

ABBASTAR RESOURCES CORP. (formerly Abbastar Uranium Corp.)

MANAGEMENT DISCUSSION AND ANALYSIS

For the Six Months Ended June 30, 2009

As at August 28, 2009

INTRODUCTION

Abbastar Resources Corp. (the “Company”, “we”, “our”) is headquartered in Vancouver, BC. The Company’s principal business activity is the acquisition and exploration of properties in the natural resource industry.

On February 13, 2007, the Company and Entourage Mining Ltd. (“Entourage”) entered into an option agreement wherein the Company has been granted the sole option and right to acquire up to 70% of Entourage’s interest (the “Transaction”) in the Doran uranium property (the “Doran Property”) situated in Costebelle Township, on the north shore of the Gulf of St. Lawrence in south-eastern Quebec.

On July 28, 2009, the Company changed its name to Abbastar Resources Corp. There was no consolidation of capital.

This management discussion and analysis (“MD&A”) is dated as of August 28, 2009 and should be read in conjunction with the unaudited interim financial statements of the Company for the six months ended June 30, 2009 (“Interim Financial Statements”), our audited financial statements for the year ended December 31, 2008 (“Annual Financial Statements”) and our MD&A for the year ended December 31, 2008.

Our discussion in this MD&A is based on the Interim Financial Statements. The Interim Financial Statements are prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) for interim financial statements and accordingly, certain information and note disclosures normally included in the Annual Financial Statements are omitted. Unless expressly stated otherwise, all financial information is presented in Canadian dollars.

All statements other than statements of historical fact in this MD&A are forward-looking statements. These statements represent the Company’s intentions, plans, expectations and beliefs as of the date hereof, and are subject to risks, uncertainties and other factors of which many are beyond the control of the Company. These factors could cause actual results to differ materially from such forward-looking statements. Readers should not place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

Changes in Accounting Policies

On January 1, 2009, the Company adopted a new accounting standard issued by the Canadian Institute of Chartered Accountants (“CICA”) relating to “Goodwill and Intangible Assets” (Section 3064). This Section replaces Section 3062 “Goodwill and Other Intangible Assets” and Section 3450 “Research and Development Costs”. The new Section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in Section 3062. The adoption of this section had no impact on the Company’s financial statements.

The Accounting Standards Board ("AcSB") issued EIC-173 which requires the Company to consider its own credit risk as well and the credit risk of its counterparty when determining the fair value of financial assets and liabilities, including derivative instruments. This new standard is effective for the Company's interim and annual financial statements for the period ended June 30, 2009. The adoption of this standard did not have a material impact on the Company's financial statements.

Future accounting changes

In addition to the above new accounting pronouncements the Canadian Accounting Standards Board ("AcSB") in 2006 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 International Financial Reporting Standards ("IFRS") over a five-year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-accountable enterprises 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. For the Company, the transition date will be effective January 1, 2011 and will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. 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.

THE DORAN PROPERTY

The Doran Property consists of 47 contiguous mineral claims covering approximately 2,500 hectares in the Baie Johan Beetz area of Costebelle Township, Quebec, NTS map sheet 12 L/08. The Doran Property is located in the southeastern part of Quebec, along the north shore of the Gulf of St. Lawrence, approximately 18 kilometers west of Aguanish and 109 kilometers east of Havre St. Pierre. The property extends inland from the Gulf of St. Lawrence a distance of approximately 10 kilometers to the north. The topography of the property for the most part is rolling hills having a maximum relief of 100 meters with elevation ranging from sea level to 100 meters. All mineralized areas of interest are located above sea and river levels.

