

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Month Period Ended October 31, 2008

CRESTON MOLY CORP.

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Background

This discussion and analysis of financial position and results of operation is prepared as at December 22, 2008 and should be read in conjunction with the unaudited financial statements for the periods ending October 31, 2008 and 2007 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 policies. 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 October 31, 2008 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".

Exploration/Development activities at the Creston Molybdenum Deposit, Sonora, Mexico

Main Zone

A new resource calculation was completed in October 2008 by Mine Development Associates ("MDA") of Reno, Nevada. The estimate is based on data provided from 116 drill holes and the mineral domain polygons interpreted from a total of 111 cross sections. MDA is the independent consulting firm that was retained to oversee quality assurance/quality control ("QA/QC") procedures and to carry out an updated resource estimate of the Creston Main Zone. The report, written by Michael M. Gustin, P. Geo, a Qualified Person as defined by National Instrument 43-101, of MDA, has been filed on SEDAR at www.sedar.com and is also available on Creston's website at www.crestonmoly.com.

Highlights are as follows:

- Measured and Indicated Resources (at a 0.03% molybdenum ("Mo") - equivalent cut-off) are estimated to be 176.9 million tonnes averaging 0.071% Mo and 0.046% copper ("Cu") (278 million pounds of molybdenum contained and 179 million pounds of copper contained) - see Table 1
- 40% of the total Measured and Indicated Resources, approximately 73.5 million tonnes, average 0.103% Mo and 0.054% Cu (167 million pounds of molybdenum contained and 88 million pounds of copper contained) applying a 0.08% Mo - equivalent cut-off - see Table 2
- A near surface, high grade breccia has been defined, within the eastern portion of the deposit, that contains approximately 19 million tonnes of Measured and Indicated Resources averaging 0.098% Mo (41 million pounds of molybdenum contained) at a 0.03% Mo - equivalent cut-off - see Table 3

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TABLE 1

**MAIN ZONE RESOURCES
(at a 0.03% Mo equivalent cut-off)**

Mo equivalent Cut-off (%)¹	Category	Tonnes (x10³)	(%)	lbs Mo (x10³)	Cu (%)	lbs Cu (x10³)
0.03	Measured	52,240	0.074	85,490	0.050	58,080
0.03	Indicated	124,650	0.070	192,720	0.044	121,060
0.03	Total (M + I)	176,890	0.071	278,210	0.046	179,140
0.03	Inferred	16,300	0.051	18,320	0.061	21,860

¹ Mo-equivalent cut-off: Mo% + (Cu%/7.5)

TABLE 2

**MAIN ZONE RESOURCES
(at a 0.08% Mo equivalent cut-off)**

Mo equivalent Cut-off (%)¹	Category	Tonnes (x10³)	(%)	lbs Mo (x10³)	Cu (%)	lbs Cu (x10³)
0.08	Measured	22,630	0.108	53,790	0.061	30,600
0.08	Indicated	50,820	0.101	113,620	0.051	57,320
0.08	Total (M + I)	73,450	0.103	167,410	0.054	87,920
0.08	Inferred	3,010	0.105	6,980	0.057	3,780

¹ Mo-equivalent cut-off: Mo% + (Cu%/7.5)

Work by previous operators outlined an indicated resource of 92,873,000 tonnes grading 0.083% molybdenum ("Mo") containing 169.9 millions lbs. of molybdenum and an inferred resource of 84,221,000 tonnes grading 0.076% Mo containing 141.1 million lbs. of molybdenum (P & E Mining Consultants Inc., January 2008).

