

Forest Gate Resources Inc.

Management's Discussion and Analysis

For the quarter ended September 30, 2008

This Management's Discussion and Analysis ("MD&A") of financial position and results of operations, as provided by the management of Forest Gate Resources Inc. ("Forest Gate" or the "Company"), should be read in conjunction with the audited financial statements and related notes thereto for the year ended December 31, 2007 and 2006. Forest Gate's accounting policies are in accordance with Canadian generally accepted accounting principles ("GAAP"). All dollar amounts are in Canadian dollars unless otherwise indicated.

This MD&A is dated November 14, 2008. The Company's shares trade under the symbol FGT on the TSX Venture Exchange. These documents and additional information about Forest Gate are available on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain information in this MD&A of the Company's financial position and results of operations constitutes forward-looking information. These statements and this information represent Forest Gate's intentions, plans, expectations and beliefs, and are subject to risks, uncertainties and other factors, of which many are beyond the control of the Company. All information other than statements of historical fact may be forward-looking information. In consequence, actual results in the future may differ materially from any conclusion, forecast or projection in such forward-looking information.

Examples of statements that constitute forward-looking information may be identified by words such as "may", "could", "should", "believe", "expect", "plan", "target" and other similar words and expressions. These statements reflect current expectations of management regarding future events and operating performance, and speak only as of the date of this report.

This forward-looking information includes, amongst others, information with respect to our objectives and strategies to achieve those objectives. Readers are cautioned not to place undue reliance on these forward-looking statements or information. You will find more information about the risks that could cause our actual results to significantly differ from our current expectations in the "Risks and Uncertainties" section. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Corporate Overview

Forest Gate is a Canadian-based oil and gas exploration and production company that seeks to create shareholder value through the exploration and development of projects worldwide. The Company is, focusing on low-risk Canadian hydrocarbon production to generate cash flow while also pursuing, on a selective basis, international projects. It holds various participating interests in oil and gas exploration and production projects in Canada.

Historically, the Company has worked in mineral exploration and, with the identification of new opportunities, changed its strategic orientation towards oil and gas exploration. In February 2007, Forest Gate entered into an agreement to acquire a working interest in two licenses in an offshore international oil and gas prospect in the Celtic Sea located off the south coast of Ireland.

In 2007, the Company entered into its first joint venture agreement with Emerald Bay Energy Inc. ("Emerald Bay") in a coal bed methane (CBM) project in the Nevis area of Central Alberta. Later in 2007, Forest Gate successfully drilled an oil well at Ferrybank, also located in Central Alberta. This represented the second joint venture signed in 2007 with Emerald Bay.

Forest Gate Resources Inc.

Management's Discussion and Analysis

For the quarter ended September 30, 2008

In March 2008, Forest Gate entered into a third joint venture agreement with Emerald Bay to acquire a 38% working interest in the Kelsey exploration well in Alberta.

In April 2008, Forest Gate increased its interest in the oil producing Ferrybank well to 47.5%. In August, drilling was successful at Kelsey and this gas well will be tied-in in the fourth quarter.

Forest Gate forfeited its interest in the Celtic Sea project in September 2008.

Results of Operations

For the quarter ended September 30, 2008, Forest Gate incurred a net loss from continuing operations of \$258,282 (\$0.00181 per share) and a net loss of \$1,101,034 (\$0.00847 per share) for the nine months ended September 30 2008. A net loss of \$572,580 (\$0.00621 per share) and \$1,776,958 (\$0.02096 per share) were noted for the respective periods in 2007. The net loss for the quarter end September 30, 2008 after discontinued operations was \$8,435,070 (\$0.05745 per share) and for the nine months ended September 30 2008 was \$9,291,482 (\$0.06306 per share). In 2007 there were no discontinued operations

	Three months ended		Nine months ended	
	2008	2007	2008	2007
	\$	\$	\$	\$
Revenues	62 701	5 366	172 638	40 690
Expenses	320 983	595 779	1 302 787	1 977 081
Loss from operations	258 282	590 413	1 130 149	1 936 391
Loss on short term investments	-	-	-	50 961
Write-down of mining properties and deferred exploration costs	-	(17 833)	-	135 219
Loss before income taxes and discontinued operations	258 282	572 580	1 130 149	2 122 571
Future income taxes recovered	-	-	(29 115)	(345 613)
Net loss from continuing operations	258 282	572 580	1 101 034	1 776 958
Net loss from discontinued operations	8 176 788	-	8 190 448	-
Net loss	8 435 070	572 580	9 291 482	1 776 958

Forest Gate reported net oil and gas revenue of \$56,426 in the third quarter and \$157,552 for the nine months ended September 30, 2008. There were no petroleum revenues last year.

