

PLANET EXPLORATION INC.
SECOND QUARTER SHAREHOLDERS' REPORT
AS AT SEPTEMBER 30, 2008

November 28, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis is a review of operations, current financial position and outlook for Planet Exploration Inc. ("Planet" or the "Company") and should be read in conjunction with the unaudited quarterly financial statements for the three months ended September 30, 2008, the audited financial statements for the year ended March 31, 2008 and management's discussion and analysis for the year ended March 31, 2008. The financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada.

Statements in this document may contain forward-looking information. Estimates provided for fiscal 2009 and beyond are based on assumptions of future events and actual results could vary significantly from these estimates. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on this forward-looking information.

COMPANY PROFILE

Planet is a junior mineral exploration company that is listed under the symbol "PXI" on the TSX Venture Exchange.

CORE PROPERTY UPDATE

Sidace Lake (Red Lake Mining District), Ontario

Location and Ownership

Planet's primary property comprises 63 unpatented contiguous mining claims covering an area of 12,224 Ha, located 25 km northeast of Balmertown, Red Lake Mining Division, Ontario. The property is owned by Planet as to 40% and Goldcorp Red Lake Gold Mines, an affiliate of Goldcorp Inc. ("Goldcorp") as to 60% under the terms of a joint venture. The Sidace Lake property is subject to a 1% Net Smelter Royalty. The joint venture is funded 60% by Goldcorp (who are the operators) and 40% by Planet.

Brief History

Since 1998, when Planet first took an interest in the property, 225 diamond drill holes, totaling 82,604 metres of NQ core have been drilled on the Sidace lake joint venture, including 16 holes abandoned for logistical reasons, 12 sidetrack wedges and five extensions to previously drilled holes. Initially, drilling was focused on exploration, following targets located by geophysics, which identified seven zones of interest within a 2.5 x 3.0 km area. These are the Main Discovery Zone ("MDZ"), Upper Duck Zone ("UDZ"), Western Duck, Deep Footwall, Far West, Skarn and the Anderson Zones. The following table shows progressive drilling on the property over the years on the Sidace Lake property. Most efforts have concentrated on delineation and evaluation of the MDZ and UDZ as areas of high potential.

year	holes	metres
1998	6	828
1999	11	2,638
2002	21	3,875
2003	16	7,475
2004	29	15,506
2005	43	12,576
2006	39	12,114
2007	40	16,170
<u>2008</u>	<u>25</u>	<u>11,422*</u>
Totals	225	82,604

* 9 months to end of September 2008

The Main Discovery Zone

We now have a good understanding of mineralization on the MDZ down to 450m, where we have drilled with some intensity, and our probes to 950m below surface show continuing strong mineralization. A total of 89 holes, totaling 30,960m, including wedges, have been drilled in the MDZ area since commencement of the project.

The concentration of gold in the MDZ is largely stratabound in a quartz-sericite schist in which pervasive gold values in a thick envelope are associated with disseminated arsenopyrite, commonly with realgar, orpiment, stibnite and pyrite, some molybdenite and abundant quartz veinlets. There is a silica flood zone to the immediate north and east of this envelope that appears to define one wall of the mineralized body. However, higher grade gold mineralization is not entirely constrained by either the original lithology, nor by the overprinted metamorphic fabric and facies.

The gold in the MDZ follows a complex structural pattern, of several steeply-dipping near-tabular bodies, the northern and main limbs of which are simple fold repetitions of the same horizon; the western limb appears to be axial planar to this fold, and the eastern limb completes the 'Z' fold.

The MDZ has had numerous exciting intersections in both thickness and grade. Of particular note are intersections such as 26.06 g/t over a metre in RL07-159, 28.34 g/t over two metres and 16.53g/t over four metres in RL07-161 and 26.56g/t over a metre in RL07-168, all from the round of drilling at the end of 2007.

