

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2008**



The following discussion and analysis of financial position and results of operations of Auramex Resource Corp. (the "Company") is prepared as at April 24, 2009 and should be read in conjunction with the audited financial statements of the Company, and the notes thereto, for the years ended December 31, 2008 and 2007. In this discussion, unless the context otherwise dictates, a reference to the business and operations of the Company includes the business and operations of the Company's wholly owned Mexican subsidiary, Exploración Auramex S. A. de C. V. ("Auramex Mexico"). Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**Description of the Business**

The Company is engaged in the business of acquiring interests in mineral properties with exploration potential and exploring those properties to determine if they may host economic deposits of minerals. While the Company has acquired and explored a number of properties over the years, it has yet to identify and develop an economic mineral deposit. If the Company determines that a property likely does not host an economic deposit, or if maintaining a property becomes uneconomic for any other reason, it abandons the property and writes off the capitalized acquisition and deferred exploration and development costs associated with the property. As existing properties are abandoned, the Company seeks out new properties for acquisition that it considers may have the potential to host the economic mineral deposit or deposits that will result in its evolution into a producing, revenue generating entity. The exploration of mineral properties and subsequent development involves a high degree of risk and few properties that are explored are ultimately developed into producing properties.

**Overall Performance**

As the Company does not have a producing mineral property, it has no source of cash other than debt financing and equity financing from the sale of its common shares and share purchase warrants. The cash raised in this manner is used to cover ongoing administrative expense and to fund exploration activities on its mineral exploration properties. The amount of money available for exploration is directly related to the amount that the Company is able to raise from these sources, after administrative expenses have been paid.

The Company is continually engaged in the process of raising money and allocating the proceeds between its current administrative needs and desired exploration activities. As funds become depleted, new financing is sought and the process is repeated. The determination as to which properties to explore, what programs to undertake and how much money to spend in each instance is made on an ongoing basis by the Company's management, in consultation with its Board of Directors and professional advisors.

As a result of the foregoing, the true measure of the Company's performance for any given period lies in the amount of money it was able to raise, the amount of exploration it was able to undertake and the results of those exploration efforts.

During 2008, the Company was unable to raise sufficient funds to cover its administration expenses and to conduct the planned exploration.

During 2007, the Company had raised \$300,000 in flow-through financing, of which \$123,872 eligible Canadian exploration expenditure had been incurred in 2007, with \$176,128 still to be expended. The cash position at December 31, 2007 was \$116,644 only, which required that the Company raise additional capital to complete the required eligible expenditures in 2008. February 1, 2008, Company announced a private placement of 3,000,000 units at \$0.10 per unit to provide working capital and exploration funds. The financing was completed March 11, 2008. Finders' fees of \$28,000 were paid. The rehabilitation of the El Escobal mine in Mexico was an ongoing program which was considerably over budget as was a drill program at El Fierro and El Escobal. The \$300,000 raised was insufficient for the Mexican exploration and the eligible exploration in British Columbia. On May 7, 2008 the Company announced a private placement of 2,000,000 units at \$0.10 per unit but was not successful in placing all of the units. On July 8, 2008, the Company closed the financing for proceeds of \$115,000 before \$6,000 in finders' fees paid in connection with this financing. On July 7, 2008, the Company announced a flow-through financing of 2,000,000 units at \$0.10 per unit, which it was not successful in placing. On August 29, 2008, the Company announced a private placement of 5,000,000 units at \$0.05 per unit but was not successful in placing the units. On October 15, 2008, the Company announced that it was re-pricing the flow-through financing announced July 4, 2008 from \$0.10 to \$0.05, but was not successful in placing these units either.

At December 31, 2008, the Company had still not incurred \$154,404 of the eligible Canadian Exploration Expense which required that the Company reduce the renunciation to investors. On February 3, 2009, the Company announced a private placement of 10,000,000 units at \$0.025 per unit to provide working capital and exploration funds. At the current date, the Company has received \$53,000 deposit on the units. Subject to completing the financing, the Company intends to conduct further exploration on its BC properties and to renounce the remainder of the flow-through financing from 2007.

