

THIRD QUARTER REPORT

December 31, 2008



CANADIAN GOLD HUNTER CORP.

To our Shareholders:

During the quarter, Canadian Gold Hunter Corp. ("CGH" or the "Company") commenced a follow-up drill program on the Cerro la Paila target at its Caballo Blanco gold project in Mexico. This drill program, which started in late November 2008, will consist of about 5,000 metres in 24 drill holes and will test an area (about 800 by up to 450 metres) underlain by gold-bearing silica breccias as well as some reconnaissance targets.

In addition, the Company is planning a follow-up program on the Zymo copper-gold property located near Smithers, British Columbia. Last fall's drill program at Zymo was highlighted by discovery hole ZY08-09, which intersected 72.0 metres grading 0.72% copper and 0.54 g/t gold from 15.0 to 90 metres. The Company can earn up to a 75% interest in this promising new project from Eastfield Resources Ltd.

The mineral industry has been adversely affected by the recent uncertain economic conditions. The Company has sufficient funds to carry out planned exploration programs and cover general and administrative costs through to early 2010. In addition, the Company is reducing expenditures on several properties to meet the minimum expenditure obligations and keep the properties in good standing.

Proposed transaction with Suramina Resources Inc. ("Suramina")

On February 12, 2009 the Company entered into an agreement (the "Arrangement Agreement") to effect a business combination between with Suramina pursuant to a plan of arrangement under the *Canada Business Corporations Act*.

Pursuant to the Arrangement Agreement, Canadian Gold Hunter will acquire all of the issued and outstanding shares of Suramina on the basis of 0.7541 shares of Canadian Gold Hunter for each one Suramina share (the "Exchange Ratio"). All outstanding Suramina options will be exchanged for replacement options of Canadian Gold Hunter, the number and exercise price of which will be determined using the Exchange Ratio. The transaction values the Suramina shares at \$0.1975, representing a 12.7% premium to the 20 day volume weighted average closing price of Suramina. Upon completion of the transaction, Suramina will be a wholly-owned subsidiary of Canadian Gold Hunter and it is estimated that Canadian Gold Hunter will have 110,335,992 shares outstanding. Former shareholders of Suramina will hold approximately 47.3% of the outstanding shares of Canadian Gold Hunter. The transaction is expected to close in mid-April 2009.

Full details of the transaction, including the terms of the Arrangement Agreement, will be included in a joint information management circular which is expected to be mailed to shareholders of Canadian Gold Hunter and to shareholders of Suramina on or about March 18, 2009. Both companies plan to hold a special meeting of shareholders to approve the transaction and related matters on or about April 14, 2009.

The transaction is subject to all requisite regulatory and court approvals as well as shareholder approval of the transaction by at least 66 2/3% of the votes cast by the Suramina shareholders and shareholder approval of the Canadian Gold Hunter share issuance in connection with the transaction by not less than a majority of the votes cast by the Canadian Gold Hunter shareholders, in both cases, present in person or represented by proxy at the meetings.

Caballo Blanco Gold Project, Mexico

A second phase of diamond drilling commenced in late November 2008 on the Company's Caballo Blanco Project in Mexico Two track-mounted core rigs were mobilized to the property to initiate a 5,000-metre drill program.

This program is a follow up to the initial 18 core holes (3,355 metres) drilled on the Cerro La Paila high-sulphidation gold target from late 2007 to mid 2008. That campaign generated very encouraging results with a number of broad intervals that graded over one gram per tonne gold ("g/t Au"), including drill hole 08CBN-004, which intersected 94.5 metres grading 2.09 g/t Au. This

second-phase program of 24 holes (5,000 metres) will infill Cerro la Paila on 50-meter sections and test two other high-sulphidation gold targets in the Northern Zone – Cerro la Cruz and Cerro Bandera. As of January 31, 2009 the Company had completed 2,750 metres of the drill program.

