intersected a lengthy high grade section showing continuity of high grade molybdenum values to the resource limits. The hole compares favourably with Drill hole EC08-32 (an angled hole drilled to the north) located 125 metres to the west. This hole intersected 160.55 metres averaging 0.106% molybdenum. The results of this drilling may convert rock categorized as waste within the pre-existing pit design to mineable resources.

**Drill holes EC10-66 and 69** were designed to test an area of lower grade mineralization on the northeast side of the El Creston molybdenum deposit Main Zone as projected in the block model used in the resource calculation. These results confirm the block model in this area.

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**Drill Hole EC10-71**, an angled hole, was drilled to test the possible extension of the El Creston molybdenum deposit Main Zone to the immediate north of the resource limit. The hole is located 112 metres north of Hole A-30 (88 metres averaging 0.098% molybdenum). Hole EC10-71 intersected 102.25 metres averaging 0.069% molybdenum in an area that in the mining plan was considered to be waste. Approximately 50% of the intersection occurs below the proposed open pit. Within the intersection there is a higher grade section averaging 0.076% molybdenum over 36.6 metres that is near surface.

**Drill Hole EC10-72**, a vertical hole, was drilled to test the El Creston molybdenum deposit Main Zone approximately 55 metres to the west of Hole EC08-32 (160.55 metres averaging 0.106% molybdenum) and 100 metres north of Hole A-24 (216 metres averaging 0.070% molybdenum). The hole intersected a 195.60 metre section averaging 0.086% molybdenum within which there are two higher grade intersections of 42.70 and 48.80 metres averaging 0.153 and 0.104% molybdenum respectively. Approximately 50% of the section occurs below the proposed open pit limits in an area previously interpreted to contain low to moderate grade mineralization. This hole, when combined with others in the area, shows above resource cut-off grade molybdenum to occur over a 400 metre length within an area amenable for open pit development.

**Drill Hole EC10-74**, a vertical hole tested an area located 50 metres north of the El Creston molybdenum deposit Main Zone. The hole intersected a series of anomalous low grade intersections including 9.15 and 12.2 metre intercepts averaging 0.040 and 0.041% molybdenum. These intersections occur to the north of the proposed open pit.

### Moly Brook Project, Newfoundland

#### *Overview*

The Company has a 100% interest in the Moly Brook property which is located 2.5 km from the community of Grey River on the south coast of Newfoundland, less than four kilometers from deep water, ice free, navigable fjord. The property hosts a north striking, 2.2 kilometer long trend of molybdenum, copper and tungsten mineralization in which three zones have been identified: Moly Brook, Wolf and Chimney Pond. The Company has focused on the Moly Brook Zone, but significant potential exists on the Wolf Pond and Chimney Pond Zones.

#### *2009 Exploration*

In 2009 limited grid emplacement, soil sampling, mapping and prospecting was completed on the Moly Brook Property with most of the work being concentrated on the evaluation of the Wolf and Chimney Pond Zones.

The 2009 soil sample survey, using the 25 ppm molybdenum in contour, outlined two large and several small erratic anomalies throughout the WCP (Wolf and Chimney Pond) Grid. The largest of the anomalies is up to 400 metres long x up to 400 metres wide and is coincidental with the Chimney Pond Zone. Of the nineteen samples assaying >25 ppm molybdenum that form the anomaly 9 assayed >100 ppm with the maximum value being 785 ppm molybdenum. The second largest anomaly consists of three linear trends up to 300 metres long and 100 metres wide that overlie portions of the Wolf Pond Zone. Of the ten samples forming the zone, four registered values in excess of 100 ppm molybdenum to a maximum of 277 ppm molybdenum. Elsewhere on the grid several spike erratics occur. A review of the results for tungsten and copper shows both to form anomalies coincidental with the Wolf Pond Zone. The 100 ppm in soil copper contour outlined a 300 metre long by up to 100 metre wide anomaly that overlies the eastern portion of the Wolf Pond Zone. The highest copper value within the anomaly is 448 ppm. Elsewhere on the grid there are spot copper anomalies. The 50 ppm tungsten in soil contour outlined an up to 400 metre long x up to 400 metre wide anomaly coincidental with the Wolf Pond Zone. Of the 20 samples assaying >50 ppm W, 15 registered values in excess of 100 ppm, to a maximum value of 406 ppm. Elsewhere on the grid there are several spot anomalies some of which are coincidental with the Wolf Pond Zone

