SUPREME RESOURCES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS

For the fiscal year ended June 30, 2009

Management Discussions & Analysis of Operating Results and Financial Condition: Year Ended June 30, 2009

The following discussion and analysis, prepared as of October 26, 2009, should be read in conjunction with the Corporation's audited consolidated financial statements and notes for the year ended June 30, 2009 accompanying this report which are prepared in accordance with Canadian generally accepted accounting principles. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional information relating to the Corporation and other regulatory filings can be found on the SEDAR website at www.sedar.com.

Forward-Looking Statements

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", used by any of the Corporation's management, are intended to identify forward-looking statements. Such statements reflect the Corporation's "forecast", "estimate", "expect" and similar expressions, as they relate to the Corporation's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Corporation's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Corporation does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

Supreme Resources Ltd. (formerly Universal Energy Corporation Inc.) is a reporting venture issuer in British Columbia and Alberta and is listed on the TSX Venture Exchange. On February 9, 2007, the corporation changed its name to Supreme Resources Ltd. The corporation's trading symbol has changed to "SPR".

1.1 Date of Report

October 26, 2009

1.2 Overall Performance

The Corporation engages in mining exploration and seeks property acquisitions and joint venture projects in North America. The Corporation is currently in discussions with various parties in an effort to reach those goals.

1.3 Selected Annual Information

	June 2009	June 2008	June 2007
Net sales/total revenues	Nil	Nil	Nil
Net loss	$ (87,727)	$ (234,243)	$ (707,672)
Net loss per share (basic & diluted)	$ (0.00)	$ (0.01)	$ (0.03)
Total assets	$ 422,649	$ 362,227	$ 40,680
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividends declared	Nil	Nil	Nil

1.4 Results of Operations

Ample-Goldmax Property, British Columbia, Canada

The Corporation signed an Option Agreement, dated May 5, 2007, securing an option to acquire a block of mining claims located southwest of Lillooet, British Columbia.

The Agreement was acquired for an initial payment of $10,000 and requires the issuance, to maintain and exercise it, of 500,000 shares of the Corporation. Three hundred thousand (300,000) shares were issued, at a deemed price of $0.08 per share, on July 30, 2007. The Agreement reserves, to the Optionors, a Net Smelter Return royalty of 2.0% and provides that the Corporation can purchase 1.0% of the royalty for $1,000,000.

On April 4, 2008 the Corporation issued 100,000 common shares at a deemed price of $0.07 per share as part of the option agreement on the Ample-Goldmax Property.

On May 28, 2008 the final 100,000 shares were issued to the Optionors, at a deemed price of $0.13 per share, and the claims were transferred into the name of Supreme Resources Ltd. on June 25, 2008.

The Ample-Goldmax Property is located 8kms west of Lillooet along Highway 99 South, better known as the Duffy Lake Road. Numerous logging roads branching off Highway 99 South make this ground quite accessible except in the areas of the rock bluffs. This property comprises 294 units, or 5,828 hectares, straddles both sides of the Cayoosh Creek to the height of land, and extends along Cayoosh Creek for about 9kms. The claims are of interest due to the gold and silver showings that have been reported.

TAS Project, Copper Mountain, British Columbia, Canada

On June 21, 2008 the Corporation signed an Option Agreement securing an option to acquire the TAS mineral claim, Tenure #511400, comprising 1,306 hectares (3,227 acres) and located in the Similkameen Mining Division. The TAS Project is in the Copper Mountain Mining Camp, approximately 160kms east of Vancouver and 17kms southeast of the town of Princeton in southern British Columbia. The claim adjoins the Copper Mountain Mining Corporation’s property (Similco Mines) on its southeastern boundary.

The option is being acquired for cash payments of $430,000, the issuance of 850,000 common shares of the Corporation and the expenditure of $3,550,000 in exploration over five years. The Optionor received $5,000 on signing of the agreement and received another $25,000 payment and 200,000 common shares at a deemed price of $0.125 on August 1, 2008.

On July 24, 2009, the Corporation issued 200,000 common shares at a deemed price of $0.10 per share, as part of the Option Agreement to acquire the TAS Project, Copper Mountain, BC. On July 31, 2009 the Corporation paid $40,000 as part of the same Option.