Drilling on the Cerro la Paila target in the Northern Zone in the initial phase of drilling encountered significant gold over long intervals in complex vuggy silica breccias. Drilling in the Central Grid Zone resulted in the discovery of the Pedrero copper-gold porphyry and the further evaluation of the El Porvenir porphyry copper-gold system. Low-grade copper-gold mineralization was intersected over long intervals at both targets.

Caballo Blanco is a large, high-sulphidation epithermal gold system located on the Gulf of Mexico roughly 70 kilometres north of the port city of Veracruz. Infrastructure is excellent as the prospective areas are all located within 10 kilometers of the Panamerican highway and a power plant. The primary target at Caballo Blanco is the Northern Zone, a high-sulphidation gold system. The Northern Zone alteration system comprises strong vuggy silica, quartz-alunite and various clay minerals extending over 20 square kilometres.

The focus of the drill program on the Northern Zone is the Cerro la Paila target, a zone of very high resistivity defined by detailed I.P. The resistivity anomaly extends over a N-S distance of 800 metres with widths up to 450 metres and substantial, but as yet undetermined, depth extent. In places, the resistivity anomaly is buried below low-resistivity volcanic rocks. Where the resistivity high extends to surface, iron-rich silica breccias are exposed and gold soil and rock geochemical anomalies are extensive. The gold-bearing silica breccias have now been traced by surface sampling and diamond drilling over an area roughly coincident with the resistivity anomaly. The gold-bearing breccias are up to 150 metres thick.

A second high-sulphidation gold system, referred to as the Highway Zone, occurs four kilometres south of the Northern Zone. It is also defined by extensive vuggy silica/alunite/clay alteration. A geochemical survey outlined strong gold soil anomalies (up to 350 ppb Au) over an N-S distance of three kilometres. Some of these anomalies remain open and require additional sampling prior to drilling.

The Central Grid Zone, a porphyry copper-gold target located some 10 kilometres SW of the Northern Zone, encompasses a broad area of 16 square kilometres exhibiting extensive, strong Cu-Au-Mo soil, magnetic and IP anomalies. The Central Grid Zone hosts at least two porphyry copper-gold systems, El Porvenir and Pedrero, separated by almost three kilometers. Both target areas are underlain by altered monzodioritic stocks of unknown dimensions intrusive into basalts and/or quartz-eye dacite tuffs and carrying variable amounts of pyrite, chalcopyrite, minor bornite and associated gold.

GJ/KINASKAN PROJECT

The Company announced the completion of an updated independent resource estimate on the Donnelly and North Donnelly zones at its GJ/Kinaskan gold-rich porphyry copper deposit in northern British Columbia in October 2008.

The measured and indicated resource, at a cut-off of 0.20% copper, is 153.3 million tonnes grading 0.321% copper and 0.369 g/t gold and contains 1.09 billion pounds of copper and 1.82 million ounces of gold.

The Donnelly Zone has been drilled to an average depth of about 300 metres on about 50-metre centres. It is 1600 metres in length and up to 340 metres wide. This new resource estimate includes substantial additional near-surface, higher-grade material that would be immediately accessible for mining.

The Main and North Donnelly Zone resource estimate was prepared by qualified person Mr. Gary Giroux, P.Eng. using a computer-generated block model based on approximately 42,000 metres

of diamond drilling in 169 drill holes. A total of 9,883 assayed samples were used to define the resource.

The Company is encouraged that the Province of British Columbia has started the environmental assessment process and First Nations consultation on the Northwest Transmission Line along Highway 37. This power line would have a positive impact on the economics of the GJ project, which is easily accessible from Highway 37.

The GJ/Kinaskan Property is located in northern British Columbia about 10 kilometres west of Highway 37. The claims underlie an area of about 150 square kilometres and cover a number of significant mineral showings, including the Donnelly, GJ and North zones. Canadian Gold Hunter has a 100% working interest in the property.

Due to the depressed market conditions and in order to conserve cash, the Company plans no further exploration work on the GJ/Kinaskan property in 2009, but will be undertaking an informal economic study of the project..