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TABLE 3

RESOURCES IN EAST BRECCIA OF MAIN ZONE (at a 0.03% Mo equivalent cut-off)

<u>Mo equivalent Cut-off (%)</u> ¹	<u>Category</u>	<u>Tonnes (x10³)</u>	<u>(%)</u>	<u>lbs Mo (x10³)</u>
0.03	Measured	8,000	0.101	17,810
0.03	Indicated	11,130	0.095	23,300
0.03	Total (M + I)	19,130	0.098	41,110
0.03	Inferred	480	0.068	730

¹ Mo-equivalent Cut-off: Mo% + (Cu%/7.5)

The Mineral Resources reported by MDA at Creston do not incorporate any resources from the Red Hill Zone. The Mineral Resources reported by MDA are diluted. They have been modeled and estimated by evaluating drill data, constructing geologic and mineral domains on cross sections at 50 metre intervals throughout the extent of the Creston mineralization, rectifying the mineral domain interpretations on cross sections spaced at 10 metre intervals, analyzing the modeled mineralization statistically to establish estimation parameters, and estimating molybdenum and copper grades into a three-dimensional block model with 10 metre x 10 metre x 12 metre (vertical) blocks. Molybdenum and copper were modeled and estimated independently. Molybdenum-equivalent grades were not modeled, but were calculated solely for the determination of cut-off values for molybdenum and copper resource reporting. All modeling of the resource was performed using Gemcom Surpac® software.

Quality control data generated during the various drill programs conducted at Creston were independently reviewed by MDA and factored into the classification of the Creston mineral resources.

Sampling and QA/QC for Infill Program on Main Zone

Drilling at the Creston Deposit was carried out by Layne Drilling using two wire line drill rigs that recover HQ core and where necessary the core was reduced to NQ size. The core was transported to a secure facility at the nearby Opodepe camp where it underwent geotechnical and geological logging. Prior to delivering the core to ALS Chemex preparation lab in Hermosillo, the core was photographed and all mineralized zones were photographed in detail. Blanks, standards, field and coarse reject duplicates, and pulp duplicates were inserted in the stream of samples prior to delivery to the preparation lab.

Based on recommendations by MDA, the entire core was sent to the preparation lab in Hermosillo.

The rationale for not sawing the core and retaining half of the sample was based on two considerations: 1) portions of the molybdenite mineralization at Creston occur as loosely bound coarse flakes and clusters and 2) there is evidence of a nugget effect in parts of the deposit. Thus, the sampling of the entire core prevents or minimizes the loss of molybdenite due to core handling, sawing, and washing. In addition, keeping the entire core maximizes the sample volume, which should minimize any nugget effect and more accurately represent the mean grade of the deposit.

Sample preparation in Hermosillo consists of crushing the whole interval to minimum of > 70% of the crushed sample passing a 2 millimetre screen and then splitting the -2 millimetre crushed sample to

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produce a representative split of 1,000 grams. Each 1,000 gram sample is then pulverized to at least 85% passing -75 microns.

The pulps were then shipped to ALS-Chemex in North Vancouver to be analyzed for total Mo% and Cu% using a four acid digestion and ICP-AES (Atomic Emission Spectroscopy) finish. Samples from the oxide zone were sent to Skyline Labs in Tucson to be analyzed for MO₃ and copper oxide.

Red Hill and Alejandra Zones

A 12 hole, 2,808 metre diamond drill program on the Red Hill Zone located approximately 300 metres southwest of the Creston Main Zone has been completed. Analytical results are available on Creston's website at www.crestonmoly.com.

The Red Hill Zone is a mineralized area located southwest of the Creston Main Zone deposit, below a low angle normal fault known as the Creston Fault. The 2008 drill program was aimed at evaluating the extent of shallow molybdenite mineralization encountered by previous operators and also to further investigate a buried porphyry system intersected by Amax in drill hole A-35. The twelve (12) holes drilled by Creston are widely spaced and, cover an area of 900 metres x 300 metres.