Saturn I and Saturn II Properties, Daniels County Montana, USA:

In February 2008, the Corporation signed a Settlement Agreement with Primary Petroleum whereby Supreme Resources agreed to assign, transfer and convey all of its rights, title and interest in and to the Saturn Leases to Primary Petroleum and pay Primary US$45,000. In turn Primary Petroleum agreed to execute and file a Release of the Mortgage in the records of Daniels County, Montana and file UCC Termination Statements with the Montana Secretary of State's office.

Results of Exploration Activities – Operations

The results of operations reflect the overhead costs incurred for oil and gas acquisitions and exploration expenses incurred by the Corporation to maintain good standing with the various regulatory authorities and to provide an administrative infrastructure to manage the acquisition, exploration, and financing activities of the Corporation. General and administrative costs can be expected to increase or decrease in relation to the changes in activity required as property acquisitions and exploration continues.

Revenues

Due to the Corporation's status as an exploration and development stage resource issuer, the Corporation does not have revenues to report from its current operations at this time.

1.5 *Summary of Quarterly Results*

The following table sets out selected consolidated quarterly information for the last 8 completed fiscal quarters of the Corporation:

	June 09	Mar. 09	Dec. 08	Sept. 08	June 08	Mar. 08	Dec. 07	Sept. 07
Net Sales/ Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Profit (Loss)	$(20,139)	$(16,687)	$(35,508)	$(15,393)	$(302,834)	$137,257	$(53,273)	$(15,393)
Basic and diluted Earnings (Loss) per share	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.01)	$0.00	$(0.00)	$(0.00)

As the Corporation is still in the early stages of creating a viable business enterprise, investor relations, shareholder communications and promotion have not represented a major expenditure.

1.6 Liquidity & Capital Resources

The Corporation's cash balance was $443 (working capital deficiency of $216,706) at June 30, 2009 compared with a cash balance of $1,498 (working capital of $164,443) at June 30, 2008.

Net cash used in operating activities for the year ended June 30, 2009 was $224,536 (2008 - $241,299). The cash used by operating activities for the year consist of the loss of $87,727 (2008 - $234,243), items not affecting cash totaling to $4,066 (2008 –

$(64,369)) and changes in non-cash working capital items totaling to $132,743 (2008 – $71,425).

Net cash provided by (used in) investing activities for the year ended June 30, 2009 is $223,481 (2008 – $(264,641)).

Net cash provided by financing activities for the year ended June 30, 2009 is $Nil (2008 – $488,124).

The Company will continue to require funds for ongoing exploration work on its properties as well as to meet its ongoing day-to-day operating requirements and will have to continue to rely on equity and debt financing during such period. There can be no assurance that financing, whether debt or equity will always be available to the Company in the amount required at any particular period or if available, that it can be obtained on terms satisfactory to the Company. The Company does not have any other commitments for material capital expenditures over both the near or long term and none are presently contemplated other than as disclosed herein and /or over normal operating requirements.

1.7 Capital Resources

The Corporation's ability to explore and, if warranted, develop further properties will be dependent upon its ability to obtain significant additional financing to ensure a future in mining exploration and development. Should the Corporation not be able to obtain such financing, its ability to participate in the development of further properties may be lost. The Corporation has limited financial resources, will have limited cash flow from operations, and will be dependent for funds based on its ability to sell its common shares and share purchase warrants, primarily on a private placement basis, pursuant to the policies of the TSX Venture Exchange.

There can be no assurance that the Corporation will be able to engage in such financings in light of factors such as the market demand for its securities, the general state of financial markets and other relevant factors. If such a method of financing is employed by the Corporation it will result in increased dilution to the existing shareholders each time a private placement is conducted.

The Corporation has no assurance that additional funding will be available to it for the exploration and development of future projects. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of any projects with the possible loss of such properties.

Cash Flow and Earnings

The Corporation, until it receives revenues from other sources will be subject to funding its operating activities from the sale and issuance of equity securities.