In 2009, limited rock chipping was completed on the WCP Grid and in selected areas considered favourable for hosting molybdenite. Sampling of an extensive zone of mylonitized shists in which quartz veining occurs located to

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### Management Discussion and Analysis for the Three and Six month periods ended January 31, 2010

the west of the Wolf and Chimney Pond Zones did not return any values of interest. Three of four chip samples located south of Chimney Pond returned anomalous values with results including 1 metre chip samples assaying 0.094, 0.048 and 0.026% molybdenum. Combining the 2008 and 2009 assay results shows anomalous molybdenum values to occur over a 150 metre wide by 300 metre long zone that is coincidental with the eastern half of the Wolf Pond Zone. Fracturing of the host rock is common. The assay results show both holes to have intersected widespread anomalous molybdenum values throughout their length with the results being summarized below.

#### CHIMNEY POND ZONE-SUMMARY OF DRILL RESULTS

Hole	Length (m)	From (m)	To (m)	Int. (m)	Mo %
GR-18	30.49	0	30.5	30.49	0.046
	Incl	3.05	25.91	22.86	0.052
GR-19	27.44	0	27.44	27.44	0.057
	Incl	7.62	27.44	19.82	0.066
	Or	19.82	27.44	7.62	0.118

Fifteen grab and chip samples were collected from a series of narrow quartz sulphide veins located at the east end of Long Pond near the extension of the Grey River Tungsten Veins. In general the samples returned weak to moderately anomalous lead and zinc values with moderate 0.05% tungsten values. The one exception was a grab sample of a quartz sulphide vein subcrop that assayed 198.68 ppm silver, 5.99% lead and 0.88% zinc

Prospecting, sampling and mapping completed along Dog Cove Brook north of the Moly Brook Zone located several areas of mineralization in both float and outcrop. Angular quartz-molybdenum veined boulders possibly derived from the Moly Brook Zone have been located downstream from the confluence of Moly Brook and Dog Cove Creeks. Grab samples assayed up to 0.086% molybdenum and 0.50% copper. To the north along Dog Cove Creek are a series of narrow to 3 metre wide zones of quartz veining containing appreciable lead and zinc values and on occasion silver. Individual samples assay up to 8.99% lead, 2.00% zinc with 110 ppm silver. In general the veins pinch and swell and are discontinuous and offer limited potential.

Eighteen samples were collected over an 800 metre length along the cliffs located along the east side of the property overlooking Grey River. The results show molybdenum to occur over an 800 metre strike length over elevations ranging for 100 to 500 metres above sea level. Within the area six of the samples assayed > 0.025% molybdenum to a maximum value of 0.079% molybdenum. Due to extreme topography the area cannot be mapped or sampled in detail.

#### Going Forward

The Company will continue to prudently advance the El Creston Property. Collection of data for a Bankable Feasibility Study will continue and will be done in a measured and a fiscally responsible manner.

Currently the Company is completing a 5,000 metre drill program the results of which will be incorporated into the data base. In addition the company is completing stream sediment and prospecting programs throughout its property to determine whether there are any other significant zones of mineralization

In addition, management is revisiting the basic tenets of the Pre-Feasibility Study ("PFS") in light of the economic downturn in order to ensure that the plan and cost information used is reflective of the current price environment. It is

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## Management Discussion and Analysis for the Three and Six month periods ended January 31, 2010

believed that a capital reduction is possible and combined with a potential increase in resources, could make the project economics even more robust.

### Qualified Persons

A NI 43-101 compliant report titled "NI 43-101 Technical Report, Creston Project, Pre-Feasibility Study, Sonora, Mexico, Volume 1" has been posted on the Company's website ([www.crestonmoly.com](http://www.crestonmoly.com)) and filed on SEDAR.

