

Foran Mining Corporation

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED JUNE 30, 2008

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Company's unaudited Consolidated Financial Statements and the notes thereto for the nine month period ended June 30, 2008.

This MD&A has been prepared as of August 28, 2008.

Management's discussion and analysis of financial condition and results of operations contains forward-looking statements. By their nature, these statements involve risk and uncertainties, many of which are beyond the Company's control, and could cause actual results to differ materially from those expressed in such forward-looking statements. Readers are cautioned not to place undue reliance on these statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Nature of Business

Foran Mining Corporation ("Foran or Company") was originally incorporated under the laws of British Columbia on June 21, 1989 and continued into Saskatchewan on November 13, 2007. Foran is a reporting issuer in British Columbia, Alberta, Ontario, New Brunswick, Nova Scotia and Newfoundland. The Company's stock is traded on the TSX Venture Exchange under the symbol "FOM". Principle business activities include the acquisition and exploration of mineral properties with the objective of the discovery of economically recoverable mineral reserves for development of a producing mine operation. To date the Company has not generated any revenues.

Additional information regarding the Company, including copies of the Company's continuous disclosure materials is available through the SEDAR website at www.sedar.com

OVERALL PERFORMANCE

During the period ended June 30, 2008 the Company's operations were funded through the proceeds of capital asset dispositions and equity financing.

MCILVENNA BAY, SASKATCHEWAN

McIlvenna Bay is the Company's main asset and business focus.

In December 2006, the Company published on SEDAR a Technical Report compliant with NI 43-101 on the McIlvenna Bay property, which stated that the property is "a Cu-Zn volcanogenic massive sulphide deposit which is at the advanced exploration stage". The report, also available on the Company's web site, concluded that "a significant mineral resource had been estimated for the McIlvenna Bay property. Indicated resources total 6,671,000t at a grade of 0.83% Cu, 6.51% Zn and 26.0 g/t Ag. Inferred resources total 6,000,000t at a grade of .83% Cu, 5.89% Zn and 24.8 g/t Ag." As a result of the recommendations outlined in the Scott Wilson Roscoe Postle report, the Company began a drilling program in September 2007, with the specific intention to upgrade the mineral resources from inferred to indicated and to trace their extension down plunge to the northwest.

In December 2007 the Company announced the results of diamond drill hole MB-07-133. Designed to test the down dip and down plunge extension of the existing indicated #2 lens massive sulphide resource, DDH MB-07-133 intersected the near solid sulphide unit at 855.78 meters with a true width of 4.9 meters grading 0.170 g/t Au, 17.7 g/t Ag, 0.31% Cu and 9.07% Zn. The near solid sulphide is underlain conformably by a chloritic stringer zone, in this instance, a true width of 1.5 meters grading 0.230 g/t Au, 18.5 g/t Ag, 1.68% Cu and 1.04% Zn. The combined intersection is a true width of 6.4 meters grading 0.65% Cu and 7.08% Zn with minor Au and Ag values.

On April 30, 2008 the Company announced the results of diamond drill holes MB-08-127 and MB-18-128. Both holes were drilled on section to determine the extent of the No. 2 massive sulphide lens down dip and down plunge of the existing earlier drilling. DDH MB-08-127, at a vertical depth of 514m, intersected 1.82 meters (6.0ft) of near solid sulphides grading 0.14g/t Au, 22.9 g/t Ag, 0.14% Cu, 0.71% Pb and 10.17% Zn. This unit was underlain conformably by a 6.44 metre (21.1 ft) disseminated chloritic unit grading: 0.45 g/t Au, 25.8 g/t Ag, 1.02% Cu, 0.24% Pb and 0.85% Zn. The combined zone graded 0.38 g/t Au, 25.2 g/t Ag, 0.83% Cu, 0.34% Pb, and 2.93% Zn over 8.26 metres or 27.1 ft. DDH MB-08-128 intersected the bottom of the plunge 144 metres below the MB-08-127 drill hole. It encompasses a disseminated to near solid sulphide band of 1.8 metres (5.9 ft) grading 0.30 g/t Au, 57.4 g/t Ag, 0.16% Cu, 0.95% Pb and 1.41% Zn. The true widths are not known at this time.