The results of this drilling confirmed the presence of shallow, high grade molybdenum mineralization, immediately south of the Creston Fault between sections 532700 E and 533000 E (61.15 metres of 0.19% Mo and 0.10% Cu in hole EC08-057 and 83.8 metres of 0.07% Mo and 0.07% Cu in hole EC08-058). This style of mineralization is akin to that found within the bulk of the Creston Main Zone deposit, consisting of molybdenite-bearing quartz stockworks hosted by a leucocratic Proterozoic granitoid (Creston Granite).

The two deep vertical holes (EC08-054 and EC08-062), drilled to investigate the extent of the porphyry system, both encountered extensive Mo-Cu mineralization and were stopped in mineralization at 496.5 and 499.1 metres respectively. The mineralized intercepts included 241.4 metres of 0.08% Mo and 0.06% Cu in hole 054 and 315.5 metres of 0.06% Mo and 0.07% Cu in hole EC08-062. The mineralization in these intersections is hosted by a series of porphyry dykes and apophyses interfingering with pre-existing lithologies. Both porphyries and country rocks are pervasively altered (silica, phyllic alteration and Kspar flooding) and locally brecciated. Although molybdenite bearing quartz veins are present, the bulk of mineralization occurs as clots, disseminations and, locally in, molybdenite veinlets without accompanying quartz.

The results from holes EC08-054, EC08-062 and Amax's hole A-35 indicate that the porphyry-style mineralization is open in all directions and at depth.

Sampling and QA/QC for Drill Program at the Red Hill Zone

Drilling at Red Hill Zone was carried out by Layne Drilling employing one wireline drill rig using HQ core and where necessary the core was reduced to NQ size. The core was transported to a secure facility at the nearby Opodepe camp where it underwent geotechnical and geological logging. Prior to delivering the core to ALS Chemex preparation lab in Hermosillo, the core was photographed and all mineralized zones were photographed in detail. Blanks, standards, field and coarse reject duplicates, and pulp duplicates were inserted in the stream of samples prior to delivery to the preparation lab.

The core was sawed in half. One half of the core was retained and stored at the Opodepe camp and the other half was delivered to ALS Chemex's preparation lab in Hermosillo.

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Sample preparation in Hermosillo consisted of crushing the whole interval to a minimum of > 70% of the crushed sample passing a 2 mm screen and then splitting the -2mm crushed sample to produce a representative split of 1,000 grams. Each 1,000 gram sample was then pulverized to at least 85% passing - 75 microns.

The pulps were shipped to ALS-Chemex in North Vancouver to be analyzed for total Mo% and Cu% using a four acid digestion and ICP-AES (Atomic Emission Spectroscopy) finish. Samples from the oxide zone will be sent to Skyline Labs in Tucson to be analyzed for molybdenum oxide.

At a potentially new zone named the Alejandra Zone, situated two kilometres northeast of the Main Zone, a program of detailed mapping and sampling has been completed. Numerous molybdenum bearing outcrops have been discovered on the northeast flank of the Alejandra Zone. Results from this program have not been received as of the date of this MD & A.

Bankable Feasibility Study

The Company has engaged M3 Engineering & Technology Corporation (“M3”) for the provision of a Bankable Feasibility Study (“BFS”) on the El 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 expects the pre-feasibility engineering study to be completed in the first quarter of calendar 2009. In view of the state of the present financial markets the Company has decided to defer some 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.

M3 has offices in Tucson Arizona, Chandler Arizona and most importantly for the Company, in Hermosillo, Mexico, where their associates have an intimate knowledge of all aspects of the Mexican mine permitting process.

M3 is a full-service international engineering firm providing engineering, procurement and construction management services to the minerals industry. Founded in 1986 and with a current staff of over 400 employees, M3 has engineered and managed over \$2.0 billion in mining projects, and notably, has won numerous recognitions including the prestigious 2005 AISC Engineering Award for Excellence and the American Mining Hall of Fame’s 2007 Mining Foundation of the Southwest Industry Partnership Award.

Luca Riccio, PhD., P. Geo, a Qualified Person as defined by National Instrument 43-101, has reviewed the information contained herein.