In March 2005, Entourage entered into an option agreement with Fayz Yacoub (the "Vendor") to acquire a 100% interest in the Doran Property, subject to a 2½% NSR of which 1½% may be purchased by Entourage from the Vendor for \$1,750,000 on the basis of \$100,000 for each one-tenth percent of the NSR on the first 1% NSR and \$150,000 for each one-tenth percent of the NSR on the remaining ½% NSR. In order to exercise the option and acquire its interest Entourage was to, over a period of three years, make cash payments totaling \$220,000, issue 750,000 Entourage shares and incur at least \$1,000,000 of expenditures on the property. In combination with the \$1,519,078 in mineral exploration expenditures incurred by the Company to date, Entourage has met its expenditure requirements with the Vendor. In addition, Entourage has issued all 750,000 shares to the Vendor and made cash payments totaling \$145,000. The final cash payment of \$75,000 due March 15, 2008 was made by the Company on behalf of Entourage. Entourage has satisfied all of the Vendor's requirements to acquire a 100% interest in the

Doran Property.

On May 11, 2007, the Company announced that drilling had commenced on the L anomaly of the Doran Property. In total, 32 holes were drilled in four anomalies (L, N, X and Y) for a total of just under 3,300 meters. At that time, there were 17 identified anomalies on the Doran Property. A total of 1,158 samples were analyzed representing 2,469 linear meters or 75% of the drill-hole length. The results of Doran Phase II were announced August 23, 2007. All 32 holes identified near or at-surface uranium mineralization. A total of \$934,007 has been incurred on mineral exploration expenditures on Doran Phase II to date.

Doran Phase III was completed in early November 2007 on the Doran Showing ("Main Zone"). In total, 15 holes were drilled for a total of just less than 1,700 meters before drilling was terminated due to poor weather. This campaign was designed to further delineate the Doran Showing where Entourage drilled in the summer of 2006. The Doran Showing consists of four distinct pegmatite-bearing structures: the Main Zone, the North End Zone, Dyke Zone and Hot Spot Zone. A total of \$339,458 in mineral exploration expenditures has been incurred by the Company on Doran Phase III to date.

During 08Q4 the Company completed its fall 2008 exploration campaign. The fall 2008 exploration campaign consisted of line cutting, scintillometer prospecting, ground based radiometric and magnetic surveys, channel sampling and geological mapping. A technical report entitled "Technical Report and Recommendations - The Doran Property, Aguanish, Lower North Shore, Quebec, Canada NTS sheet 12L08" dated February 19, 2009 (the "Technical Report") was commissioned to review the results of the drilling campaigns in 2006 and 2007 and to present the results of the fieldwork undertaken on the Northern and Southern sections of the Doran Property in October 2008. The Technical Report was prepared by Mr. Michel Boily, Ph.D., P.Ge., an independent "qualified person" as that term is defined in National Instrument 43-101 and by Luc Lepage, B.Sc. (Geology). The Technical Report is available on SEDAR at www.sedar.com.

To date the Company has earned a 35% interest in the Doran Property and has incurred \$19,078 of the one million, five hundred thousand dollars required to earn an additional 15% interest. Additionally, 63 drill holes, covering approximately 6,200 meters, have been completed on five of 22 anomalies identified on the Doran Property. Over \$2.1 million in mineral exploration expenditures have been incurred by the Company and Entourage on the Doran Property to date.

The Company did not expend any money on the Doran Property this past quarter other than \$571 for storage of Doran Phase II core samples.

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RESULTS OF OPERATIONS

	Three months ended June 30,			Six months ended June 30,		
	2009	2008	Chg	2009	2008	Chg
	\$	\$	%	\$	\$	%
Expenses						
Amortization	23	29	(21)	47	59	(20)
Bank charges	118	80	48	214	143	50
Consulting fees	72,200	19,050	279	80,200	48,074	67
Corporate communications	15,392	210	723	45,481	7,375	517
Management fees	13,000	25,500	(49)	25,000	51,000	(51)
Mineral exploration expenditures	571	5,797	(90)	11,051	37,909	(71)
Mineral property payment	-	-	--	-	75,000	--
Office and miscellaneous	7,693	10,161	(24)	15,439	24,915	(38)
Professional fees	4,007	8,015	(50)	4,007	8,015	(50)
Regulatory and transfer agent fees	4,300	4,353	(1)	10,704	10,694	--
Salaries	18,740	25,682	(27)	50,865	51,365	1
Stock-based compensation	81,015	4,431	1728	194,786	10,859	1694
Travel and promotion	16,660	4,877	242	25,235	8,732	189
Loss from operations	(233,719)	(108,185)	(116)	(463,029)	(334,140)	(39)
Other items						
Interest income	-	2,089	--	-	4,114	--
Future income tax recovery	-	-	--	-	232,500	--
Net loss for the period	(233,719)	(106,096)	(120)	(463,029)	(97,526)	(375)