An additional two holes, MB-08-129 and MB-08-132 have been completed. Assays for these, bottom-of-the plunge holes 100 metres to the West, are pending.

During the period ended March 31, 2008, \$1,357,802 was expended on drilling. This drill program is now completed and further exploration activity will be reviewed. Requirements to take this project to a test mine stage are being evaluated.

In March 2008 the Company engaged Leaf & Stone Resonance Services Ltd. ("Leaf & Stone") to conduct a resonance coupling survey on the McIlvenna Bay property, near Hanson Lake, SK. Leaf & Stone uses a technology known as resonance coupling which permits Leaf & Stone to analyze satellite data and produce an image representing areas for potential underground mineralization. The survey targeted coordinates for the area known as the McIlvenna Bay deposit to see if the technology would identify the known mineralization in the deposit area and identify potential mineralization in areas outside the McIlvenna Bay deposit area.

Leaf & Stone has analyzed the survey data and has produced an image of potential underground mineralization on the property. Leaf & Stone indicate that the image produced by the survey identifies the McIlvenna Bay deposit as containing copper and zinc mineralization. Leaf & Stone's analysis has also produced an image of a large area of potential copper and zinc mineralization outside of the McIlvenna Bay deposit area. This area lies approximately 1 km west from the McIlvenna Bay deposit area.

The Company intends to follow up the survey and investigate the new area with ground geophysical surveys this fall. If the ground geophysics satisfactorily confirms the presence of mineralization in this new area, the Company intends to recommend a drill program to further investigate it.

Exploration activities have been funded through equity financing of flow-through funds. Further exploration is conditional on the Company's ability to raise funds for future operations. There can be no assurance that the Company will be able to do so and if funds are not available or other sources of

finance cannot be raised, the Company would be forced to curtail its activities to a level for which funding is available.

SASKATCHEWAN PROJECT

In January, 2007 the Company began a state-of-the-art, high resolution deep penetrating VTEM Time Domain EM survey on 726 line Km's of the Bigstone, Balsam and Hanson Lake properties. These properties are located in close proximity to the McIlvenna Bay VMS deposit near Hanson Lake, Saskatchewan. The survey was conducted as follow up work to EM surveys and drilling that were previously conducted on the three properties.

The data obtained from the surveys was processed by Bob Frazer, Professional Geoscientist of G.R. Frazer Consulting Limited. The report states that "several promising anomalies were located in the Bigstone area. Anomaly locations are known accurately enough to pick drill hole collar locations on the map. In the Hanson Lake/Balsam block the Palaeozoic cover appears to be considerably thicker than in the Bigstone area. Nonetheless, three distinct targets were identified. It is recommended that a Pulse Electromagnetic (PEM) survey be done in this area so that target depths can be measured prior to drilling."

The Company plans to develop an exploration program for the highlighted targets during 2008. There are a total of 6 property claim groups included in this project which total approximately 20,538 hectares.

MANITOBA PROJECT

There are 9 property claim groups totalling 9,864 hectares in the Manitoba project. The Company does not have immediate plans for exploration work on these claims. During the six month period, \$20,045 has been expended to keep these claims in good standing. Certain claims may be approved to lapse once management has determined there is no value in keeping them in the Company land portfolio.

RESULTS OF OPERATIONS

During the quarter ended June 30, 2008, the Company incurred a loss before income taxes of \$184,440 (2007 - \$121,035).

Interest and Bank Charges amounted to \$5,998 (2007 - \$3,827) and are mainly a result of accrued interest payable on outstanding debentures. Non cash items are Stock-based compensation \$72,498 (2007 - \$42,519) and amortization \$10,510 (2007 - \$2,800). Professional fees \$28,709 (2007 - \$5,397) result from negotiations for the future of the McIlvenna Bay project. Rent \$11,117 (2007 - \$10,747) includes office space and warehouse space required for the gold mill equipment and exploration information storage. Wages and benefits \$60,543 (2007 - \$51,303) reflect administrative salaries. Administration expenses \$6,606 (2007 - \$62,623) include insurance expenses for the company's properties and equipment.

Accounts receivable \$14,676 is primarily due to input tax credits.