Continued evaluation infill drilling started on MDZ in the last week of the quarter ended 30 September 2008, when 266m was drilled extending RL07-160. Since that date, two further wedges have been drilled off this hole. Similar wedging off old holes in the MDZ will aim at targeting extensions of the Main horizon and infill drilling and will occupy much of the quarter from October to December 2008.

Work Over the Quarter Ended September 30, 2008

Upper Duck Zone

The UDZ, 1,200m to the southwest of the MDZ, is an entirely separate and different feature. The primary locating feature was originally a silicate-sulphide facies banded iron formation, that is now garnetiferous, rich in magnetite and commonly shows minute specks of visible gold in pyrite-pyrrhotite-arsenopyrite bands. The zone strikes roughly due west, dipping steeply north. To the east, it is disrupted by intrusion of a porphyry

stock and is eventually cut off by gabbro. To the west, the feature is interrupted by faulting and some porphyry dykes.

Several sub-parallel bodies in close proximity comprise the UDZ. The demonstrable strike of the mineralized heart of these bodies is less than 200m, and they show remarkable continuity down pitch of near-vertical shoots. This gold mineralization is constrained by neither lithology nor stratigraphy, and in places seems to penetrate and to continue along strike within what had previously been regarded as younger intrusives.

Previously released results from the 2007 drill programs include some spectacular values: 93.32 g/t Au over 1.4m from hole RL07-139 released May 17, 2007; 35.92 gpt Au over 0.40m in hole RL07-142 released June 14, 2007; and 6.22 g/t Au over 20.00m from hole RL07-152 and 20.54 g/t Au over 5.90m from hole RL07-153 released August 23, 2007.

The joint venture has now drilled a total of 23,935 metres in 64 holes on UDZ; of which 14 holes, plus 4 sidetrack wedges off two of these holes, totaling 8,205 metres, were drilled between July 1, 2008 and September 30, 2008.

The press release of October 9, 2008 announced results from the first three holes (RL08-181 to RL08-183) from the summer program testing for the western, faulted, extension of the (UDZ). A further three holes (RL08-192 to RL08-194) concentrated on evaluating relationship between the high grade intersection (45.63g/t over 1.0m at 65.0m) of RL08-182 of these holes, compared to 37.08g/t over 1.0m at 249.7m of RL-05-77, and 2.78g/t Au over 2.75m at 20.0m of RL05-105 drilled in 2005, to the west of the UDZ.

To target the heart of the UDZ itself at depth, four holes (RL08-188 to RL08-191) plus four wedges (RL08-188A, RL08-191A, B, C) were drilled during the quarter. Results from all these holes will be released as they are received.

Other Work Done Since January 1, 2008

Anderson Lake Drilling

In the quarter ended June 30th, 2008, drilling at Anderson Lake, as a logical follow-up based on previous success and ongoing interpretation and modeling of new data on the Sidace Lake property, targeted a massive low grade body, which occurs in porphyry and altered mafic volcanics, known as the North Anderson Zone, which had originally been outlined in 2005:

RL05-89: 0.76g/t over 51m (includes 4.69g/t over 3.00m);

RL05-100: 1.5g/t over 15m (includes 2.20g/t over 3.00m) (dyked out by diorite);

RL05-102: 0.61g/t over 93m (includes 11.27g/t over 2.00m) (Press Release 23 April 2008))

From March to May 2008, 1,256m were drilled, extending holes RL05-094, RL05-103, and RL05-104, which are the vicinity of the North Anderson zone. Although not specifically targeting this mineralization, the drilling investigated this zone and was planned to intersect the strike extension of the ultramafic–mafic package of rocks which underlie the waters of East Bay, Red Lake and are associated with mineralization at the past producing Cochenour–Willans mine, the Phoenix zone and recently discovered F2 zone at Rubicon Mineral's McFinley Mine property. The press release of August 22, 2008 showed some interesting values (RL05-094 3.1g/t over 1.00m at 406.00m; RL05-104 5.8g/t over 1.00m at 212.5m and 3.58 g/t over 0.5m at 218.0m). At the base of RL05-094 there are scattered gold values in the ultramafics. The hole was stopped in talcose peridotite, and will be deepened until it is completely through this ultramafic, which is a part of the EBS extension. Hole RL05-103 started in feldspar porphyry, and remained in this intrusive until well past the targeted zone of interest. Although scattered anomalous values were returned from the ultramafic unit(s), the section in RL05-104 from 212.50 - 219.50m, was most notable returning an average of 1.61 g/t over 7.00m