Lee A. Becker, P.E. of M3, is the qualified person responsible for the scientific and technical overview in accordance with NI 43-101. Michael Gustin, P. Geo of MDA, is the qualified person responsible for the preparation of the mineral resource estimate in accordance with NI 43-101. Thomas Dyer, P.E. of MDA, is the qualified person responsible for the preparation of the mineral reserve estimate.

Dave Visagie, P. Geo., a Qualified Person as defined by NI 43-101, reviewed the technical content in this MD&A in accordance with NI 43-101.

### Operations and Financial Results

During the three and six months ended January 31, 2010 the Company incurred net losses of \$886,480 or \$0.01 per share and \$1,258,413 or \$0.01 per share respectively compared to losses of \$3,028,036 or \$0.02 per share and \$4,304,295 or \$0.04 per share respectively for the comparable periods in 2009. As at January 31, 2010 the Company had working capital of \$4,109,785 which included \$4,345,088 of cash and cash equivalents compared to a working capital deficiency of \$1,198,774 which included \$3,030,913 of cash and cash equivalents for the comparable period in 2009. With the acquisition of Tenajon Resources Corp. and funds raised the Company has improved its financial position, added additional technical expertise and acquired additional molybdenum properties for growth.

### SUMMARY OF QUARTERLY RESULTS

The following tables set out selected quarterly information of the Company:

	<u>01/31/2010</u>	<u>10/31/2009</u>	<u>07/31/2009</u>	<u>04/30/2009</u>
Revenue	\$ -	\$ -	\$ -	\$ -
Net Loss	886,480	371,933	504,101	711,909
Net Loss per share (basic and fully diluted)	0.01	0.01	0.01	0.01

  

	<u>01/31/2009</u>	<u>10/31/2008</u>	<u>07/31/2008</u>	<u>04/30/2008</u>
Revenue	\$ -	\$ -	\$ -	\$ -
Net Loss	3,028,036	1,276,259	522,227	1,400,963
Net Loss per share (basic and fully diluted)	0.02	0.01	0.01	0.01

### EXPLANATION OF VARIATIONS IN THE QUARTERS

The Company's quarterly results can be affected by many factors such as seasonal fluctuations, variations in capital markets, the write-down or write-off of capitalized mineral expenditures, stock-based compensation costs, tax recoveries and legal matters.

The Company's loss for the three months ended January 31, 2010 reflects a \$480,491 non-cash charge for stock-based compensation benefits and increased activity in the Company's operations in Mexico and Newfoundland.

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### **Management Discussion and Analysis for the Three and Six month periods ended January 31, 2010**

During the quarters ended April 30, 2009, July 31, 2009 and October 31, 2009 the Company's activities focused on raising funds, reducing costs, continuing exploration, challenging the finder fee arbitration award and completing the Tenajon acquisition. In December of 2008 the Company lost an arbitration case that awarded \$4,140,000 plus costs to a party who helped negotiate the Company acquisition of Creston Mining which owns the Creston deposit in Mexico. The Company had accrued US\$1,500,000 as payable to the finder, however, the finder had the right to receive his payment in shares and disputed the value the shares were to be assigned at and took the Company to arbitration to resolve this. In arbitration the finder was awarded \$4,140,000, approximately \$2,500,000 more than the Company had accrued. The additional amount awarded by the arbitrator of more than \$2,500,000 was charged to operations resulting in a significant loss and impaired financial position. This accrued expenditure was reflected in the \$3,028,036 loss the Company had for the quarter ended January 31, 2009. As part of the process of challenging this decision in the courts the Company had to grant the finder a General Security Agreement over the assets of the Company and place the shares of its subsidiaries in escrow. In July 2009 the Company raised \$3,000,000 and in August 2009 completed the Tenajon acquisition that brought an additional \$2,500,000 to the combined entity. In September 2009 the Company paid US\$1,500,000 to the finder and subsequent to October 31, 2009 the Company placed in trust the disputed amount of more than \$2,500,000 plus interest to pay the finder should it lose its appeal in the courts. On depositing the funds in trust the Finder terminated the General Security and Escrow Agreements. With the arbitration award provided for, the Tenajon acquisition completed and additional funds raised the Company anticipates increasing exploration work on the Creston deposit in 2010.