ZYMO PROJECT

In October 2008, the Company completed its initial exploration program on the Zymo copper-gold project located 40 kilometres west of Smithers in central British Columbia. The program included a 6-hole 1,555-metre diamond drill program, the highlight of which was the upper 72.0 metres of ZY08-09, which graded 0.72% copper and 0.54 g/t gold from 15.0 to 87.0 metres.

The exploration program, which started in late June 2008, included geochemical sampling, IP geophysical surveying and geological mapping in preparation for the drill program, which was focused on the newly discovered Hobbes target located 4.5 kilometres northwest of the original discovery area (FM grid). The Hobbes target consists of copper-gold mineralization associated with magnetite and quartz stockwork. Mineralized outcrops have been observed along the length of a strongly altered intrusion for approximately 800 metres. Copper and gold grades from outcrop samples range from background levels to 0.86% Cu and 1.1 g/t Au.

The IP geophysical survey demonstrated that mineralization is associated with a very large sulphide system, which is continuous between the FM and Hobbes grids, covering an area at least 5 kilometres long and approximately 2.5 kilometres wide.

The Company can earn an initial 60% interest in the property from Eastfield Resources Ltd. by making cash payments totaling \$350,000 over five years (\$20,000 paid), completing exploration expenditures of \$4 million over five years and issuing 50,000 shares (issued). A further 10% interest may be earned by completing a feasibility study and a further 5% by arranging mine financing for Eastfield. A minimum exploration expenditure of \$800,000 (incurred) must be completed in calendar 2008. The 10,250 hectare property is accessed by good quality logging roads from Smithers.

The Company plans a modest diamond drill program in 2009 to meet its expenditure obligations and to spend flow through funds that must be spent in 2009.

On behalf of the Board,

(signed) Richard J. Bailes
President

Feb 13, 2009

**CANADIAN GOLD HUNTER CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
NINE MONTHS ENDED DECEMBER 31, 2008**

Management's discussion and analysis ("MD&A") focuses on significant factors that have affected Canadian Gold Hunter Corp. ("the Company") and its subsidiaries and such factors that may affect its future performance. In order to better understand the MD&A, it should be read in conjunction with the unaudited interim consolidated financial statements for the nine months ended December 31, 2008 and the March 31, 2008 year end audited consolidated financial statements and the related notes thereto.

The financial information in this MD&A is derived from the Company's consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles. All dollars amounts are expressed in Canadian dollars, unless otherwise indicated. The effective date of this MD&A is February 12, 2009.

Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein.

Additional information about the Company and its business activities is available on SEDAR at www.sedar.com and at the Company's website www.canadiangoldhunter.com.

OVERVIEW

The Company is principally engaged in the acquisition, exploration and development of precious and base metal properties located in Canada and Mexico.

PROPOSED TRANSACTION WITH SURAMINA RESOURCES INC. ("Suramina")

On February 12, 2009, the Company entered into an agreement ("Arrangement Agreement") to effect a business combination with Suramina pursuant to a Plan of Arrangement under the Canada Business Corporations Act.

Pursuant to the Arrangement Agreement, the Company will acquire all of the issued and outstanding shares of Suramina on the basis of 0.7541 shares of the Company for each one Suramina share (the "Exchange Ratio"). All outstanding Suramina stock options will be exchanged for replacement stock options of the Company, the number and exercise price of which will be determined using the Exchange Ratio. The transaction values the Suramina shares at \$0.1975, representing a 12.7% premium to the 20 day volume weighted average closing price of Suramina. Upon completion of the transaction, Suramina will be a wholly-owned subsidiary of the Company and it is estimated that the Company will have 110,335,992 shares outstanding. Former shareholders of Suramina will hold approximately 47.3% of the outstanding shares of the Company. The transaction is expected to close in mid-April 2009.

Full details of the transaction, including the terms of the Arrangement Agreement, will be included in a joint information management circular, which is expected to be mailed to shareholders of the Company and to shareholders of Suramina on or about March 18, 2009. Both companies plan to hold a special meeting of shareholders to approve the transaction and related matters on or about April 14, 2009.