and has abundant arsenopyrite

The data from this area indicates need for further drilling in the new year.

Deep Footwall Zone to the MDZ

Review of the results of RL08-178, RL08-179 and RL08-180 (press release April 23, 2008) in the context of the other holes in this area, shows an essentially tabular body. This is a distinct body that lies well beneath the MDZ.

Hole Number	Intersect		Thickness m	Grade g/t
	from m	to m		
RL99-012	386.31	387.31	1.00	7.59
RL03-033	481.00	482.50	1.50	3.03
RL03-035	411.00	413.55	2.55	3.13
incl	412.00	413.00	1.00	5.04
RL03-037	586.30	587.10	0.80	14.47
RL04-039	804.00	806.00	2.00	11.58
incl	805.00	806.00	1.00	20.59
RL04-041	260.00	261.00	1.00	3.80
SD-04-11	1,440.50	1,441.50	1.00	6.93
RL08-179	89.00	92.00	3.00	4.27
incl	89.00	90.00	1.00	10.24
RL08-178	305.30	307.30	2.00	2.76
RL08-180	225.20	226.20	1.00	6.42

This is interpreted to be a Deep Footwall Zone to the MDZ, first intersected several years ago, and now sufficiently well documented to be modeled. This is a very positive development that promises good grades over apparent thicknesses of from one to three metres. It is encouraging that gold values in the zone are associated with wispy green mica, minor stibnite, and traces of stubby arsenopyrite. Strike length covered is over 550m, in a south-westerly direction. Note that the hole SD-04-11, drilled in 2004, intersected this zone at almost exactly 1,000m below surface.

Current Operations

Drilling is now ongoing in the MDZ area. One hole (RL07-160) drilled in 2007 was deepened by 266m during the quarter ended 30 September 2008, and two wedges have since been cut from this hole.

Two auxiliary holes are also planned to explore some geophysical anomalies that have not been drilled previously and deepening of 2 old holes to intersect the Deep Footwall Zone are also planned, but will probably carry over into the new year.

All field work, drilling supervision and core logging and sampling is conducted by the geological staff of Goldcorp. Dr Adrian G Mann, P.Geol., is the Qualified Person for Planet.

Selected Financial Information

	3 Months Ended September 30, 2008	3 Months Ended September 30, 2007	% Change	6 Months Ended September 30, 2008	6 Months Ended September 30, 2007	% Change
Interest Revenue	\$ 49,595	\$ 90,023	(45)	\$ 104,443	\$ 172,120	(39)
General and Administrative expenses	\$ 101,210	\$ 114,089	(11)	\$ 211,123	\$ 185,248	14
Stock Based Compensation	\$ 3,639	\$ 5,734	(36)	\$ 7,278	\$ 5,734	27
Net (loss) Before Income Tax	\$ (55,375)	\$ (29,910)	85	\$ (114,200)	\$ (19,083)	498
Net (loss) After Income Tax	\$ (55,345)	\$ (37,019)	49	\$ (114,144)	\$ (33,100)	245
Basic (loss) per share	\$ (0.002)	\$ (0.001)	100	\$ (0.004)	\$ (0.001)	300
<u>Balance sheet as at</u>		<u>September 30, 2008</u>			<u>September 30, 2007</u>	
Working Capital		\$ 5,760,680			\$ 6,998,239	
Mineral Properties		\$ 5,657,358			\$ 4,942,603	
Total Assets		\$ 12,115,866			\$ 12,476,274	
Shareholders' Equity		\$ 10,789,274			\$ 11,288,232	
Weighted number of shares						
Basic		25,319,190			25,309,190	
Diluted		25,319,190			25,537,878	

Operations Update

During the quarter ended September 30, 2008, Planet focused its efforts primarily on its diamond drilling program on the Sidace Lake Project. The Company drilled approximately 8,470 metres of which 265 metres were drilled on the MDZ and 8,205 metres were drilled on the UDZ.