### **Financial Condition, Liquidity and Solvency, and Capital Resources**

#### **Financial Condition- January 31, 2010 compared to July 31, 2009 and January 31, 2009**

During the three and six month periods ended January 31, 2010 the Company incurred net losses of \$886,480 or \$0.01 per share and \$1,258,413 or \$0.01 per share respectively compared to \$3,028,036 or \$0.02 per share and \$4,304,295 or \$0.04 per share respectively for the comparable periods in 2009. As at January 31, 2010 the Company had working capital of \$4,109,785 compared to a working capital deficiency of \$239,598 at July 31, 2009 and a working capital deficiency of \$1,198,774 at January 31, 2009. The improvement in the Company's financial position at January 31, 2010 as compared to July 31, 2009 reflects the Company's acquisition of Tenajon Resources Corp. that added cash of \$2,589,100, the raising \$3,363,450 on the exercise of warrants under the Company's early exercise of warrants program and the use of a portion of these receipts to fund the Company's provision for its loss of an arbitration decision. During fiscal 2009 the Company lost an arbitration decision with respect to a finder's fee related to the acquisition of the Creston Deposit in Mexico. As previously disclosed, the Company is challenging the award and has placed more than CDN\$2,500,000 plus interest in trust to pay the finder in the event that the appeal is unsuccessful and to terminate the covenants and the General Security and Escrow Agreements that the Company had granted the finder.

During the first and second quarters of fiscal 2010 the Company accelerated its exploration program in Mexico, and initiated a surface exploration program in Newfoundland. During the second quarter of fiscal 2010 the Company received approval of an incentive program to encourage the early exercise of up to 31,473,000 warrants. Under the terms of the program the original warrants would be amended to enable the holders to receive a unit for each original warrant exercised prior to the expiry date of the incentive program in lieu of one common share. Each unit would consist of one share and one-half of a warrant. Each whole warrant would allow the holder to acquire an additional common share of the Company at a price of \$0.24 per share for a period of two years. Effective December 17, 2009, 22,423,000 warrants were exercised pursuant to the program raising proceeds of \$3,363,450 and 11,211,500 warrants were issued exercisable at a price of \$0.24 per share for a period of two years.

### **Expenses**

Overall expenses for the three and six month periods ended January 31, 2010 were \$893,290 and \$1,267,865 respectively as compared to \$3,040,669 and \$4,363,053 for the same periods in 2009. Expenses decreased during

## CRESTON MOLY CORP.

### Management Discussion and Analysis for the Three and Six month periods ended January 31, 2010

2010 largely as a result of reductions in finder's fees, foreign exchange losses and consulting fees against an increase in stock-based compensation charges. The finder's fee incurred in 2009 reflects the Company's loss of an arbitration decision whereby the finder was awarded \$2,315,250 more than the Company had provided for in its accounts.

The most significant contributors to the expenses for the six month period ended January 31, 2010 are: stock-based compensation expense of \$480,491 (2009 - \$251,733), finder's fees of \$ nil (2009-\$2,315,250), consulting fees of \$108,060 (2009 - \$276,752), shareholder communication of \$57,711 (2009 - \$129,944), travel and promotion expenses of \$50,778 (2009 - \$106,653), management fees of \$31,500 (2009 - \$189,000), foreign exchange loss \$3,193 (2009 - \$555,542) and professional fees of \$112,003 (2009 - \$324,932).

#### Liquidity

##### Operating Activities

The Company's operating activities used cash of \$2,687,399 (2009 - \$975,217) during the six months ended January 31, 2010, arising from a net loss of \$1,258,413 (2009 - \$4,304,295), adjusted for add-back of non-cash items for amortization of \$15,546 (2009 - \$12,774), stock based compensation expense of \$480,491 (2009 - \$251,733), gain on dispositions \$389 (2009- \$nil) and from changes in non-cash working capital items of \$(1,924,634) (2009 - \$3,064,571) which reflects the Company's payment of US\$1,500,000 of the arbitration award to the finder and placing the \$2,502,600 plus interest in trust pending the appeal of the arbitration decision.