## Selected Annual Information

The following table sets out selected financial information, presented in Canadian dollars and prepared in accordance with generally accepted accounting principles in Canada (“GAAP”), for the years ended **December 31**,

			<b>2008</b>		<b>2007</b>		<b>2006</b>
(a)	Revenue	\$	Nil	\$	Nil	\$	Nil
(b)	Income(Loss) before discontinued operations and extraordinary items	\$	(1,136,160)	\$	(278,350)	\$	(577,294)
(c)	Loss per share:						
	Basic -	\$	(0.03)	\$	(0.01)	\$	(0.03)
	Fully Diluted -	\$	n/a	\$	n/a	\$	n/a
(d)	Net loss	\$	(1,136,160)	\$	(278,350)	\$	(577,294)
(e)	Net loss per share:						
	Basic -	\$	(0.03)	\$	(0.01)	\$	(0.03)
	Fully Diluted -	\$	n/a	\$	n/a	\$	n/a
(f)	Total Assets	\$	1,700,660	\$	2,360,661	\$	1,110,156
(g)	Long Term Financial Liabilities	\$	Nil	\$	Nil	\$	78,654
(h)	Cash dividends per share	\$	Nil	\$	Nil	\$	Nil

While the Company had no revenue over the three year period referred to in the foregoing, it received a one-time cash payment in 2007 of \$47,000 from the Resort Municipality of Whistler as consideration for quit claiming certain surface rights within the Company’s Brandywine property, which directly impacted the 2007 loss figure.

Most general and administrative expenses have been generally consistent from year to year, with the exceptions of accounting expense, fees and penalties, and stock based compensation expense.

In 2008, the Company incurred accounting expense in Mexico of \$3,642 (2007 - \$3,925) (2006 - \$7,288) relating to Auramex Mexico. There had not been any similar expense incurred in previous years.

In 2008, the Company incurred \$26,593 in fees and penalties to Canada Revenue Agency relating to flow-through funds not spent within the required period of time.

A stock based compensation expense of \$56,248 (2006 - \$89,525) was recorded for the year 2007 as required by GAAP, notwithstanding that no cash benefits were received by any of the recipients of the options pertaining to this expense item. No stock options were granted in 2008.

The loss for 2008 was impacted by a write-off of \$956,900 as the option to purchase the Gracias a Dios property in Mexico was terminated. A write-off of \$10,897 was also incurred on the abandonment of four non-contiguous claims of the Bear River properties in Stewart, BC. The loss for 2006 was impacted by a write-off of \$362,585 related to the abandonment of the Ymir property.

## **Results of Operations**

The Company is engaged in the business of acquiring and exploring mineral exploration properties in the hope of discovering economic deposits of minerals that can eventually be placed into production. The Company has yet to identify and develop an economic mineral deposit, and accordingly has no sales or other significant revenue and no profit.

At December 31, 2008 the Company held four mineral exploration properties, the Magenta property, Mexico, the La Perla II concession, Mexico, the Bear River properties, British Columbia and the Brandywine property, British Columbia. A description of each project is contained in the following.

### ***Magenta Property, Mexico***

The Company's Magenta property, located near Culiacan, Sinaloa State, Mexico, comprises 4,954 hectares of staked ground, the Ana concession covering 275 hectares, and the El Fierro concession covering 733 hectares.

With respect to the 733 hectare El Fierro exploration concession, Auramex Mexico entered into an option agreement dated April 8, 2003, as amended, with Exploración Azteca S.A. de C.V. ("Azteca"), a wholly owned subsidiary of Nordic Gold Corp. Under the agreement, Auramex Mexico can earn an 85% interest in the property. Back taxes of approximately US\$8,810 on the concession were paid, 20,000 common shares in the Company were issued and property expenditures totalling US\$200,000 over five years were required to be spent. In January 2008, the Company issued 25,000 common shares in the Company to extend the option to six years. To date CAD\$242,381 has been expended. Subject to audit, the Company has earned its 85% interest. Upon Auramex Mexico earning its interest, Azteca may either participate in a joint venture for the remaining 15% or convert to a 2% net smelter returns royalty. Azteca will automatically convert to a 2% NSR in the event that its interest under the joint venture is diluted to 10% or less.