Discussion of Financial Results – Second Quarter ended September 30, 2008 compared with the Second Quarter ended September 30, 2007

Interest Income

The Company's only source of income is interest revenue.

Interest revenue was \$49,595 for the quarter ended September 30, 2008 compared to \$90,023 in the quarter ended September 30, 2007. This decrease is mainly due to reduced bank deposit rates and a continuing drill program resulting in a reduction of cash and cash equivalents and additions to mineral properties.

General and Administrative Expenses

General and administrative expenses for the quarter ended September 30, 2008 were \$101,210, compared to \$114,089 for the quarter ended September 30, 2007. All expenses relate to general and administrative costs. The particular level of acquisition and exploration activity has a direct effect on the level of general and administrative costs. Management is not aware of any discernable quarterly trends in expenditure.

Cash Flow From Operations

Planet used \$51,615 in cash flow from investing its cash resources in the quarter ended September 30, 2008, compared to \$24,066 for the quarter ended September 30, 2007. This was mainly due to a reduction in interest revenues in the current quarter.

Stock Options

No stock options were granted during the quarter ended September 30, 2008.

Related Party Transactions

For the three months ended September 30, 2008, the Company incurred \$15,000 (2007 - \$15,000) in director's fees from Ranjeet Sundher, an officer and director of the Company. These fees have been included in general and administrative expenses and were paid at a fixed monthly rate of \$5,000.

For the three months ended September 30, 2008, the Company incurred \$15,000 (2007 - \$15,000) in director's fees from Darold H. Parken, a director of the Company. These fees were billed at a monthly rate of \$5,000, and have been included in general and administrative expenses.

For the three months ended September 30, 2008, the Company incurred \$21,000 (2007 - \$nil) in director's fees from Salim Jivraj, a director of the Company. These fees have been included in general and administrative expenses and were paid at a fixed monthly rate of \$7,000. The Company incurred \$Nil (2007 - \$15,000) in director's fees from a company in which Salim Jivraj, director of the Company is the principal shareholder. These fees in the prior period were billed at a monthly rate of \$5,000, and had been included in general and administrative expenses. The Company also incurred \$Nil (2007 - \$2,500) in accounting fees from a company in which Salim Jivraj, a director of the Company is the principal shareholder.

For the three months ended September 30, 2008, the Company also incurred \$15,507 (2007 - \$14,700) in fees for geological services from a company in which Adrian Mann, an officer and director of the Company, is the principal shareholder. These fees have been capitalized to the mineral properties.

These related party transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Accounts payable includes a total of \$40,977 (2007 - \$66,954) owing to related parties.

Discussion of Financial Results - Six Months ended September 30, 2008 compared with the Six Months ended September 30, 2007

Interest Income

Planet's only revenue comprised of interest income. Planet has not produced any income from operation since inception.

Interest income was \$104,443 for the six months ended September 30, 2008 compared to \$172,120 for the six months ended September 30, 2007. This decrease is mainly due to reduced bank deposit rates and a continuing drill program resulting in a reduction in cash and cash equivalents and additions to mineral properties.

General and Administrative Expenses

General and administrative expenses for the six months ended September 30, 2008 were \$211,123 compared to \$185,248 for the six months ended September 30, 2007. All expenses relate to general and administrative costs. The particular level of acquisition and exploration activity has a direct effect on the level of general and administrative costs. Management is not aware of any discernible quarterly trends in expenditure.