##### Investing Activities

During the six months ended January 31, 2010 the Company's investing activities provided \$798,093 of cash largely as a result of the net funds acquired from the acquisition of Tenajon Resources Corp. less funds paid out and placed in trust for payment of the arbitration decision should the Company lose its appeal. In addition, \$326,932 (2009 - \$3,753,457) was invested in mineral property expenditures, \$2,725 (2009 - \$1,140) was spent on the acquisition of equipment, \$8,167 (2009-\$ nil) was received on dispositions and \$38,082 (2009 - \$nil) was used to reduce asset retirement obligations.

##### Financing Activities

During the six month period ended January 31, 2010, the Company's financing activities provided a total of \$3,488,398 (2009 - \$539,999) on the exercise of stock options and the exercise of warrants pursuant to the Company's incentive program to encourage the early exercise of warrants.

#### Capital Resources and Capital Management

The Company considers shareholders' equity and debt as capital. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, pursue the development of mineral resource interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company current capital resources may not be sufficient to meet all of its future exploration plans and operating requirements and may be dependent upon future equity or debt transactions to meet these obligations.

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### FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

At January 31, 2010 the Company has designated its cash and cash equivalents as held-for-trading; short term investments as available for sale; receivables as loans and receivables; and accounts payable and accrued liabilities as liabilities.

i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is limited interest rate risk due to the short-term maturity of the Company's monetary assets and liabilities. Cash and cash equivalents include deposits which can be subject to variable interest rates. Sensitivity to a plus or minus 1% change in rates could affect net loss by \$14,017 over the next three months.

ii) Credit risk

Credit risk is the risk of a financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk on its financial assets due to cash being placed with major financial institutions and taxes recoverable are due from government agencies.

iii) Currency risk

The Company is exposed to foreign currency fluctuations to the extent expenditures incurred are not denominated in Canadian dollars. The Company conducts business in Mexico whose currency is the Mexican peso and makes significant purchases in U.S. dollars. As such, the Company is subject to risk due to fluctuations in the exchange rate for the Mexican peso and the U.S. dollar. At January 31, 2010 the Company did not have significant funds denominated in Mexican pesos or U.S. dollars. The Company does not have foreign currency derivatives in place to hedge this risk.

iv) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company ability to continue as a going concern is dependent on management's ability to raise required funding through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. The Company is exposed to liquidity risk should the Company encounter difficulties meeting its obligations.

v) Other price and market risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of commodities. The Company is exposed to other price and market risks should the fair value of future cash flows from financial instruments fluctuate.

vi) Fair value

The carrying value of cash and accounts payable and accrued liabilities represent their fair values due to the short term to maturity of the instruments.

### CHANGES IN ACCOUNTING POLICIES

#### Recent Accounting Pronouncements

- i) CICA Handbook Section 1582: Business Combinations which replaces Section 1581, Business Combinations. The new section establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards IFRS 3- Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

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- ii) CICA Handbook Section 1601: Consolidated Financial Statements and CICA Handbook Section 1602: Non-controlling Interests in consolidated Financial Statements together replace existing CICA Handbook Section 1600. Section 1601 establishes the standards for preparing consolidated financial statements. Section 1602 specifies that non-controlling interests be treated as a separate component of equity, not as a liability or other item outside of equity. It is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, Consolidated and Separate Financial Statements. These revised standards apply to financial statements prepared for periods beginning on or after January 1, 2011 and will be applied prospectively to all non-controlling interests, including any that arose before the effective date.

The Company does not anticipate that the adoption of the above recent accounting pronouncements will have a significant impact on its consolidated financial statements.

