

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Six Month Period Ended January 31, 2009

CRESTON MOLY CORP.

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Background

This discussion and analysis of financial position and results of operation is prepared as at March 31, 2009 and should be read in conjunction with the unaudited interim financial statements for the periods ending January 31, 2009 and 2008 and the audited financial statements and the management discussion and analysis for the years ending July 31, 2008 and 2007 of Creston Moly Corp. (the "Company" or "Creston") where necessary. Those financial statements have been prepared in accordance with Canadian generally accepted accounting principles. All dollar figures included therein and in the following Management Discussion and Analysis ("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.

As at January 31, 2009 the Company's business activity was the evaluation, exploration and development of the Creston Molybdenum Deposit (the "Creston Deposit") in Sonora, Mexico. 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".

Positive Pre-feasibility Study received for the Creston Molybdenum Deposit, Sonora, Mexico

The Company received a Pre-feasibility Study ("PFS") on its wholly-owned Creston Molybdenum Deposit (Creston Project) located in Sonora, Mexico. The independent PFS, prepared by M3 Engineering & Technology Corporation of Tucson, Arizona ("M3"), estimates production, capital and operating cost parameters along with project economics, and considers both owner and contract mining scenarios. The Company will continue to evaluate which scenario is most advantageous.

Highlights of the Pre-Feasibility Study and Base Case Mine Plan include:

(Based on \$15/lb Mo and \$1.75/lb Cu)

(All amounts are in US\$ unless otherwise stated.)

- A pre-tax Net Present Value ("NPV") at an 8% discount rate of \$465.3 million with contract mining and \$502.9 million with owner mining;
- A pre-tax Internal Rate of Return ("IRR") of 28.2% with contract mining and 27.2% with owner mining;
- Annual molybdenum and copper production of approximately 20 million pounds and 12 million pounds respectively from processing of 40k tonnes per day (ktpd) of ore;
- Direct costs, inclusive of copper byproduct credits, of \$6.57 per lb of Mo equivalent with contract mining and \$5.74 per lb with owner mining;
- An estimated initial capital expenditure of \$511.6 million utilizing contract mining and \$576.2 million with owner mining.

Financial Evaluation

Financial evaluations of the project have been made for both owner mining and contract mining scenarios. In addition the study has examined the sensitivity of the project value to changes in metal prices. The metals prices for the base case are established as \$15.00 per pound for molybdenum and \$1.75 per pound for copper. As of January 2009 the historic 3-year rolling average prices for molybdenum and copper were \$28.67 per pound and \$3.12 per pound respectively. Current prices for molybdenum and copper are \$9.10

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per pound and \$1.45 per pound respectively (February 17, 2009). Therefore, a lower forecast seems to be more appropriate in the current market environment.

Creston performed a survey of banks and financial institutions during the 4th quarter 2008 and the 1st quarter 2009, to obtain their short and long term projections for molybdenum and copper prices. Fourteen provided molybdenum forecasts and twenty-one provided copper forecasts. A few banks submitted projections for one or two years, but most projected out to 10 years. The forecast average for molybdenum for 2009 to 2018 was \$14.37 per pound, including those given by companies that only forecasted one or two years. The average of all surveyed companies for the next three years (2009, 2010 and 2011) is \$17.42. The projected average for copper for 2009 to 2018 was \$2.18 per pound, including those companies that only forecasted one or two years. The average of all forecasts for the next three years (2009, 2010 and 2011) is \$2.19.