The net loss in 2008 includes the write-off of the Celtic Sea project (\$6,086,346) and the reduction in the carrying value (\$2,104,102) of the Saskatchewan diamond properties. The Company has expanded its business into oil and gas exploration and is currently evaluating strategic options to sell its mining properties.

There were no changes to future income taxes in the quarter ended September 30, 2008. An amount for future income taxes of \$132,869 has been recorded during the second quarter of 2008 (2007 a recovery of \$79,226 was recorded). The Company has recorded a share issue cost to account for the future tax cost of the exploration expenses it has renounced on the flow-through shares issued. This amount has been charged to share capital.

Forest Gate Resources Inc.

Management's Discussion and Analysis

For the quarter ended September 30, 2008

Expenses

Expenses consist primarily of salaries, professional and consulting fees, general and administration fees and expenses relating to the business development of the Company.

Forest Gate incurred total expenses from continuing operations of \$320,983 in the third quarter and \$1,302,787 in the first nine months of 2008 compared to \$595,779 and \$1,977,081 for the respective periods in 2007. The 46% decrease in expenses in the third quarter compared to the same period in 2007 resulted from efforts to control expenditures and the higher than normal spending in 2007, which was the consequence of efforts to expand into the oil and gas industry.

Selected Quarterly Information

For the quarter ended September 30, 2008, the Company incurred a net loss from continuing operations of \$258,282 (\$0.00181 per share) compared to a net loss of \$590,413 (\$0.00621 per share) for the same quarter last year. Net loss after discontinued operations amounted to \$8,435,070 (\$0.05926 per share) for the third quarter and \$9,291,482 (\$0.07153 per share) for the 9 months ended September 30, 2008.

		Net loss Net (earnings) unaudited \$	Per weighted average number of Shares outstanding \$
2008	Third quarter	8 435 070	0.05926
	Second quarter	465 822	0.00366
	First quarter	390 590	0.00325
2007	Fourth quarter	609 205	0.00528
	Third quarter	572 580	0.00621
	Second quarter	632 207	0.00767
	First quarter	572 171	0.00719
2006	Fourth quarter	3 344 949	0.04243
	Third quarter	298 494	0.00380
	Second quarter	334 526	0.00452
	First quarter	(590 466)	(0.00812)

On July 3, 2008, the Company received a notice from Canada Revenue Agency advising of the possible reassessment of income tax returns for 2004, 2005 and 2006 and Returns for Part XII.6 Tax on Flow-Through Shares related to renunciation for Canadian Exploration Expenses and the Company has adjusted its taxes payable account accordingly. An amount of \$155,197 has been recorded as future income tax as at June 30, 2008. The Company disagrees with the assessment and will file an objection.

Oil and Gas Participating Interest

Forest Gate owns a number of participating interests in oil and gas exploration in Canada. As of September 30, 2008, the total participating interests and deferred exploration and development costs in oil and gas exploration, net of write-offs, were \$1,018,816 compared to \$6,479,339 as at December 31, 2007. The decrease reflects the forfeiture of Forest Gate's interest in the Celtic Sea project.

Forest Gate Resources Inc.

Management's Discussion and Analysis

For the quarter ended September 30, 2008

	Participating Interest \$	Deferred exploration costs \$	September 30, 2008 Net \$	December 31, 2007 Net (Audited) \$
Ireland - Celtic Sea			-	6 086 346
Canada - Alberta	-	1 018 816	1 018 816	392 993
	-	1 018 816	1 018 816	6 479 339

Canada – Alberta

3 months ended September 30, 2008

	Nevis \$	Ferrybank \$	Total \$
Revenues	32 574	82 649	115 223
Less			
Transport & Fuel	(925)	-	(925)
Royalties	(8 908)	(16 283)	(25 191)
Expenses	(6 186)	(26 495)	(32 681)
Revenues after expenses	16 555	39 871	56 426