An initial evaluation of the Magenta property consisting of a property examination, reviewing historic reports and sampling, was conducted in the spring of 2003. Exploration programs have been conducted twice yearly, in the spring and fall of each year from 2003 until the spring of 2008. Trenching and soil sampling was conducted in the southwest area of the property, an Induced Polarization and Resistivity Survey and surface sampling were conducted in the La Prieta area and in the El Fierro area. Drill programs have tested three locations, the La Prieta #1 vein, La Prieta copper porphyry zone and the El Fierro zone. The assays at La Prieta #1 and El Fierro, although anomalous in gold, copper, silver, nickel and cobalt, were too low to be considered potentially economic. Assays from the porphyry zone identified it as a copper/molybdenum/gold porphyry system returning 0.021% copper and anomalous molybdenum from continuous samples over 313 metres. A 187 metre hole returned anomalous copper values but entered a weakly mineralized diorite in the last 20 metres of the hole. A soil geochemical, induced polarization and mapping program is considered necessary to further evaluate the La Prieta copper/molybdenum/gold porphyry.

There are several anomalies and showings that require further exploration when funds become available.

All programs conducted at Magenta have been supervised by David St. Clair Dunn, P.Geo. (“Dunn”) and the most recent report prepared in accordance with National Instrument 43-101 prepared by Dunn, dated April 5, 2005, entitled “Report on Diamond Drilling on the Magenta Property” is available on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the Auramex website at [www.auramex.com](http://www.auramex.com).

### ***La Perla II, Mexico***

During 2005, the Company staked a 300 hectare concession in northern Sinaloa State, Mexico at a staking cost of \$2,831. A soil geochemical survey was conducted in April 2006 over an area of artisanal pitting. An area 200 metres by 50 metres returned anomalous gold values. Trenching of this area was conducted in 2007, and again returned anomalous gold values. The Company has not yet designed a next stage exploration program.

### ***Bear River Property, British Columbia***

Under five separate agreements the Company has acquired a 100% interest in the Bear River properties for cash totalling \$24,900 and the issuance of 575,000 common shares in the Company. The tenures acquired are subject to two net smelter returns royalty interests, each entitling the holder to receive a royalty equivalent to 1% of net smelter returns. Both royalty interests can be purchased by the Company for a total of \$4,000,000.

The Bear River properties consist of four mineral claim blocks covering approximately 28,240 hectares located in the Skeena Mining Division, near Stewart, British Columbia, extending roughly 25 kilometres north and 15 kilometres east. The properties included in these agreements are the Bear property, Georgie River 25 kilometres south of Stewart, Surprise Creek 40 kilometres northeast of Stewart and Tide North 45 kilometres north northwest of Stewart.

Under a sixth agreement dated November 22, 2007, the Company has the right to acquire a 100% interest in mineral tenures contiguous to the Surprise Creek claims totalling 1,010 hectares and 54 hectares contiguous to the Bear property. The option agreement requires the payment of \$3,000 (paid), and the issuance of 100,000 shares (50,000 issued) over a period of two years. The option is subject to a 2% NSR which can be purchased for \$1,000,000.

At Georgie River, a 2006 Field Program outcrop assay returned 4.3% copper along 25 metres of strike and 1.1 metres width at a showing previously known as the Lydden Showing. In 2007, magnetic and VLF-em geophysical surveys were carried out over a one kilometre by one kilometre grid. A strong magnetic anomaly has been discovered 100 metres north of the Lydden showing and extending at least 700 metres to the north northeast off the grid. A strong, localized VLF-em anomaly was located 350 metres west northwest of the showing. A soil geochemical survey has been carried out over the entire

grid. The identified anomaly should have at minimum 500 metres of drilling carried out to test the showing at depth.