After completing Doran Phase III, management shifted its focus to evaluate/acquire other assets to complement the Doran Property. Accordingly, mineral exploration expenditures of \$571 and \$11,051 for the three and six months ended June 30, 2009 represents only 0.4% and 4% of total expenses, after backing out stock-based compensation, compared to representing 6% and 35% of total expenses during the three and six months ended June 30, 2008.

Total expenses, excluding mineral exploration expenditures and stock-based compensation, for the three and six months ended June 30, 2009 amounted to \$152,133 and \$257,192, an increase of \$54,176 (55%) and \$46,820 (22%) over the 2008 comparative period.

No interest income for the three and six months ended June 30, 2009 compared to 2008 is a result of no funds being invested in an interest-bearing account during the period (2008 - \$1,498 and \$2,627), and the repayment of the promissory note receivable from a non-related entity (2008 – \$556 and \$1,150) on December 1, 2008.

Consulting fees paid during the three and six months ended June 30, 2009 were higher than the comparative periods in 2008 as consultants were retained during the three months ended June 30, 2009 to investigate potential mining property development opportunities.

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Corporate communications costs incurred during the three and six months ended June 30, 2009 were higher than the comparative period in 2008 as a result of the engagement of Carlyle Capital Corporation, which was paid a total of \$nil and \$30,000 (2008 - \$nil and \$nil) during the respective periods and the engagement of Morgan Good who was paid a total of \$15,000 and \$15,000 (2008 - \$nil and \$nil) during the period.

Management fees recorded during the three and six months ended June 30, 2009 were lower than the comparative period in 2008 as the President is now paid by salary, and no additional management fee, and the Chief Financial Officer agreed to reduce his monthly fee to conserve cash. Effective July 1, 2009 all officers of the Company previously paid a management fee will be paid an equivalent salary.

Office and miscellaneous expenses recorded during the three and six months ended June 30, 2009 were lower than the comparative period in 2008 as there were additional costs associated with the implementation of a new website and office setup for a new employee in 2008.

Professional fees incurred during the three and six months ended June 30, 2009 were lower than the comparative period in 2008 due to no additional accounting fees incurred in 2009 related to the preparation of the Quebec Mining Duties return. Professional fees incurred during the three and six months ended June 30, 2009 were for legal costs.

Salaries paid during the three and six months ended June 30, 2009 were lower than the comparative period in 2008 as they have decreased from \$8,000 per month for two full-time employees during 08Q2 to an average of approximately \$7,900 per month during the six month period ended June 30, 2009 for 2 full-time employees for the first four and a half months of the period which then decreased to one full-time employee (\$5,000) for the remaining one and a half months of 09Q2.

Travel and promotion expenses incurred during the three and six months ended June 30, 2009 were higher than the comparative period in 2008 due to higher travel expenditures in 2009 related to meetings with potential investors and the investigation of other business opportunities.

During 08Q1 the Company filed claims for renouncing Canadian exploration expenditures totaling \$750,000 with Canada Revenue Agency. The tax impact to the Company of the renouncement is recorded on the date that the renunciation is filed with taxation authorities through a decrease in share capital and the recognition of a future tax liability. When flow-through expenditures are incurred, a portion of the future income tax assets that were not previously recognized, due to the recording of a valuation allowance, are recognized as a recovery of income taxes in the statements of operations.