SUMMARY OF QUARTERLY RESULTS

	2008 June 30	2008 March 31	2007 December 31	2007 September 30
Total Revenues – including interest	0.00	0.00	15,938	27,235
(Loss)Income before extraordinary items	(196,447)	(207,746)	(91,308)	(864,418)
Basic loss per share before extraordinary items	(0.002)	(0.002)	(0.001)	(0.01)
Diluted loss per share before extraordinary items	(0.002)	(0.002)	(0.001)	(0.01)
(Loss)Income for the year	(496,655)	((298,979)	(91,308)	(977,561)
Basic loss per share	(0.002)	(0.002)	(0.001)	(0.01)
Diluted loss per share	(0.002)	(0.002)	(0.001)	(0.01)

	2007 June 30	2007 March 31	2006 December 31	2006 September 30
Total Revenues	12	1,208	747	24,063
(Loss)Income before extraordinary items	(121,035)	(310,749)	(201,217)	(1,508,810)
Basic loss per share before extraordinary items	(0.001)	(0.003)	(0.001)	(0.02)
Diluted loss per share before extraordinary items	(0.001)	(0.003)	(0.001)	(0.02)
(Loss)Income for the year	(594,690)	(478,855)	(193,873)	(1,488,985)
Basic loss per share	(0.01)	(0.004)	(0.001)	(0.02)
Diluted loss per share	(0.01)	(0.01)	(0.001)	(0.02)

LIQUIDITY AND CAPITAL RESOURCES

The Company does not currently own or have an interest in any producing mineral properties and does not derive any revenues from operations. The Company's activities have been funded through equity financing. Further exploration is conditional on the Company's ability to raise funds and there can be no assurance that the Company will be able to do so. If funds are not available, or other sources of finance cannot be raised, the Company would be forced to curtail its activities.

Cash on hand at August 28, 2008 totalled approximately \$34,000.

There are no present cash commitments under the Joint Venture Agreement and the Company is aware of its cash requirements for its various property claims that will come due in the next year. Additional financing is anticipated through the issuance of share capital to satisfy its future commitments' and planned expenditures.

RELATED PARTY TRANSACTIONS

During the nine month period the Company paid an aggregate \$6,900 (2007 - \$6,180) for rent to a company controlled by a director. During the same period an aggregate \$12,374 (2007 - \$1,000) to the same company for two vehicle leases and \$1750 for air travel expenses (2007 - \$Nil).

The above transactions are considered to be in the normal course of operations and are measured at an exchange amount which approximates fair value and is the amount of consideration established and agreed to by the related parties.

OUTLOOK

Going forward, the Company will continue to explore at the McIlvenna Bay property and will be working towards a feasibility schedule for the property.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include stock based compensation expenses; impairment of mineral properties; impairment of capital assets; useful lives for amortization of capital assets; reclamation and environmental obligations; and contingencies reported in the notes to the financial statements. Financial results as determined by actual events could differ from those estimates.

SIGNIFICANT ACCOUNTING POLICIES

The Company has evaluated the impact of the new standards required by CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement, Section 1530, Comprehensive Income and Section 3865, Hedges. These sections provide guidance on the recognition and valuation of certain types of financial instruments.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, accounts payable, long and short term loans and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

MANAGEMENT CERTIFICATIONS – INTERNAL CONTROL OVER FINANCIAL REPORTING

Recent changes in securities laws no longer require the CEO and CFO of TSX Venture Exchange listed companies such as Foran to certify they have designed internal control over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. Instead, an optional form of certification has been made available to TSX Venture Exchange listed companies and has been used by Foran's certifying officers for the December 31, 2007 quarterly filings. The new certification reflects what the Company considers to be a more appropriate level of CEO and CFO certification given the size and nature of the Company's operations. This certification requires that the certifying officer's state:

- i) they have reviewed the interim MD&A and financial statements;
- ii) they have determine there is no untrue statement of a material fact, or any omission of material fact required to be stated which would make any statement not misleading in

- light of the circumstances under which it was made within the interim MD&A and financial statements;
- iii) that based upon their knowledge, the interim filings, together with the other financial information included in the interim filings, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of the date and for the periods presented in the filings.

For purposes of this certification, management believes fair presentation in accordance with Canadian GAAP constitutes fair presentation under securities laws