9 months ended September 30, 2008

	Nevis \$	Ferrybank \$	Total \$
Revenues	87 237	197 709	284 946
Less			
Transport & Fuel	(2 311)	(1 967)	(4 278)
Royalties	(21 723)	(33 142)	(54 865)
Expenses	(15 502)	(52 749)	(68 251)
Revenues after expenses	47 701	109 851	157 552

In 2007, Forest Gate entered into a joint venture agreement with Emerald Bay, to acquire working interests in the Nevis area, located in Central Alberta, which hosts natural gas as coal bed methane. A second joint venture agreement with Emerald Bay was entered into to drill a well at Ferrybank, Alberta.

In February 2008, Forest Gate announced that crude oil was discovered at Ferrybank, and also announced that the four Nevis methane wells had begun producing natural gas.

In March 2008, Forest Gate entered into a third joint venture agreement with Emerald Bay to acquire a 38% working interest in the Kelsey exploration well in Alberta. Drilling at Kelsey, Alberta was successful and this gas well should be tied-in in the fourth quarter.

Ireland - Celtic Sea

On September 4, 2008 Forest Gate announced that it forfeited its entire interest in the Celtic Sea project as it had not paid its share of the full amount of the outstanding balance to the Operator within the specified period of time. As of that date, participating interest amounted to \$612,000 and total exploration costs amounted to \$6,018,434 including the outstanding cash calls of

Forest Gate Resources Inc.

Management's Discussion and Analysis

For the quarter ended September 30, 2008

\$544,090. The Company's accounts reflected only the 7.5% proportionate interest in these activities.

Other Properties

The Company decided in 2007 to expand its business into oil and gas exploration. The Company formally adopted a plan to divest its mining operations and focus on oil and gas exploration and operations. Management believes that the carried amount of these assets can be realized by way of total disposal.

Saskatchewan Properties

Forest Gate also owns a 100% interest in the East Side, West Side and South Side diamond exploration properties located in the Fort a la Corne area, 50 km northeast of Prince Albert, Saskatchewan. Fort a la Corne is host to the largest diamondiferous kimberlite pipes in the world. As of September 30, 2008, total mining properties and deferred exploration costs were written down to \$1,000,000 (December 31, 2007 - \$3,083,220) and are recorded under "assets of business held for sale". The Company spent \$7,222 during the third quarter of 2008 and a total of \$20,883 since the beginning of the year on these discontinued operations. These amounts represent basic administration costs.

The total investment thus far in Saskatchewan is \$4,125,982 of which \$1,000,000 are now shown as "assets of business held for sale" (\$1,921,519 has been invested on the East Side Property and \$1,161,701 on the West Side Property, and \$1,042,762 on the South Side Property). While management believes that the carried amount of these assets in Saskatchewan can be realized through disposition, a complete write-down for the South Side Property investment was recorded at the end of fiscal year 2006 and partial write-down of the East Side and West Side properties was recorded in the third quarter. This is considered to be appropriate given the strategic re-orientation to direct current resources to oil and gas exploration.

Liquidity, Financing and Capital Resources

Cash and cash equivalents as at September 30, 2008 totaled \$842,961 compared to \$892,537 at December 31, 2007.

Investments

Changes in cash and cash equivalents for the third quarter includes \$236,234 for Oil and Gas participating interest and deferred exploration costs split between Kelsey (\$109,530) and Ferrybank (\$126,704). Changes for the nine months ended September 30, 2008 include a total payment of Emerald Bay cash calls amounting to \$625,823 (Nevis - \$52,371, Ferrybank - \$383,229 and Kelsey - \$190,223).

Issue of Equity

The Company did not issue additional share capital during the third quarter. Net proceeds from the issues of Equity amounted to \$1,632,628 year to date.

i) Quarter ended March 31, 2008

- The Company has recorded an additional share issue cost of \$161,979 to account for the future tax cost of the exploration costs it has renounced on the flow-through shares issued. The amount has been charged to share capital.

Forest Gate Resources Inc.