Table 1 – Financial Highlights – Contract Mining Table 1a – Financial Highlights – Owner Mining

Capital Cost Payback Period	3.6 Years
Initial Capital Investment (000's)	\$511,601
Mine Life	11 years
Total Ore Processed (000's)	146,705 tonnes
Mill Throughput	40,000 tonnes/day
Molybdenum Price	(US\$15/lb)
Copper Price	(US\$1.75/lb)

Capital Cost Payback Period	3.6 Years
Initial Capital Investment (000's)	\$576,241
Mine Life	11 years
Total Ore Processed (000's)	146,705 tonnes
Mill Throughput	40,000 tonnes/day
Molybdenum Price	(US\$15/lb)
Copper Price	(US\$1.75/lb)

**Table 2– Net Present Values – Contract Mining
(based on 100% equity, \$15/lb Mo, \$1.75/lb Cu)**

	IRR (%)	NPV 0% (\$ Million)	NPV 8% (\$ Million)	NPV 10% (\$ Million)
Pre-tax	28.2	1,004	465.3	379.7
After-tax	21.0	707.3	285.2	218.8

**Table 2a – Net Present Values – Owner Mining
(based on 100% equity, \$15/lb Mo, \$1.75/lb Cu)**

	IRR (%)	NPV 0% (\$ Million)	NPV 8% (\$ Million)	NPV 10% (\$ Million)
Pre-tax	27.2	1,104	502.9	407.8
After-tax	20.2	780.0	306.0	231.9

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The Pre-Feasibility Study also stated after-tax NPV values under flat price scenarios. Flat price sensitivities on an after-tax discounted basis are presented in Tables 3 & 3a below.

**Table 3 -Flat Price Sensitivities –
Contract Mining**
(After-tax discounted basis)

Mo \$ per lb	NPV 8% (\$ Million)	NPV 10% (\$ Million)	IRR (%)
\$12.50	62.7	22.0	11.2
\$15.00	285.2	218.8	21.0
\$20.00	730.2	612.4	36.5

**Table 3a -Flat Price Sensitivities –
Owner Mining**
(After-tax discounted basis)

Mo \$ per lb	NPV 8% (\$ Million)	NPV 10% (\$ Million)	IRR (%)
\$12.50	83.6	35.1	11.7
\$15.00	306.0	231.9	20.2
\$20.00	751.0	625.4	34.0

Capital and Operating Costs

Total initial capital investment in the project is estimated to be \$511.6 million utilizing contract mining and \$576.2 million under the owner mining scenario. These figures represent the total direct and indirect costs for the complete development of the project. The life-of-mine sustaining capital for the processing plant is estimated to be \$22.7 million with contract mining and \$56.2 million with owner mining.

Table 4 – Operating Costs – Contract Mining (based on \$15/lb Mo, \$1.75/lb Cu)

	Includes	\$/Mo equivalent lb
Mining	Contractor services and mine general services	\$2.19
Milling	Processing, site power, maintenance, environmental	\$3.91
General and Administration	Management, employee transportation, camp costs	\$0.47
Total Operating Costs		\$6.57

Table 4a – Operating Costs – Owner Mining (based on \$15/lb Mo, \$1.75/lb Cu)

	Includes	\$/Mo equivalent lb
Mining	Drilling, blasting, haul, mine support & general services	\$1.36
Milling	Processing, site power, maintenance, environmental	\$3.91
General and Administration	Management, employee transportation, camp costs	\$0.47
Total Operating Costs		\$5.74

Management intends to continue to advance the project in order to position the Company for a resurgent market. While in the short term it remains a challenge to acquire adequate financing for good mining projects, this will change. We remain confident that the Creston Project is one of the most viable primary molybdenum projects in the Americas and we want the project poised to take full advantage of the healthier base metals markets when they arrive.

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Development Plan

The Creston Molybdenum Deposit has been planned as a conventional open-pit mining operation. The average stripping ratio is estimated at 1.23 to 1 (waste to ore) over the life of mine.

The grade of ore processed from the mine in the first five years will average 0.088% Mo and the average grade processed for the life of mine is expected to be 0.077% Mo. The project will produce 219 million pounds of molybdenum and 129 million pounds of copper over an 11 year mine life. As well there is an opportunity to extend the life of the project by increasing the overall resources in the Main Zone and through continuing evaluation, exploration and assessment of the Red Hill and Alejandra Zones.