- iii) International Financial Reporting Standards (IFRS)  
In 2006, the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five-year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the Company to adopt IFRS for the year commencing August 1, 2011 and the restatement for comparative purposes of amounts reported by the Company for the year ended July 31, 2011. The Company will transition to IFRS seven months after companies with a December year end.  
Under IFRS increased financial disclosure will be required and the Company has undertaken increased staff education to aid in the transition. At this stage the key areas of consideration are the conversion requirements of the parent and subsidiaries and the applicable accounting policies. The Company has been assessing the adoption of IFRS for 2011 and it is expected that all decisions regarding applicable accounting policy choices and transitional provisions will be completed for the preparation of the comparative financial statements. No significant issues are anticipated at this time.
- iv) The Company adopted EIC-173, Credit risk and the Fair Value of Financial Assets and Liabilities, which provides guidance on how to take into account an entity's own credit risk and that of the counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. Upon adoption of this EIC there were no resulting material changes to the Company's financial position or results of operations.
- v) The Company adopted EIC-174 Mining Exploration Costs, which provides guidance on how to account for mineral exploration costs as well as when and how to assess for impairment when such exploration costs are capitalized. Upon adoption of the EIC there were no resulting material changes to the Company's financial position or results of operations.

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#### OUTSTANDING SHARE DATA

The following information is provided as at March 30, 2010

Authorized:	Unlimited
Issued and Outstanding	235,538,381

#### Warrants

<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
27,980,001	\$0.90	May 9, 2010
3,429,600	\$0.90	May 9, 2010
7,932,143	\$0.90	May 15, 2012
9,050,000	\$0.15	July 27, 2011
<u>11,211,500</u>	\$0.24	December 17, 2011
<u>59,603,244</u>		

#### Stock Options

<u>Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
50,000	\$ 0.200	May 10, 2010
100,000	0.180	June 14, 2010
84,000	0.339	June 15, 2010
125,000	0.165	September 21, 2010
100,000	0.250	October 14, 2010
100,000	0.250	February 11, 2011
756,000	0.476	April 21, 2011
150,000	0.180	August 13, 2011
126,000	0.268	January 24, 2012
1,055,000	0.400	March 26, 2012
37,800	0.988	April 30, 2012
300,000	1.050	May 15, 2012
113,400	0.565	September 10, 2012
735,000	0.893	September 26, 2012
2,085,000	0.400	January 21, 2013
33,600	0.631	February 28, 2013
350,000	0.310	May 11, 2013
300,000	0.350	July 17, 2013
134,400	0.333	July 31, 2013
50,000	0.250	October 8, 2013
1,000,000	0.245	October 30, 2013
16,800	0.179	October 31, 2013
360,000	0.150	March 12, 2014
1,218,000	0.179	April 1, 2014
<u>3,109,500</u>	<u>0.220</u>	December 22, 2014
<u>12,489,500</u>	<u>\$ 0.34</u>	

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#### Related Party Transactions

During the six month period ended January 31, 2010, the Company entered into the following transactions with related parties not disclosed elsewhere in these consolidated financial statements:

- a. Paid or accrued management and consulting fees of \$168,962 (2009 - \$239,000) to directors and officers or their companies and capitalized geological costs of \$55,362 (2009-\$187,906) paid to companies affiliated with directors or former directors of the Company.
- b. The Company shares office premises with a public company that has a director in common and paid \$116,291 (200 - \$13,200) as its share of the ongoing occupancy and staffing costs.
- c. Included in accounts payable is \$51,346 (2009-\$ nil) due to directors, former directors and officers.
- d. Issued 1,890,000 shares to a director and two former directors in conjunction with the termination of their management contracts at a deemed value of \$567,000.
- e. Issued 406,062 shares in settlement of \$67,000 of amounts payable to directors and officers.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related parties include directors and officers and companies with common management and directorships.

#### Commitments

The Company previously entered into four management and consulting agreements, with directors, officers and their companies requiring minimum payments of \$468,000 per annum. The agreements contain termination clauses which provide for payments of up to 24 months of the monthly contractual amounts. During the six month period ended January 31, 2010 the Company terminated these agreements for total consideration of \$189,000 and 1,890,000 shares. In addition, the contracts contain provisions that provide for payments up to 24 months should specified transactions occur before August 26, 2010.