Management's Discussion and Analysis

For the quarter ended September 30, 2008

- The Company closed a private placement of 2,712,000 shares at \$0.13 per share. The issue generated total gross proceeds of \$352,560 and net proceeds credited to share capital of \$194,871 after payment of share issue costs. Share issue costs include \$25,605 of cash finder's fee, a stock-based compensation of \$122,040 in the form of 2,712,000 warrants and \$10,044 to agents paid in the form of 196,960 broker warrants.

ii) Quarter ended June 30, 2008

- The Company has recorded an additional share issue cost of \$22,333 to account for the future tax cost of the exploration costs it has renounced on the flow-through shares issued. The amount has been charged to share capital.
- The Company closed the first tranche of a private placement on June 3, 2008 of 18,333,651 shares consisting of 2,222,221 flow-through units at \$0.09 per unit and 16,111,430 units at \$0.07 per share. The issue generated total gross proceeds of \$1,327,800 and net proceeds credited to share capital of \$344,977 after payment of share issue costs. Share issue costs include \$182,474 of cash finder's fee, a stock-based compensation of \$723,347 in the form of 17,222,541 warrants and \$77,001 to agents paid in the form of 1,833,365 broker warrants.
- The Company closed the second tranche of the private placement on June 27, 2008 of 2,228,112 shares consisting of 1,378,112 flow-through units at \$0.09 per unit and 850,000 units at \$0.07 per share. The issue generated total gross proceeds of \$183,530 and net proceeds credited to share capital of \$72,254 after payment of share issue costs. Share issue costs include \$23,182 of cash finder's fee, a stock-based compensation of \$76,953 in the form of 1,539,056 warrants and \$11,141 to agents paid in the form of 222,811 broker warrants.

iii) Quarter ended September 30, 2008

- The Company did not issue additional share capital during the third quarter.

Share Capital

The weighted average number of shares issued and outstanding as at September 30, 2008 is 129,933,240 compared to 79,586,157 as at December 31, 2007. As of September 30, 2008 there were 142,322,333 shares issued and outstanding compared to 119,048,570 at December 31, 2007. As at November 14, 2008, 142,322,333 shares were issued and outstanding.

Disclosure Controls, Procedures and Internal Controls

We evaluated our disclosure controls and procedures as defined in the rules under the Canadian Securities Administrators. The Board of Director's duties include the assessment of the integrity of the Company's internal control and information system. Based on that evaluation, the President and Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective.

As of September 30, 2008 we believe that our internal control systems at Forest Gate are sufficient to execute our business plan and to provide meaningful results upon which to manage our business. No changes were made in our internal control systems during the fiscal year that have materially affected our financial reporting and controls.

Forest Gate Resources Inc.

Management's Discussion and Analysis

For the quarter ended September 30, 2008

Summary of Significant of Accounting Policies

The financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles ("GAAP"). The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Significant areas requiring the use of management estimates include:

- Oil and gas participating interest and deferred exploration costs
- Assets of business held for sale
- Stock based compensation

The financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the accounting policies summarized below in the next section.

Comparative financial statements: certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

Revenue recognition: investment transactions are accounted for on the transaction date and resulting revenues are recognized using the accrual basis. Interest income is accrued based on the number of days the investment is held during the period.

Revenue from the production of crude oil and natural gas is recognized when title passes to the customer, delivery has taken place, prices are fixed or determinable, and collection is reasonably assured.

Cash and cash equivalents: the Company considers currency on hand and demand deposits with financial institutions to be cash. The Company considers all highly liquid investments with an insignificant risk and purchased with a maturity of three months or less to be cash equivalents.

Property and equipment: property and equipment are recorded at cost. Depreciation and amortization is calculated over the estimated useful lives of the related assets at the following rates and methods:

	Rates	Methods
Furniture and office equipment	20%	Diminishing balance
Computer equipment	30%	Diminishing balance
Leasehold improvements	Over the term of the lease	Straight-line

Deferred financing costs: costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to operations if the shares are not issued. The deferred financing costs consist primarily of corporate finance fees, legal fees and filing fees.

Deferred acquisition costs: costs related to the future acquisition of mining properties and oil and gas properties are deferred until the acquisition is finalized and expensed if the acquisition does not occur. The deferred costs consist primarily of legal and due diligence fees.

Forest Gate Resources Inc.