Cash Flow From Operations

Planet used \$106,680 in cash from operations in the six months ended September 30, 2008, compared to using \$13,128 in cash from operations for the six months ended September 30, 2007. This increased usage in cash is mainly due to an increase in general and administrative costs and reduced interest revenues.

Planet has not commenced mineral producing activities.

The Company drilled a total of 9,726 metres during the six month period ended September 30, 2008.

Stock Options

No stock options were granted during the six months ended September 30, 2008.

Related Party Transactions

For the six months ended September 30, 2008, the Company incurred \$30,000 (2007 - \$30,000) in director's fees from Ranjeet Sundher, an officer and director of the Company. These fees have been included in general and administrative expenses and were paid at a fixed monthly rate of \$5,000.

For the six months ended September 30, 2008 the Company incurred \$30,000 (2007 - \$30,000) in director's fees from Darold H. Parken, a director of the Company. These fees were paid at a monthly rate of \$5,000, and have been included in general and administrative expenses. The Company also incurred \$nil (2007 - \$6,750) in consulting and administrative fees from a company controlled by Darold H. Parken. Prior period fees were billed at a monthly rate of \$2,250, and had been included in general and administrative expenses.

For the six months ended September 30, 2008 the Company incurred \$42,000 (2007 - \$30,000) in director's fees from Salim Jivraj, a director of the Company. These fees have been included in general and administrative expenses and were paid at a fixed monthly rate of \$7,000. The Company also incurred \$nil (2007 - \$30,000) in consulting fees from a company Salim Jivraj, director of the Company is the principal shareholder. These fees have been included general and administrative expenses. Prior period fees were billed at a monthly rate of \$5,000, and had been included in general and administrative expenses.

For the six months ended September 30, 2008 the Company also incurred \$31,383 (2007 - \$35,125) in fees for geological services from a company in which Adrian Mann, an officer and director of the Company, is the principal shareholder. These fees have been capitalized to mineral properties.

These related party transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties. Accounts payable at September 30, 2008 includes a total of \$40,977 (2007 - \$66,954) owing to related parties.

Risk and Liquidity

Planet's business plan has been to grow through exploration for mineral resources. Planet's principal risks, as an exploration company, are that it must find and develop economic mineral resources and be able to fund

the associated capital expenditures. Planet relies on equity financing. If any components of the business plan should be missing the Company may not be able to continue executing the entire business plan.

Exploration projects are reviewed at a very early stage from all aspects including: corporate fit, environmental issues, timing, costs and reward potential. Identified risks are addressed and excessive risks are mitigated, to the extent possible, before any project is approved.

Mineral Properties

Acquisition and exploration costs of mineral property interests are capitalized and deferred until such time as the property is put into production, the property is disposed of either through sale or abandonment or the property is considered uneconomic in the foreseeable future. If put into production, the costs of acquisition and exploration will be written off over the life of the property based on estimated economic reserves. Proceeds received from the sale of any interest in a property or option proceeds with respect to undeveloped properties are credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned or considered uneconomic in the foreseeable future, the acquisition and deferred exploration costs are written off to operations.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements.

Management reviews capitalized costs on its mineral properties on a periodic basis and recognizes impairment in value based upon current exploration results and upon management's assessment of the future probability of profitable operations from the property or sale of the property.

Disclosure of Outstanding Share Data

As at the date of this MD&A, the following is a description of the outstanding equity securities and convertible securities issued by the Company.

	<u>Authorized</u>	<u>Outstanding</u>
Voting or equity securities issued and outstanding	Unlimited Common Shares	25,319,190 Common Shares
Securities convertible or exercisable into voting or equity securities – stock options	Stock Options to acquire up to 10% of the outstanding Common Shares at various exercise prices ranging between \$0.37 and \$0.75 per Common Share	1,112,500 Stock Options