Effective January 1, 2010 the Company entered into four employment and consulting agreements requiring minimum payments of \$367,500 per annum. The agreements contain clauses which provide for payments of between 18 and 36 months should the contracts be terminated or certain specified transactions occur.

The Company previously entered into a management consulting agreement with a director's company which provided for annual payments of \$120,000. The agreement contained an incentive clause providing for a cash bonus payment of up to 0.75% of the aggregate value of certain specified transactions and a termination payment from six months to thirty-six months of the monthly contract amounts. The Company also committed to issue stock options to acquire up to 1,250,000 common shares to be maintained on a non-dilutive basis. Effective September 1, 2009 the agreement was amended to provide annual payments to \$55,000 and payments of up to 36 months on termination.

The Company shares office premises with a public company that has a director in common and has entered into an agreement to pay a share of ongoing joint occupancy, office and staff costs.

Minimum annual payments over the remaining initial terms of the above contracts for fiscal years are; 2010 - \$253,200; 2011 - \$482,500; 2012 - \$482,500 and 2013- \$482,500 and 2014- \$482,500

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## Management Discussion and Analysis for the Three and Six month periods ended January 31, 2010

### Contingent Liability

In connection with the acquisition of Creston Mining Corporation in May 2007 the Company agreed to pay a Finders' Fee to an arm's length third party (the "Fee"). The TSX-V approved the payment of US\$1,500,000 as the Fee, which, at the option of the Finder, could be paid in any combination of cash or shares. The TSX-V determined that a price of \$0.70 per share was to be used in determining the number of shares to be issued as payment of the Fee or a portion of the Fee. The Finder claimed that \$0.15 per share should have been used as the basis for determining the fee. The Finder entered into arbitration proceedings seeking payment of the finder's fee in cash at an equivalent price of \$0.15 per share. The arbitrator found in favour of the Finder, awarded the finder CDN\$4.14 million and the Company has recorded the additional amount awarded in the arbitration as a liability. The Company applied to the Courts for leave to appeal the award, however, the leave to appeal was denied and the Company has applied to appeal the award to a higher court. In conjunction with seeking an appeal of the arbitrator's award the Company registered a General Security Agreement over the assets of the Company in favour of the Finder and entered into an Escrow Agreement which provided that the Escrow Agent would hold US\$1,500,000 on deposit and the shares of the Company's subsidiaries, Creston Mining Corporation and Global, as additional security. During the period the Escrow Agent forwarded US\$1,500,000 (\$1,637,400) to the finder and subsequent to October 31, 2009 the Company deposited the unpaid balance of the arbitration award (\$2,502,600) plus interest into trust. On depositing the funds into trust the General Security and Escrow agreements were terminated and the shares of the Company's subsidiaries were released from escrow.

### Directors

D. Bruce McLeod  
Colin K. Benner  
John McCleery\*  
Richard Godfrey\*  
John Robins  
Mike Gunning\*

\* Member of the audit committee

### Officers

D. Bruce McLeod, President and CEO  
Brenda Nowak, Corporate Secretary  
Wayne Johnstone, CFO  
Colin K. Benner, Executive Chairman

### Additional Disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning Creston's general and administrative expenses and resource property costs is provided in the Company's unaudited Interim Consolidated Financial Statements for October 31, 2009 that is available on the Company's website at [www.crestonmoly.com](http://www.crestonmoly.com) or on its SEDAR Page Site accessed through [www.sedar.com](http://www.sedar.com).

### Approval

The Board of Directors of the Company has approved the disclosure contained in this Interim MD&A. A copy of this Interim MD&A will be provided to anyone who requests it.

### FORWARD-LOOKING INFORMATION

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, permitting risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or

## **CRESTON MOLY CORP.**

### **Management Discussion and Analysis for the Three and Six month periods ended January 31, 2010**

comparable terminology. By their very nature forward-looking statements involve 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 any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's annual financial statements which are filed and available for review on SEDAR at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.