At Tide North, the east side of the Bowser River has been sampled and a gold bearing structure discovered in 2006 has been trenched in 2007. Two pan concentrate samples returned anomalous gold values; 950 parts per billion (ppb), 645 ppb, and one pan concentrate returned 13.5 grams per tonne (g/t) gold. Further prospecting, sampling and trenching should be conducted in the area between sites of anomalous stream sediment samples.

At Surprise Creek, a property scale stream sediment sampling program has been completed. A vein on one of the mineral tenures (Lauren Gold - tenure number 523449) contains visible pyrite, galena and sphalerite. A sample collected from a stockwork vein returned assays of 13.2 g/t gold, 0.3 % lead and 0.86 % zinc. Two pan concentrate samples collected from a stream flowing into Surprise Creek in the northwestern portion of the property returned 150 ppb gold and 120 ppb gold. A grab sample taken upslope from the two pan concentrate samples just mentioned returned 820 ppb gold and 515 parts per million copper. Detailed prospecting, sampling and trenching are recommended for a future program. During September 2008, a preliminary exploration program was conducted on the tenures acquired under the November 2007 option agreement.

In the approximately 20,000 hectares comprising the Bear property, there is a highly prospective target at Roosevelt Ridge. In the 2006 program, two samples taken 500 metres apart on either side of a rapidly ablating icefield, returned values of 5.5 g/t gold and 3.5% zinc on one side and 7.5 g/t gold and 3.4 % zinc on the other side. In the 2007 exploration season, the area upslope from Le Sueur Creek returned 5.56 g/t gold and 3.56% zinc. A sample taken 500 metres east of the quickly ablating ice sheet returned 7.51 g/t gold and 3.45% zinc. Detailed prospecting, sampling and trenching should be carried out in the areas of these anomalous and economically interesting rock samples. Trenching with rock saws and infill mapping and sampling in exposed areas that were snow covered in 2007 is also recommended.

The Company abandoned a non-contiguous block of 1,248 hectares known as the Bitter claims, which were not recommended for further exploration. The Company wrote down the Bear River properties by \$10,897 in recognition of the forfeiture of these tenures.

### ***Brandywine Property, British Columbia***

The Brandywine property comprises a 100% interest, subject to a net smelter returns royalty of 0.5% with minimum annual payments of \$50,000 following commencement of commercial production, in a mining lease and five located mineral claims consisting of 51 units located in the Vancouver Mining Division, British Columbia. The property is approximately 1,490 hectares in area. The property includes two cell claim tenures totalling 166 hectares staked adjacent to the five legacy claims.

A geological report in accordance with National Instrument 43-101 was prepared by David St. Clair Dunn, P.Geo., and is dated June 3, 2003 (the "Brandywine Report"). The Brandywine Report reviews previous work conducted on the property and recommends a Phase 1 exploration program consisting of geological mapping and geophysical surveying

at an estimated cost of \$70,000. Contingent upon the results from Phase 1, the report recommends a Phase 2 program consisting of diamond drilling at an estimated cost of \$475,000. The Brandywine Report has been filed on SEDAR and is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### Summary of Quarterly Results

The following table sets out selected financial information, presented in Canadian dollars and prepared in accordance with GAAP, for each of the last eight quarters ended December 31, 2008:

		<b>2008</b>			
		Fourth Quarter	Third Quarter	Second Quarter	First quarter
(a)	Revenue	\$ Nil	\$ Nil	\$ Nil	\$ Nil
(b)	Income (Loss) before discontinued operations and extraordinary items	\$ (1,044,452)	\$ (57,099)	\$ (69,421)	\$ 34,812
(c)	Inc(loss) per share:				
	Basic -	\$ (0.029)	\$ (0.002)	\$ (0.003)	\$ 0.001
	Fully Diluted -	\$ n/a	\$ n/a	\$ n/a	\$ 0.001
(d)	Net income(loss)	\$ (1,044,452)	\$ (57,099)	\$ (69,421)	\$ 34,812
(e)	Net income(loss) per share:				
	Basic -	\$ (0.029)	\$ (0.002)	\$ (0.003)	\$ 0.001
	Fully Diluted -	\$ n/a	\$ n/a	\$ n/a	\$ 0.001
		<b>2007</b>			
		Fourth quarter	Third quarter	Second quarter	First quarter
(a)	Revenue	\$ Nil	\$ 47,309	\$ Nil	\$ Nil
(b)	Income (Loss) before discontinued operations and extraordinary items	\$ (126,833)	\$ (39,699)	\$ (51,430)	\$ (60,388)
(c)	Inc(loss) per share:				
	Basic -	\$ (0.004)	\$ (0.001)	\$ (0.002)	\$ (0.003)
	Fully Diluted -	\$ n/a	\$ n/a	\$ n/a	\$ n/a
(d)	Net income(loss)	\$ (126,833)	\$ (39,699)	\$ (51,430)	\$ (60,388)
(e)	Net income(loss) per share:				
	Basic -	\$ (0.004)	\$ (0.001)	\$ (0.002)	\$ (0.003)
	Fully Diluted -	\$ n/a	\$ n/a	\$ n/a	\$ n/a

The Company's business of exploring mineral exploration properties with available equity and debt financing is a long term endeavour that may take several years to yield any meaningful results. Fluctuations in results from quarter to quarter are caused primarily by whether the Company raised financing or incurred exploration expenditures in any given quarter, and are not indicative of any particular trend in the Company's overall performance. In 2008, fourth quarter losses are higher than the first three quarters because

of mineral property write-offs in the quarter. In 2007, fourth quarter losses are higher because of stock-based compensation expense recorded at year end. The Company also incurred a currency exchange loss of \$17,057 in 2007.

The revenue shown in the third quarter of 2007 relates to a payment made by the Resort Municipality of Whistler for a quit claim on surface access to some six hectares of one of the Brandywine mineral claims.

Third quarter 2007 general and administrative expense was \$87,029 due to increased marketing expenditures of \$11,143, Worksafe BC arrears of \$4,844, and Annual General Meeting costs of approximately \$6,200.

First quarter of 2008 shows income as a result of a non-cash item relating to a future income tax liability of \$93,000 pertaining to the renunciation of Canadian Eligible Exploration Expenditures (flow-through shares).

### **Liquidity and Capital Resources**

The Company's primary source of cash is equity financing from the sale of the Company's common shares and share purchase warrants on a private placement basis. Additional cash is generated when convertible securities, such as previously issued share purchase warrants and stock options, are exercised.

During 2008 the Company raised gross proceeds of \$415,000 from equity financing, and in that regard issued a total of 4,150,000 common shares and warrants for the purchase of an additional 4,150,000 common shares. In January, 360,000 warrants were exercised providing \$43,200.

The monies raised in the foregoing fashion were sufficient to meet the Company's obligations during the first two quarters and to incur approximately \$336,000 of expenditures on its mineral exploration properties. Intended mineral exploration expenditures in the third quarter were not made. At the end of 2008, the Company had cash on hand in the sum of \$16,660 and a working capital deficit of \$99,551. At the date hereof the Company has a working capital deficit of \$127,300.

During 2008, the Company has not raised sufficient equity to pay its administrative costs as they become due nor to carry out intended exploration on its mineral exploration properties. Directors and officers are accruing their fees.

The Company's ability to obtain sufficient funding for the medium to long terms will be dependent on the availability of equity and debt financing in the future, which the Company cannot predict. The availability of such funding will be dependent on a number of factors beyond the Company's control, including commodity prices, stock market performance and any number of other economic conditions. Accordingly, the ability of the Company to continue as a going concern cannot be assured.

The Company has two primary requirements for working capital: administrative costs and exploration expense.