Mineral Reserves and 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 reserves and measured, indicated and inferred mineral resources.

The Creston Molybdenum Deposit's reserves and resources, as determined in accordance with National Instrument 43-101, are illustrated in Tables 5 and 6 below.

Table 5 – Proven and Probable Reserves and In-Pit Inferred Resources

The Creston Molybdenum Deposit contains the following mineral reserves and inferred resources at a 0.037% Mo equivalent* cut-off grade:

<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>
Proven Reserves	44,736	0.079	78,024	0.053	52,217
Probable Reserves	101,968	0.076	171,924	0.047	106,614
Proven and probable reserves	146,705	0.077	249,948	0.049	158,831
In-pit Inferred Resources	8,718	0.065	12,464	0.063	12,158

*Mo equivalent: $Mo\% + (Cu\%/7.5)$

Table 6 – Mineral Resources

The Creston Molybdenum Deposit contains the following mineral resources at a 0.03% Mo equivalent* cut-off grade:

<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>
Measured	52,240	0.074	85,490	0.050	58,080
Indicated	124,650	0.070	192,720	0.044	121,060
Total (M + I)	176,890	0.071	278,210	0.046	179,140
Inferred	16,300	0.051	18,320	0.061	21,860

*Mo equivalent: $Mo\% + (Cu\%/7.5)$

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- 1 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 resource estimate on behalf of MDA is Michael Gustin, P. Geo, and a Qualified Person for the purposes of National Instrument 43-101. The MDA Report is available at www.sedar.com.*
- 2 Proven and probable reserves are included in the statement of resources.*

Opportunities

The PFS states that opportunities exist to enhance the project's economics including:

- Increasing the overall resource.
- Refined engineering during a feasibility study.
- Inclusion of revenue from the recovery of silver.
- Enhance the project value by processing lower-grade material at the end of the mine life that has not been included in proven and probable reserves.
- Improved terms for the contract mining case as the project becomes better defined and contractors are able to bid with more certainty.
- Investigate the potential for economic recovery of tungsten.

Going Forward

The Company will continue to prudently advance the Creston Molybdenum Deposit. In view of the state of the present financial markets, work on the Bankable Feasibility Study will continue, but will be done in a measured and cash conservative manner.

The Company will continue exploration of the Red Hill and Alejandra Zones with the objective of increasing the overall molybdenum resource of the project. Efforts will also be focused on the opportunities that exist in other areas such as the potential for silver (Ag) credits.

Qualified Persons

A 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) and filed on Sedar.

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

Bankable Feasibility Study

The Company has engaged M3 for the provision of a Bankable Feasibility Study ("BFS") on the Creston Molybdenum Deposit in Sonora, Mexico.

The BFS is being conducted in two formal phases consisting of pre-feasibility engineering and feasibility engineering. The Company completed the pre-feasibility engineering study in the first quarter of calendar 2009. In view of the state of the present financial markets the Company has decided to defer some

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expenditures related to the Bankable Feasibility Study and to protract the remainder of the work in order to conserve its cash position. The presumed inability of most if not all mining projects at this time to acquire adequate funding for ongoing projects is a clear indication that while the Company must continue to move forward it can do so in a much more measured manner. The Company will continue with some detailed work for the BFS and will as well continue to monitor the markets.

Corporate

At the Company's Annual General Meeting held on March 24, 2009, Colin K. Benner, Jonathan George, John McCleery, Kim Phillips and Richard Godfrey were elected as directors. Mr. Wayne Johnstone, CA, was appointed as the Chief Financial Officer of the Company.

In connection with the acquisition of Creston 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 an expense of \$2,315,250 in the period. The Company believes the award is in error, and is seeking leave to appeal the award and has initiated legal proceedings. In conjunction with seeking an appeal of the arbitrator's award the Company has registered a General Security Agreement over the assets of the Company in favour of the Finder.