Management's Discussion and Analysis

For the quarter ended September 30, 2008

Flow through common shares: proceeds received upon the issue of common shares that transfer the mineral exploration expense deductions to investors are credited to the share capital and the related exploration costs are charged to deferred exploration costs. The estimated tax benefits transferred to shareholders are recorded as a future income tax liability at the time of filing of the renouncement documents with the tax authorities with a corresponding reduction in share capital.

Oil and gas participating interest and deferred exploration costs

Capitalized costs: the Company follows the full cost method of accounting for oil and gas operations in accordance with Canadian guidelines. Under this method, all costs associated with the acquisition, exploration and development of oil and gas reserves are capitalized in cost centres on a country-by-country basis. Such costs can include lease acquisition costs, geological and geophysical costs, carrying charges on non-producing properties, costs of drilling both productive and non-productive wells, tangible production equipment and overhead expenses directly related to these activities. Proceeds from the sale of properties are applied against capital costs, without any gain or loss recognized unless such sale would significantly alter the rate of depletion and depreciation by 20% or more.

Depletion: upon the commencement of commercial production, depletion of oil and gas properties is provided using the unit-of-production method based on estimated proven reserves, before royalties, as determined by independent consultants, on a cost centre basis. The costs of significant unevaluated properties and major development projects are excluded from costs subject to depletion. Unevaluated properties and major development projects are assessed by impairment periodically. When proved reserves are assigned or the property/major development project is considered to be impaired, the cost of the property or the amount of impairment is added to the costs subject to depletion. For depletion purposes, relative volumes, before royalties, of oil and gas production and reserves are converted at the energy equivalent conversion rate of six thousand cubic feet of natural gas to one barrel of crude oil.

Ceiling tests: in following the full cost method, an impairment loss is recognized when the carrying amount of the oil and gas properties of a cost centre is not recoverable and exceeds its fair value. The carrying amounts are assessed to be unrecoverable when the sum of the undiscounted cash flows expected from the production of proved reserves, the lower of cost and market value of unproved properties and the cost of major development projects are less than the carrying amount of the cost centre. In determining the amount of impairment, the carrying amount of oil and gas properties capitalized in a cost centre is compared to the fair value of the associated proved and probable reserves and the lower of cost and market value of any unproved properties which are subject to a separate test for impairment.

In determining the fair value of the proved and probable reserves, the Company uses cash flows based upon the oil and gas prices as quoted in the futures market. These cash flows are then discounted using a risk-free interest rate. In the carrying value of the oil and gas properties is in excess of its fair value, the excess is charged against earnings. All of the Company's oil and gas activities are conducted jointly with other participants. The Company's accounts reflect only the Company's proportionate interest in these activities.

Mining properties and deferred exploration costs: the mining properties and deferred exploration costs are recorded at cost, less tax credits and government assistance, which may not reflect present or future values. Costs of exploration and related property and equipment on existing projects are deferred until production commences. Mining properties and deferred exploration costs are amortized over the estimated economic life of the project if successful and written off or down to its estimated net realizable value if a project is unsuccessful or is economically unfeasible. Option payments received are applied against the related mining properties and

Forest Gate Resources Inc.

Management's Discussion and Analysis

For the quarter ended September 30, 2008

deferred exploration costs. As at September 30, 2008 the mining properties and deferred exploration costs are presented as "assets of business held for sale".

Share issuance expenses: share issue expenses are recorded as an increase of the deficit in the year in which they are incurred.

Stock-based compensation: the Company has a stock option compensation plan. The Company follows the fair value method to record compensation expense with respect to stock options and warrants granted in exchange for goods and services. This method is applied for all awards made to non-employees and employees. The fair value of each option or warrant granted is estimated on the date of grant and a provision for the costs is provided for as contributed surplus over the term of the option agreement. Compensation expense associated with options issued to employees, consultants, officers and directors of the Company are expensed while compensation expense related to broker warrants issued are recorded as share issue costs and deducted from share capital. The consideration received by the Company on the exercise of share options is recorded as an increase to share capital together with corresponding amounts previously recognized in contributed surplus. Forfeitures are accounted for as they occur which could result in recoveries of the compensation.

Loss per share: the basic loss per share is computed by dividing the net loss by weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options, in the weighted average number of common shares outstanding during the year, if dilutive. For this purpose, the treasury stock method is used for the assumed proceeds upon the exercise of stock options that are used to purchase common shares at the average market price during the year.