ABBASTAR RESOURCES CORP. (formerly Abbastar Uranium Corp.)**FOR THE SIX MONTHS ENDED JUNE 30, 2009****SUMMARY OF QUARTERLY RESULTS**

	2009		2008				2007	
	June 30	March 31	December 31	September 30	June 30	March 31	December 31	September 30
Net income (loss)	\$(233,719)	\$(229,310)	\$ 186,558	\$ (165,695)	\$(106,096)	\$ 8,570	\$(434,125)	\$(228,541)
Income (loss) per share ⁽¹⁾	\$ (0.02)	\$ (0.02)	\$ 0.01	\$ (0.01)	\$ (0.01)	\$ 0.00	\$ (0.03)	\$ (0.02)

⁽¹⁾ Fully diluted loss per share has not been calculated, since it would be anti-dilutive.

Since 07Q2 quarterly results have varied mainly due to mineral exploration expenditures. Because of efforts to investigate new business opportunities and meet with potential investors, expenses in recent quarters have trended higher (net of stock-based compensation and mineral exploration expenditures) due primarily to increases in consulting, corporate communication and travel costs. During the three months ended June 30, 2009, our average monthly spend was approximately \$50,000 per month, up from an average of \$33,000 during the comparative period in 2008. For the six months ended June 30, 2009 salaries and management fees have decreased from an average of \$17,100 per month (two full-time; two part-time) in 2008 to an average of \$12,600 per month currently (one full-time; two part-time). At present, we expect our operations to continue to incur no more than \$45,000 per month in human resource, administrative and marketing expenses.

LIQUIDITY AND CAPITAL RESOURCES**Financial Position**

As at	June 30, 2009 \$	December 31, 2008 \$	Change %
Cash	282,115	482,025	(41)
Other current assets	13,064	24,744	(47)
Interest in mineral property	100,000	100,000	--
Other assets	425	472	(10)
	395,604	607,241	(35)
Current liabilities	53,605	95,999	(44)
Shareholders' equity	341,999	511,242	(33)
	395,604	607,241	(35)
Cash dividends declared per share	-	-	

Total assets have decreased from \$607,241 as at December 31, 2008 to \$395,604 as at June 30, 2009. The \$211,637 decrease is attributed primarily to cash used to fund operations during the six months ended June 30, 2009. Total liabilities have decreased by \$42,394 since the 2008 year-end. The decrease is attributable to payment of accrued management fees and expenses to related parties as well as a payment to a vendor for

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outstanding mineral exploration expenditures.

As at June 30, 2009, the Company had net working capital of \$241,574 (December 31, 2008 - \$410,770) and shareholders' equity of \$341,999 (December 31, 2008 - \$511,242).

Changes in Cash Position

Cash flows:	Three months ended June 30,		Six months ended June 30,	
	2009 \$	2008 \$	2009 \$	2008 \$
From operating activities	(137,651)	(68,380)	(298,910)	(183,562)
From financing activities	99,000	18,000	99,000	18,000
From investing activities	-	66,000	-	116,000
(Decrease) increase in cash	(38,651)	15,620	(199,910)	(49,562)

The Company's cash position decreased from \$482,025 at December 31, 2008 to \$282,115 at June 30, 2009. The \$199,910 decrease is attributed to cash used to fund operations.

The \$69,271 and \$115,348 increase in cash outflow from operations recorded during the three and six months ended June 30, 2009 versus the comparative periods in 2008 is primarily due to the \$127,623 and \$365,503 increase in net losses incurred during the three and six months ended June 30, 2009, offset by a \$76,584 and \$183,927 increase to stock-based compensation, a \$nil and \$232,500 decrease to future income tax recovery amounts, an \$18,550 and \$52,225 decrease in amounts collected for receivables, a \$5,000 and \$15,000 increase to amounts paid for prepaid travel expenses, a \$7,656 increase and \$50,961 decrease to amounts owed for payables and accruals, and a \$2,332 and \$48,074 increase to amounts paid to related parties.

The \$81,000 increase in cash inflow from financing activities during the three and six months ended June 30, 2009 versus the comparative periods in 2008 is due to 495,000 stock options being exercised at \$0.20 during the three months ended June 30, 2009 compared to only 90,000 stock options exercised at \$0.20 during the comparative period in 2008.