Operating Results

Operations and Financial Results

The Company incurred an operating loss before write-offs of \$4,304,295 (2008 - \$1,286,701) during the six months ended January 31, 2009 and has also incurred operating losses for some time previously

Expenses

Overall expenses were \$4,363,053 during the six months ended January 31, 2009 as compared to \$1,553,985 in the same period in 2008. Expenses increased during 2009 as a result of: the Company expensing \$2,315,250 of the fee awarded the Finder in arbitration, the Company's increased level of activity, the completion of the PFS on the Creston Molybdenum Deposit, increased level of supervision and increased staffing levels required to manage the ongoing development of the Creston Molybdenum Deposit. The Company has set-up, equipped and staffed, field and administrative offices in Mexico.

The most significant contributors to the increased expenses are Foreign exchange loss of \$555,542 (2008 - \$30,948), Professional fees of \$324,932 (2008 - \$125,319), Consulting fees of \$276,752 (2008 - \$252,171), Shareholder communication expenses of \$129,944 (2008 - \$35,947) and the additional Finder's Fee of \$2,315,250 that was awarded to the Finder through arbitration. Stock-based compensation expense decreased to \$251,733 from \$335,166 in the same period in 2008. Stock-based compensation expense is a non-cash item.

The following tables set out selected quarterly information of the Company, derived from the Financial Statements of the Company:

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	01/31/2009	10/31/2008	07/31/2008	04/30/2008
	\$	\$	\$	\$
Revenue	0	0	0	0
Net Loss before extra-ordinary items or discontinued operations	3,028,036	1,276,259	522,227	1,400,963
Net Loss before extra-ordinary items or discontinued operations per share (basic and fully diluted)	0.02	0.01	0.01	0.01
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

	01/31/2008	10/31/2007	07/31/2007	04/30/2007
	\$	\$	\$	\$
Revenue	0	0	0	0
Net Loss before extra-ordinary items or discontinued operations	626,212	660,489	571,070	1,261,227
Net Loss before extra-ordinary items or discontinued operations per share (basic and fully diluted)	0.01	0.01	0.00	0.03
Net Loss	626,212	660,489	571,070	1,261,227
Net Loss per share (basic and fully diluted)	0.01	0.01	0.00	0.03

Financial Condition, Liquidity and Solvency, and Capital Resources

Operating Activities

The Company incurred an operating loss before write-offs of \$4,304,295 (2008 - \$1,286,701) during the six months ended January 31, 2009 and has also incurred operating losses for some time previously. As at January 31, 2009 the Company had a working capital deficiency of \$1,198,774 which included \$3,030,913 of cash and cash equivalents (2008 - working capital of \$9,915,440 included \$11,786,545 of cash and cash equivalents). As at July 31, 2008 the Company had working capital of \$5,112,325 which included \$7,220,728 of cash and cash equivalents.

During the period the deterioration in the value of the Canadian dollar versus the US dollar has negatively affected the Company's liquidity position. In light of this development the Company has moved to reduce and defer certain expenditures. The Company may be dependent in the future on completing additional equity financing to be able to continue to meet its obligations as they become due. In addition, the Company has received the ruling of the Arbitrator with respect to the finders' fee dispute. The Arbitrator has ruled that the Company must pay CDN\$4.14 million to the Finder. The amount of the award has been accrued in the consolidated financial statements. The Company is seeking leave to appeal this ruling. In conjunction with seeking an appeal of the arbitrator's award, the Company has registered a General Security Agreement over the assets of the Company in favour of the Finder.

The Company's operating activities used cash of \$975,217 (2008 - \$1,314,938) during the six months ended January 31, 2009, arising from a net loss of \$4,304,295 (2008 - \$1,286,701), adjusted for add-back of non-cash items for amortization of \$12,774 (2008 - amortization of \$10,261), stock based compensation expense of \$251,733 (2008 - \$335,166) and from changes in non-cash working capital items of \$3,064,571 (2008 - (\$373,664)).