Future income taxes: the Company uses the liability method of tax allocation to account for income taxes. Future income taxes are recognized for the future income tax consequences attributable to differences between the financial statement carrying values and their respective income tax basis. Future income tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities due to a change in tax rates is included in income in the period in which the change occurs. The amount of future income tax assets recognized is limited to the amount that is more likely than not to be realized.

Foreign exchange: revenues and expenses denominated in foreign currencies are recorded at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet dates. All transaction gains and losses are reflected in net earnings.

Risks and uncertainties

Exploration and development: all the resource properties and most the oil and gas participating interests of the Company are at an exploration stage only and are without a known body of commercial reserves. The business of exploring for developing and producing oil and gas involves a high degree of risk. Oil and gas reserves may never be found or, if discovered, may not result in production at reasonable costs or profitability.

Dependence: oil and gas activities are conducted presently through partners and in respect of which the Company is not the operator. Forest Gate is dependent upon its operating partners for the financial and technical support which they contribute to the Company's oil and gas projects. If those operating partners are unable to fulfill their own contractual obligations, the Company's

Forest Gate Resources Inc.

Management's Discussion and Analysis

For the quarter ended September 30, 2008

interests could be jeopardized, resulting in project delays, additional costs and loss of the participating interests.

Environmental: the Company's oil and gas participating projects are subject to environmental regulations in the jurisdictions in which they operate. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the projects in which the Company holds interests which are presently unknown to the Company and which have been caused by previous or existing partners or operators of the projects or by illegal mining activities.

Liquidity: substantial expenditures are required for exploration programs and the development of reserves. In the absence of sufficient cash flow from operations, the Company relies on capital markets to fund its exploration and evaluation activities. Capital market conditions and other unforeseeable events may impact the Company's ability to finance and develop its projects. The business of exploring, developing and producing is also capital intensive and, to the extent that cash flows from operation activities and external sources become limited or unavailable, the ability of Forest Gate and of its operating partners to meet their respective financial obligations which are necessary to maintain their interests in the underlying projects could be impaired.

Foreign exchange: the Company's operations and financial results are exposed to currency fluctuations. Forest Gate holds funds in Canadian dollars but a significant amount of its investments and costs are done in US dollars, Euros and British Pounds. The Company does not currently engage in any hedging activities to mitigate its foreign exchange risk. Material changes in the value of the Canadian dollar vis-à-vis any of the other currencies relevant to the Company's business could have a material impact on its financial statements.

Governmental: government approvals and permits are generally required in connection with the Company's operations. To the extent such approvals are required and not obtained; the Company may be delayed or prohibited from proceeding with planned exploration or development of projects. Although the governments of the various countries or provinces in which Forest Gate operates have been stable recently, there is no assurance that political and economic conditions will remain stable.

ACCOUNTING CHANGES AND NEW PRONOUNCEMENTS

Management is currently assessing the impact of these changes on the consolidated financial statements.

Convergence with International Financial Reporting Standards, In 2006, Canada's Accounting Standards Board ratified a strategic plan that will result in Canadian GAAP, as used by public companies, being evolved and converged with International Financial Reporting Standards (IFRS) over a transitional period to be completed by 2011. The Company will be required to report using the converged standards effective for interim and annual financial statements relating to fiscal years beginning on January 1, 2011.

Canadian GAAP will be converged with IFRS through a combination of two methods: as current joint convergence projects of the United States' Financial Accounting Standards Board and the International Accounting Standards Board are agreed upon, they will be adopted by Canada's Accounting Standards Board and may be introduced in Canada before the complete changeover to IFRS; and standards not subject to a joint-convergence project will be exposed in an omnibus manner for introduction at the time of the complete changeover to IFRS.

As the International Accounting Standards Board currently, and expectedly, has projects underway that should result in new pronouncements that continue to evolve IFRS, and as this

Forest Gate Resources Inc. Management's Discussion and Analysis

For the quarter ended September 30, 2008

Canadian convergence initiative is in an early stage as of the date of these consolidated financial statements, it is premature to currently assess the impact of the Canadian initiative on the Company.

Signed: "Michael Judson"

Michael Judson
President and Chief Executive Officer
Forest Gate Resources Inc.
November 14, 2008
Montreal, Quebec