During the three and six months ended June 30, 2009, there were no investing activities. Cash inflow from investing activities during the three and six months ended June 30, 2008 related to the redemption of \$105,000 in guaranteed investment certificates and receipt of \$11,000 in connection with a promissory note receivable.

Share Capital

The total number of common shares outstanding as at the date of this report and June 30, 2009 is/was 15,382,830.

As of the date of this report there are 2,000,000 warrants outstanding exercisable at \$0.21 per share expiring August 25, 2011. On August 21, 2009, the Company made an application to the TSX Venture Exchange to extend

the expiry date of the warrants an additional two years from August 25, 2009. Exchange approval was received on August 24, 2009.

As of the date of this report there are 1,986,250 stock options outstanding, with a weighted average exercise price of \$0.24 per share. Subsequent to quarter-end, 200,000 stock options, with a weighted average exercise price of \$0.23, expired unexercised. Of the total stock options outstanding 1,673,750 are currently exercisable with a weighted average exercise price of \$0.24 per share. The expiration dates of the outstanding stock options range from September 28, 2009 to June 4, 2014.

Future Cash Requirements

The Company's future capital requirements will depend on many factors, including, among others, property acquisitions and future mineral exploration expenditures. Should the Company wish to acquire a greater than 35% interest in the Doran Property or other properties, additional funding will be required. The Company believes that its current capital plans and requirements can be funded from existing cash on hand and short-term advances from related parties, if need be. To the extent that the Company continues to incur losses and these resources are insufficient to fund the Company's recurring losses until profitability is reached, the Company will need to raise additional funds through debt or equity financing. Current market conditions have made it more difficult to raise additional funds. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced and such equity securities may have rights, preferences, or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available, or that it can be obtained on terms acceptable to the Company and its shareholders. If adequate funds are not available, the Company may be required to delay future mineral exploration expenditures or property acquisitions.

RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and are measured at their fair value as determined by management. The year-end balances are unsecured, non-interest bearing, without specific terms of repayment and have arisen from the provision of services and loan advances described.

During the three and six months ended June 30, 2009, the Company incurred \$15,000 and \$30,000 in salary (2008 - \$nil and \$nil) to its President and at June 30, 2009 the Company owes this individual an aggregate of \$nil (December 31, 2008 - \$3,750) for fees.

During the three and six months ended June 30, 2009, the Company incurred \$2,500 and \$17,500 in salary (2008 - \$15,000 and \$30,000) and \$nil and \$nil (2008 - \$7,500 and \$15,000) in management fees to its former President and at June 30, 2009 the Company owes this individual an aggregate of \$nil (December 31, 2008 - \$3,592) for fees and expense reimbursements.

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During the three and six months ended June 30, 2009, the Company incurred \$6,000 and \$12,000 (2008 - \$12,000 and \$24,000) in management fees to a director and at June 30, 2009 the Company owes this individual an aggregate of \$nil (December 31, 2008 - \$10,500) for fees.

During the three and six months ended June 30, 2009, the Company incurred \$7,000 and \$13,000 (2008 - \$6,000 and \$12,000) in management fees to an officer and at June 30, 2009 the Company owes this individual an aggregate of \$nil (December 31, 2008 - \$8,400) for fees.

During the three and six months ended June 30, 2009, the Company incurred \$7,200 (2008 - \$nil) in consulting fees from a company owned and controlled by a director and at June 30, 2009 the Company owes that company an aggregate of \$9,896 (December 31, 2008 - \$nil) for fees and expense reimbursements.

INVESTOR RELATIONS

Effective July 15, 2009, the Company extended the term of the investor relations agreement with Morgan R. Good of Vancouver, British Columbia to January 15, 2010. Mr. Good is paid a monthly fee of \$5,000 and will be reimbursed reasonable expenses up to \$2,500 per month.

ADDITIONAL INFORMATION

Additional information pertaining to the Company is available on the SEDAR website at www.sedar.com.