1.8 Related Party Transactions

During the year ended June 30, 2009 the Corporation entered into the following transactions with related parties:

a) Paid or accrued $Nil (2008 - $17,500) for management and administration costs to former directors.
b) Paid or accrued $Nil (2008 - $Nil) for accounting services provided by a former officer of the Corporation
c) Paid or accrued $Nil (2008 - $4,676) for legal services provided by a former director of the Corporation.

Included in accounts payable and accrued liabilities is $68,949 (2008 - $54,054) owed to directors or to companies owned by directors and former directors for services provided.

These transactions were in the normal course of operations and have been recorded at the exchange amount, which is the amount agreed to by the related parties.

1.9 Stock Options & Warrants Outstanding

The undiluted total common shares outstanding at June 30, 2009 are as follows:

Shares	Category
31,578,996	Common shares without par value

The fully diluted total common shares outstanding are as follows:

Shares	Category	Expiry Date
4,888,887	Warrants priced at $0.20	December 21, 2009
255,000	Options priced at $0.10	November 16, 2012
2,693,698	Options priced at $0.10	April 11, 2013
7,837,585	**Total Warrants & Options**	
39,416,581	**Fully diluted shares outstanding**	

If the currently outstanding warrants and options were all exercised immediately, this would provide a total of $1,272,647 to the Corporation.

1.10 Fourth Quarter

There were no other events in the fourth quarter of the fiscal year which ended June 30, 2009 which had any significant impact on the Corporation's financial condition or which could be considered extraordinary items.

1.11 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 relate to the determination of impairment of equipment and resource interests, useful lives for depreciation and amortization, and cost allocations to specific projects. Financial results as determined by actual events could differ from those estimates.

Significant areas requiring the use of management estimates include assumptions and estimates relating to but not limited to, the determining of mineral resources, fair values for purposes of impairment analysis, reclamation obligations, stock-based compensation and warrants, valuation allowances for future income tax assets, and future income tax liabilities.

1.12 Financial Instruments & Other Instruments

The Corporation's financial instruments consist of cash and cash equivalents, short term investment, accounts payable and accrued liabilities. The Corporation has classified its cash and cash equivalents and short term investment as held for trading, which is measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. As at June 30, 2009, the carrying and fair value amounts of the Corporation's financial instruments related to cash and cash equivalents, short term investment, accounts payable and accrued liabilities are the same due to their short terms to maturity. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The fair value of arms-length financial instruments approximates their carrying value due to their short-term maturity.

The fair value of related party balances cannot be reasonably determined as comparable risk and interest rate profiles are not readily available.

1.13 Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current of future operations or the financial condition of the Company.

1.14 Significant Accounting Policies

All significant accounting policies are fully disclosed in Note 2 of the audited financial statements for the year ended June 30, 2009.

New Accounting Pronouncements
On July 1, 2009, the Company will be required to adopt CICA Section 3064, Goodwill and Intangible Assets. This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and other intangible assets. The adoption of this standard is not expected to have any material impact on the Company's financial statements.

In January 2009, the CICA issued Section 1582 "Business Combinations" to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards ("IFRS"). The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination.

The CICA concurrently issued Section 1601 “Consolidated Financial Statements” and Section 1602 “Non-Controlling Interests” which replace Section 1600 “Consolidated Financial Statements. Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 “Business Combinations”.

In January 2009, the CICA issued EIC Abstract 173, “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities”. The EIC requires the Company to take into account the Company’s own credit risk and the credit risk of the counterparty in determining the fair value of financial assets and financial liabilities, including derivative instruments. The abstract applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2010. The Company is currently assessing the impact of the new standard on its financial statements.

On February 13, 2008, Canada’s Accounting Standard Board confirmed January 1, 2011 as the effective date for complete convergence of Canadian GAAP to International Financial Reporting Standards (“IFRS”). The official changeover date will apply for interim and financial statements relating to fiscal years beginning on or after January 1, 2011. The Company has determined that the key elements of this IFRS changeover on the Company will be in the areas of accounting for resource properties’ acquisition and exploration costs, impairment of long-lived assets, accounting for share capital including stock options and warrant valuations and general IFRS disclosure requirements. The Company is currently assessing the specific impact on the Company’s financial reporting and developing an implementation timetable. While an analysis will be required for all current accounting policies, the initial key areas of assessment will include exploration and development expenditures, property, plant and equipment measurement and valuation, provisions, including asset retirement obligations, stock-based compensation, accounting for income taxes and first-time adoption of IFRS (IFRS 1).