During the year ended December 31, 2008, general and administrative expense totalled \$261,545, compared to \$327,912 in the same period of 2007. The decrease is due to decreased marketing and promotion and investor relations in 2008, (\$28,036 in 2008,

\$45,991 in 2007), and to lower transfer agent and filing fees related to reduced activity (\$18,862 in 2008, \$27,753 in 2007).

Due to challenging market conditions, management has encountered difficulty in raising funding from its conventional sources over the last ten months to date and is uncertain that the needed capital can be raised from those sources. Alternative sources are being considered, but there can be no guarantee that the needed funding can be obtained.

### **Transactions with Related Parties**

The Company was party to the following transactions with related parties during the year ended December 31, 2008.

Heather Conley, the Company's President & CEO and a director, receives \$2,500 each month pursuant to a management consulting contract. That contract is ongoing and Ms. Conley received \$17,500 in the first seven months of 2008 and is owed a further \$12,500 pursuant to the contract for 2008. She is owed a further \$10,000 during the current year to date.

Ms. Conley is also an associate of Robert A. Young & Associates ("RAYA") and is the spouse of its principal, Robert Young. RAYA provided investor relations services under a contract dated December 1, 2004. During the first seven months of 2008, the Company paid \$10,500 to RAYA under this contract, and a further \$7,500 is owed for 2008, and \$3,000 is owed for 2009. The contract was terminated February 28, 2009.

Judie Whitby, the Company's Chief Financial Officer and a director, receives \$4,500 per month for providing accounting, office and general management services to the Company. During the first four months of 2008, Ms. Whitby received the sum of \$18,000 pursuant to this arrangement, and is owed a further \$36,000 for 2008, and is owed \$13,500 in 2009 to date. Ms. Whitby was reimbursed \$5,812 for expenses she incurred on the Company's behalf, and is owed a further \$1,316 from May of 2008 to date. In addition to these transactions, Ms. Whitby loaned the Company \$2,500 on April 8, 2009. The loan is unsecured and carries an interest rate of 15%.

The Company's primary supplier of geological services is David St. Clair Dunn, a director of the Company. During the 2008, Mr. Dunn received \$21,565 for these services. He is owed \$3,150 from 2008, and a further \$473 to date. Mr. Dunn also loaned the Company \$2,500 on April 8, 2009 under the same conditions as Ms. Whitby.

The Company's primary supplier of legal services is Forth & Company, which is a sole proprietorship of Clive Forth, a director of the Company. During the 2008, Forth & Company provided \$26,684 in legal services, which included disbursements and taxes that Forth & Company is required to remit to the provincial and federal governments. Of this amount, \$6,224 is recorded as a cost against capital for share issuance costs, \$1,848 is recorded as mineral property acquisition costs, and \$18,612 is legal expense relating to corporate matters. During the same period, Forth & Company has provided a further \$11,570 in legal services, including disbursements and taxes, of which \$7,092 related to corporate matters and \$4,477 to share issuance costs which amount has not been paid by the company at the date hereof. A further \$13,530 unbilled amount is owed to Forth &

Company in his work in progress. Mr. forth also loaned the Company \$2,500 on April 8, 2009 on the same terms as Ms. Whitby and Mr. Dunn.

The Company considers all of the foregoing transactions and the amounts related thereto to be reasonable and representative of normal commercial transactions.

### **Changes in Accounting Policies Including Initial Adoption**

Effective January 1, 2008, the Company adopted the new CICA guidelines of Section 1535, *Capital Disclosures* which requires companies to disclose their objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital, and whether companies have complied with externally imposed capital requirements and, if not in compliance, the consequences of such non-compliance.

The Company's objective in managing capital is to enable the company to continue as a going concern. The Company is not subject to externally imposed capital requirements.