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Investing Activities

During the six months ended January 31, 2009 the Company invested a total of \$3,754,597. \$3,753,457 was invested in mineral property expenditures on the Creston Project and \$1,140 on the acquisition of equipment.

During the six months ended January 31, 2008 the Company invested a total of \$1,929,793. A total of \$1,900,090 was invested in mineral property expenditures on the Creston Project and \$29,703 on the acquisition of equipment.

Financing Activities

During the six months ended January 31, 2009, the Company's financing activities generated a total of \$539,999 upon the exercise of 599,999 warrants.

During the six months ended January 31, 2008, the Company's financing activities generated a total of \$100,417 upon the exercise of 483,334 warrants.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted. The Company is subject to financial risk arising from fluctuations in foreign currency exchange rates. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates.

Outstanding Share Data

The following information is provided as at March 31, 2009

Authorized: Unlimited
Issued and Outstanding: 121,768,146

Stock Options

On January 22, 2008 the Company adopted, subject to regulatory and shareholder approval, a "10% rolling" stock option plan. Options to purchase 150,000 shares at \$0.25 per share exercisable to October 8, 2013, options to purchase 1,000,000 shares at \$0.245 per share exercisable to October 30, 2013 and options to purchase 50,000 shares at \$0.15 per share exercisable to January 19, 2014 were granted during the period. Subsequent to the end of the period options to purchase 360,000 shares at \$0.15 per share exercisable to March 2, 2014 were granted. The following table shows all outstanding stock options.

Number	Exercise Price	Expiry Date
25,000	\$0.17	1/12/2009
600,000	\$0.165	18/03/2010
50,000	\$0.20	10/05/2010
100,000	\$0.18	14/06/2010
50,000	\$0.20	16/08/2010

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Number	Exercise Price	Expiry Date
125,000	\$0.165	21/09/2010
100,000	\$0.25	14/10/2010
25,000	\$0.25	14/12/2010
100,000	\$0.25	11/02/2011
175,000	\$0.18	13/08/2011
100,000	\$0.16	14/12/2011
2,455,000	\$0.40	27/03/2012
100,000	\$0.70	30/04/2012
300,000	\$1.05	15/05/2012
100,000	\$0.82	04/06/2012
50,000	\$0.70	04/09/2012
500,000	\$0.40	17/01/2010
2,235,000	\$0.40	21/01/2013
250,000	\$0.40	10/02/2013
100,000	\$0.48	27/02/2013
350,000	\$0.31	11/05/2013
400,000	\$0.35	17/07/2013
150,000	\$0.25	8/10/2013
1,000,000	\$0.245	30/10/2013
50,000	\$0.15	19/01/2014
360,000	\$0.15	02/03/2014
9,850,000		

Warrants

Number	Exercise Price	Expiry Date
27,980,001 ¹	\$0.90	09/05/2010
3,429,600	\$0.90	09/05/2010
7,932,143	\$0.90	15/05/2012
39,341,744	\$0.90	

¹ TSX Venture Exchange has approved the listing of 28,580,000 common share purchase warrants (the "Warrants") previously issued pursuant to the bought deal private placement of 57,160,000 subscription receipts that closed on May 9, 2007. The Warrants were posted for trading on the TSX Venture Exchange at market open on December 18, 2007 under the symbol CMS.WT. Each Warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.90 per share at any time up to 5:00 p.m. (Toronto time) on May 9, 2010.

Trends

The Company's area of business is the identification, acquisition, evaluation and exploration of mineral properties, especially those with the potential to host base metals. The Company currently has one project, the Creston Molybdenum Deposit located in Sonora, Mexico. The price of those commodities sought by the Company has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production and improved production methods. The effect of these factors on the price of base metals and therefore the economic viability of the Company's project cannot accurately be predicted.

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The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than it. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospects for mineral exploration in the future.