As the analysis of each of the key areas progresses, other elements of the Company’s IFRS implementation plan will also be addressed, including the implication of changes to accounting policies and processes, financial statement note disclosures, information technology, internal controls, contractual arrangements and employee training, as required.

1.15 Risks and Uncertainties

Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by the Company in the exploration of properties will result in discoveries of commercial quantities of minerals. Exploration for resources involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate reserves, and further the development of the property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance the Company has, or will have, commercially viable ore bodies. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production. The following are some of the risks to the Company, recognizing that it may be exposed to other additional risks from time to time.

- Limited business history of the Company, including lack of revenues and no assurance of profitability
- Dependence on key management personnel
- Reliance on availability and performance of independent contractors
- Challenges by other unknown parties to property title
- Environmental issues
- Federal and provincial political risk
- Commodity price risk
- Financial markets

The Company is diligent in minimizing exposure to business risk, but by the nature of its activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

1.16 Subsequent Events

The Company announced a brokered private placement of $400,000 by the sale of 4,000,000 Flow-Through Units, at a price of $0.10 per Unit on September 18, 2009. Each Unit consists of one common flow-through share and one-half of a non-transferable share purchase warrant. One warrant is required to purchase one further common share of the Company, exercisable for a period of one year from the completion of the offering at a price of $0.20 per share. The flow-through shares and the warrants shares will have a hold period of four months and one day from the date of issue.

The Company has closed subscriptions for 1,000,000 Units placed by Raymond James Ltd. who was paid $50,000 and issued 50,000 shares. The 1,050,000 shares issued on September 29, 2009 and any shares issued upon exercise of the warrants have a hold period expiring on January 30, 2010. As of October 21, 2009, the Company has received share subscription proceeds totaling to $315,000.

On July 24, 2009, the Corporation issued 200,000 common shares at a deemed price of $0.10 per share, as part of the Option Agreement to acquire the TAS Project, Copper Mountain, BC. On July 31, 2009 the Corporation paid $40,000 as part of the same Option.

1.17 Other MD&A Requirements

The Corporation's President & Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Corporation.

In accordance with the requirements of Multilateral Instrument 52-109, Certification and Disclosure in the Corporation's annual and interim filings, evaluations of the design and operating effectiveness of disclosure controls and procedures and the design effectiveness of internal control over financial reporting were carried out under the supervision of the CEO and CFO as of the end of the period covered by this report.

The CEO and the CFO of the Corporation are responsible for designing a system of internal controls over financial reporting, or causing them to be designed under their supervision, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with Canadian generally accepted accounting principles. We have designed and implemented a system of internal controls over financial reporting which we believe is effective for a company of our size. During the review of the design of the Corporation's control system over financial reporting it was noted that due to the limited number of staff, there is an inherent weakness in the system of internal controls due to our inability to achieve appropriate segregation of duties. The limited number of staff may also result in identifying weaknesses with respect to accounting for complex and non-routine transactions due to a lack of technical resources, and a lack of controls governing our computer systems and applications within the Corporation. While management of the Corporation has put in place certain procedures to mitigate the risk of a material misstatement in the Corporation's financial reporting, it is not possible to provide absolute assurance that this risk can be eliminated.

While there were no changes that occurred for the most recent fiscal period that have materially affected the Corporation's internal control procedures, the CEO and CFO will continue to attempt to identify areas to improve controls and intend to incorporate such improvement over the next fiscal year.

Additional information relating to Supreme Resource Ltd. can be found on SEDAR at www.sedar.com.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible to ensure that information disclosed externally, including the financial statements and MD&A, is complete and reliable. Management has evaluated the effectiveness of the Corporation's disclosure controls and procedures as of June 30, 2009, and concluded that, as of that date, the Corporation's disclosure controls and procedures were effective.

This management discussion and analysis for the period ended June 30, 2009 has been approved by the Board of Directors of the Corporation.

"Allan Levien"

Allan E. Levien, Director & President

"John D. Davies"

John D. Davies, Director & CFO