Effective January 1, 2008, the Company adopted the CICA guidelines of Section 3862, *Financial Instruments – Disclosures*, and Section 3863, *Financial Instruments – Presentation*. These standards replace CICA 3861, which will enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. In addition, disclosure is required of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk, and market risk. Such quantitative disclosures must provide information about the extent to which the company is exposed to such risk, based on information provided internally to the entity's key management personnel.

The following accounting pronouncement is applicable to future reporting periods. The Company is currently evaluating the effects of adopting the standard, *Goodwill and Intangible Assets*, CICA Section 3064. This section establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. It is effective for the Company for annual and interim financial statements commencing January 1, 2009.

The Canadian Accounting and Standards Board has determined that the existing Canadian standards and interpretations that currently comprise Canadian generally accepted accounting principles for publicly accountable enterprises (including reporting issuers) will be replaced with International Financial Reporting Standards ("IFRS"). The effective date of the changeover to IFRS will be January 1, 2011. The Company is in the process of assessing, in consultation with its professional advisors, the impact of the change on its policies, procedures and financial reporting. At the date hereof, no specific conclusions as to the impact of IFRS have been drawn, nor has a changeover plan been adopted. The Company will provide disclosure in future quarters as its IFRS changeover plan is developed and the impact of the adoption of the plan becomes apparent.

### Financial Instruments

At April 24, 2009 the Company has cash and other current assets in the amount of \$59,359. The cash component is \$22,641, taxes recoverable \$21,011, and prepaid amounts \$4,271. At December 31, 2008, cash amounted to \$16,660, taxes recoverable \$28,732 and prepaid amounts were \$1,909. The current liabilities of the Company as at April 24, 2009 are \$186,660 (\$146,852 at December 31, 2008).

### Additional Disclosure for Venture Issuers

The Company's business primarily involves mining exploration, and the Company has received no revenue from operations in either of its last two financial years. The following selected financial information indicates costs and expenses incurred by the Company this year and last year.

	Year ended Dec. 31, 2008	Year ended Dec. 31, 2007
Capitalized or expensed exploration and development costs		
• Magenta property, Mexico	\$ 86,295	\$ 88,775
• Gracias a Dios, Mexico	Nil	514,954
• Brandywine property, B.C.	6,654	18,859
• Bear River property, B.C.	28,268	285,922
• La Perla II, Mexico	2,369	6,955
Expensed research and development costs	Nil	Nil
Deferred development costs	Nil	Nil
General and administrative expenses	261,545	327,912
Material costs not referred to in the foregoing	Nil	Nil

### Disclosure of Outstanding Share Data

The Company has the following securities outstanding at the date hereof:

36,327,249 common shares.

10,650,000 warrants to acquire common shares,

1,000,000 incentive stock options to acquire common shares.

## Common Shares

Balance at December 31, 2007	31,622,249
Shares issued for cash – warrants exercised – January 2008	360,000
Shares issued on acquisition of mineral properties – January 2008	170,000
Shares issued – private placement – March 2008	3,000,000
Shares issued – private placement – July 2008	1,150,000
Shares issued on acquisition of mineral properties – November 2008	25,000
Balance December 31, 2008	36,327,249

No shares have been issued since December 31, 2008

Number of Warrants	Exercise Price	Expiry Date
2,000,000	\$0.15	July 17, 2009
2,000,000	\$0.20	September 6, 2009
2,500,000	\$0.15	September 6, 2009
3,000,000	\$0.10	March 11, 2010
1,150,000	\$0.10	July 8, 2010
<b>10,650,000</b>		

Options Outstanding	Exercise Price	Expiry Date
50,000	\$0.13	August 19, 2009
150,000	\$0.13	September 22, 2009
100,000	\$0.20	May 5, 2010
600,000	\$0.13	March 8, 2011
100,000	\$0.13	January 11, 2012
<b>1,000,000</b>		

## Other

The Company has no off-balance sheet arrangements. The Company has no proposed material asset or business acquisition or disposition that the Company's Board of Directors has decided to proceed with, or that the Company's senior management has decided to proceed with in the belief that confirmation by the Board is probable.