As at the date of this MD & A the Company's directors and officers are as follows:

Directors

Jonathan George
Colin K. Benner
John McCleery
Kim Phillips
Richard Godfrey

Officers

Jonathan George, President and CEO
Wayne Johnstone, CFO
Dr. Sadek El-Alfy, COO
Kim Phillips, Secretary

Risks and Uncertainties

Incorporated by reference are the risks and uncertainties as contained in the Company's MD & A for the year ended July 31, 2008.

Related Party Transactions

During the period ended January 31, 2009 the Company entered into the following transactions with related parties:

- a. Paid or accrued management and consulting fees of \$189,000 (2008 - \$189,000) and consulting fees of \$50,000 (2008 - \$15,000) to directors and officers or their companies;
- b. The Company shares office premises with a public company that has a director in common and paid \$13,200 (2008 - \$40,804) as its share of the ongoing occupancy costs.

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 included directors and officers and companies with common management and directorships.

During the period the Company entered into a management consulting agreement with a director requiring minimum payments of \$120,000 per annum. The agreement provides 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 has issued stock options to this director as follows: options to acquire 250,000 shares at \$0.35 exercisable to July 17, 2013 and options to acquire 1,000,000 shares at \$0.245 exercisable to October 30, 2013. These options are to be maintained on a non-dilutive basis.

The Company has existing contracts with related parties and consultants that together with the above contract require the following remaining minimum payments for fiscal years; 2009 - \$706,361; 2010 - \$978,340; and 2011 - \$339,000.

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Changes in Accounting Policies

i. Financial Instruments

The Canadian Accounting Standards Board (“AcSB”) issued CICA Handbook Section 3862, Financial Instruments – Disclosures, which requires entities to provide disclosures in their financial statements that enable users to evaluate (a) the significance of financial instruments for the entity’s financial position and performance; and (b) the nature and extent of risks arising from financial instruments which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks. The principles in this section complement the principles for recognizing, measuring and presenting financial assets and financial liabilities in Section 3855, Financial Instruments – Recognition and Measurement, Section 3863, Financial Instruments – Presentation, and Section 3865, Hedges. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The AcSB issued CICA Handbook Section 3863, Financial Instruments – Presentation, which is to enhance statements users’ understanding of the significance of financial instruments to an entity’s financial position, performance and cash flows. This section establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of elected interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

ii. Capital Disclosures

The AcSB issued CICA Handbook Section 1535, which establishes standards for disclosing information about an entity’s capital and how it is managed. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

iii. Going-concern

In June 2007, the CICA amended Handbook Section 1400, “General Standards of Financial Statement Presentation”, which requires management to make an assessment of a company’s ability to continue as a going-concern. When financial statements are not prepared on a going-concern basis, that fact shall be disclosed together with the basis on which the financial statements are prepared and the reason why the company is not considered a going-concern.

The above recent accounting pronouncements do not have a significant impact on the Company’s consolidated financial statements.

iv. 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 restatement for comparative purposes of amounts reported by the Company for the year ended July 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

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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 Consolidated Statement of Loss and Deficit and the Consolidated Schedule of Resource Property Costs contained in its interim Consolidated Financial Statements for January 31, 2009 and January 31, 2008 that is available on the Company's website at www.crestonmoly.com or on its SEDAR Page Site accessed through 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.

Additional Information

Additional information relating to the Company, is on SEDAR at www.sedar.com

Cautionary Statement

This interim MD&A may contain "forward looking statements" that reflect Creston's current expectations and projections about its future results. When used in this interim MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of Creston's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause Creston's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and factors may include, but are not limited to: unavailability of financing, failure to identify commercially viable precious or base metal reserves, fluctuations in the market valuation for precious or base metals, difficulties in obtaining required approvals for the development of a precious or base metal project and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this interim MD&A or as of the date otherwise specifically indicate herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this interim MD&A, actual events may differ materially from current expectations. Creston disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.