Corporate

On October the 9th, 2008, the Company announced the appointment of Mr. Colin K. Benner, P. Eng. as Chairman of the Board of Directors. Mr. Benner is an experienced mining executive with more than 40 years in the mining industry with senior management and executive roles in Canada and internationally. He was most recently Vice Chairman and CEO of Skye Resources and previously Vice Chairman and CEO of Lundin Mining Corporation and EuroZinc Mining Corporation. He has also served on a number of public company boards in the mining industry in Canada and he currently sits on the boards of Lundin Mining Corporation, HudBay Minerals Inc., Polaris Minerals Corp., Troon Ventures Ltd., is Chairman of Capstone Mining Corp. and was Chairman of PBS Coals Ltd. He is a member of the Association of Professional

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Engineers of Ontario, the Canadian Society of Professional Engineers as well as a member of the Association of Professional Engineers and Geoscientists of British Columbia, the Association of Professional Engineers and Geoscientists of Nunavut, the Society of Mining Engineers of the AIME and the Canadian Institute of Mining. Mr. Benner is also a member of the ICD-DP.

Concurrent with the appointment of Mr. Benner, Kim Phillips resigned as a director of Creston. Mr. Phillips will remain as Chief Financial Officer and Corporate Secretary.

The Company agreed to pay a Finders' Fee to an arm's length third party (the "Fee") in connection with the acquisition of Creston Mining. The TSX-V has approved the payment of US\$1,500,000 (Cdn. \$1,824,750) as the Fee, which, at the option of the Finder, may be paid in any combination of cash or shares. The US\$1,500,000 (Cdn. \$1,824,750) Fee payable has been accrued in the consolidated financial statements. The TSX-V has determined that a price of \$0.70 per share shall be used in determining the number of shares to be issued as payment of the Fee or a portion of the Fee. The Finder claims that \$0.15 per share should have been used as the basis for determining the fee. The Finder entered into, and has now completed, arbitration proceedings seeking damages. As of the date of this MD and A, the Arbitrator has not rendered a decision. The outcome is not determinable.

Operating Results

Operations and Financial Results

The Company incurred an operating loss before write-offs of \$1,276,259 (2007 - \$660,489) during the three months ended October 31, 2008 and has also incurred operating losses for some time previously

Expenses

Overall expenses were \$1,322,384 during the three months ended October 31, 2008 as compared to \$800,425 in the same period in 2007. Expenses increased during 2008 in line with the Company's increased level of activity, 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 \$413,359 (2007 - \$26,022), Stock-based compensation expense of \$251,733 (2007 - \$190,837), Professional fees of \$182,301 (2007 - \$32,578), Consulting fees of \$129,240 (2007 - \$124,760) and Shareholder communication expenses of \$83,351 (2007 - \$154,047). 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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	<u>10/31/2008</u>	<u>07/31/2008</u>	<u>04/30/2008</u>	<u>01/31/2008</u>
	\$	\$	\$	\$
Revenue	0	0	0	0
Net Loss before extra-ordinary items or discontinued operations	1,276,259	522,227	1,400,963	626,212
Net Loss period before extra-ordinary items or discontinued operations per share (basic and fully diluted)	0.01	0.01	0.01	0.01
Net Loss	1,276,259	522,227	1,400,963	626,212
Net Loss per share (basic and fully diluted)	0.01	0.01	0.01	0.01

	<u>10/31/2007</u>	<u>07/31/2007</u>	<u>04/30/2007</u>	<u>01/31/2007</u>
	\$	\$	\$	\$
Revenue	0	0	0	0
Net Loss before extra-ordinary items or discontinued operations	660,489	571,070	1,261,227	2,806,850
Net Loss before extra-ordinary items or discontinued operations per share (basic and fully diluted)	0.01	0.00	0.03	0.07
Net Loss	660,489	571,070	1,261,227	2,806,850
Net Loss per share (basic and fully diluted)	0.01	0.00	0.03	0.07

Financial Condition, Liquidity and Solvency, and Capital Resources

Operating Activities

The Company incurred an operating loss before write-offs of \$1,276,259 (2007 - \$660,489) during the three months ended October 31, 2008 and has also incurred operating losses for some time previously. As at October 31, 2008 the Company had working capital of \$2,879,057 which included \$4,742,630 of cash and cash equivalents (2007 - working capital of 11,666,262 which included \$13,723,975 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.

The Company's operating activities used cash of \$509,906 (2007 - \$601,306) during the three months ended October 31, 2008, arising from a net loss of \$1,276,259 (2007 - \$660,489), adjusted for add-back of non-cash items for amortization of \$6,387 (2007 - amortization of \$7,163), stock based compensation expense of \$251,733 (2007 - \$190,837) and from changes in non-cash working capital items of \$508,233 (2007 - (\$138,817)).

Investing Activities

During the three months ended October 31, 2008 the Company invested a total of \$2,508,191. A total of \$2,507,051 was invested in mineral property expenditures on the Creston Project and \$1,140 on the acquisition of equipment.

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During the three months ended October 31, 2007 the Company invested a total of \$702,244. A total of \$672,541 was invested in mineral property expenditures on the Creston Project and \$29,703 on the acquisition of equipment.

Financing Activities

During the three months ended October 31, 2008, the Company issued 599,999 shares at an average price of \$0.90 per share pursuant to the exercise of share purchase warrants.

During the three months ended October 31, 2007, the Company's financing activities generated a total of \$96,666 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 December 22, 2008

Authorized: Unlimited
Issued and Outstanding: 121,768,148

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 at \$0.25 per share exercisable to October 8, 2013, and options to purchase 1,000,000 at \$0.245 per share exercisable to October 30, 2013 were granted during the period. The following table shows all outstanding stock options.

Number	Exercise Price	Expiry Date
360,000	\$0.15	18/02/2009
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
125,000	\$0.165	21/09/2010
100,000	\$0.25	14/10/2010
150,000	\$0.26	02/12/2010
25,000	\$0.25	14/12/2010
100,000	\$0.25	11/02/2011
25,000	\$0.25	27/03/2011
175,000	\$0.18	13/08/2011

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Number	Exercise Price	Expiry Date
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
350,000	\$0.40	10/02/2013
100,000	\$0.48	26/02/2013
350,000	\$0.31	11/05/2013
400,000	\$0.35	17/07/2013
150,000	\$0.25	8/10/2013
<u>1,000,000</u>	<u>\$0.245</u>	30/10/2013
10,075,000	\$0.36	

Warrants

Number	Exercise Price	Expiry Date
27,980,001 ¹	\$0.90	09/05/2010
3,429,600	\$0.90	09/05/2010
<u>7,932,143</u>	<u>\$0.90</u>	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 due to new well developments 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.

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:

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Directors

Jonathan George
Colin K. Benner
John McCleery
Wayne Johnstone
Richard Godfrey

Officers

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

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 October 31, 2008, the Company entered into the following transactions with related parties:

- a. Paid or accrued management and consulting fees of \$190,214 (2007 - \$102,000) to directors and officers or their companies; and
- b. The Company shares office premises with a public company that has a director in common and paid \$24,810 (2007 - \$22,640) 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 minimum payments for fiscal years; 2009 – \$1,011,714; 2010 - \$349,738; and 2011 – \$45,000.

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 extend 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

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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.

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 Consolidated Financial Statements for October 31, 2008 and October 31, 2007 that is available on the Company's website at www.crestonmoly.com or on its SEDAR Page Site accessed through www.sedar.com

Approval

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The Board of Directors of the Company has approved the disclosure contained in this MD&A. A copy of this 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 MD&A may contain “forward looking statements” that reflect Creston’s current expectations and projections about its future results. When used in this 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 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 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.