The transaction is subject to all requisite regulatory and court approvals as well as shareholder approval of the transaction by at least 66 2/3% of the votes cast by the Suramina shareholders and shareholder approval of the Company share issuance in connection with the transaction by not less than a majority of the votes cast by the Company, in both cases, present in person or represented by proxy at the meetings.

EXPLORATION REVIEW

CABALLO BLANCO PROJECT

The second phase of diamond drilling commenced during the quarter ended December 31, 2008 on the Company's Caballo Blanco Project in Mexico. Two track-mounted core rigs were mobilized to the property to initiate a 5,000 metres drill program in mid November 2008.

This program is a follow up to the initial 18 core holes (3,355 metres) drilled on the Cerro La Paila high-sulphidation gold target from late 2007 to mid 2008. That campaign generated very encouraging results with a number of broad intervals that grade over one gram per tonne gold ("g/t Au"), including drill hole 08CBN-004, which intersected 94.5 meters grading 2.09 g/t Au. This second-phase program of 24 holes (5,000 metres) will infill Cerro la Paila on 50-meter sections and test two other high-sulphidation gold targets in the Northern Zone – Cerro la Cruz and Cerro Bandera. As of January 31, 2009, the Company had completed 2,350 metres of the drill program.

Caballo Blanco is a large, high-sulphidation epithermal gold system located on the Gulf of Mexico roughly 70 kilometres north of the port city of Veracruz. Infrastructure is excellent as the prospective areas are all located within 10 kilometres of the Panamerican highway and a power plant. The primary target at Caballo Blanco is the Northern Zone, a high-sulphidation gold system. The Northern Zone alteration system comprises strong vuggy silica, quartz-alunite and various clay minerals, extending over 20 square kilometres.

The focus of the drill program on the Northern Zone is the Cerro la Paila target, a zone of very high resistivity defined by detailed I.P. The resistivity anomaly extends over a N-S distance of 800 metres with widths up to 450 metres and substantial, but as yet undetermined, depth extent. In places, the resistivity anomaly is buried below low-resistivity volcanic rocks. Where the resistivity high extends to surface, iron-rich silica breccias are exposed and gold soil and rock geochemical anomalies are extensive. The gold-bearing silica breccias have now been traced by surface sampling and diamond drilling over an area roughly coincident with the resistivity anomaly. The gold-bearing breccias are up to 150 metres thick; however on many sections the drill holes were abandoned due to technical problems in mineralized silica breccia and the true thicknesses are not known.

A second high-sulphidation gold system, referred to as the Highway Zone, occurs four kilometres south of the Northern Zone. It is also defined by extensive vuggy silica/alunite/clay alteration. A geochemical survey outlined strong gold soil anomalies (up to 350 ppb Au) over an N-S distance of three kilometres. Some of these anomalies remain open and require additional sampling prior to drilling.

The Central Grid Zone, a porphyry copper-gold target located some 10 kilometres SW of the Northern Zone, encompasses a broad area of 16 square kilometres exhibiting extensive, strong Cu-Au-Mo soil, magnetic and IP anomalies. The Central Grid Zone hosts at least two porphyry copper-gold systems, El Porvenir and Pedrero, separated by almost three kilometres. Both target areas are underlain by altered monzodioritic stocks of unknown dimensions intrusive into basalts and/or quartz-eye dacite tuffs and carrying variable amounts of pyrite, chalcopyrite, minor bornite and associated gold.

Drilling in the Central Grid Zone in August 2008 consisted of four holes drilled at Pedrero, the first holes to test this Cu-Au porphyry target, and five holes drilled to further evaluate the El Porvenir porphyry Cu-Au system. Low-grade copper and gold at El Porvenir persist to considerable (400 metres) depth within a restricted surface area. The best hole of the Central Grid program was 08CBCN-19 at Pedrero, which intersected 41.15 metres grading 0.27% copper and 0.42g/t gold before being lost in well-mineralized monzodiorite at 187.45 metres. There are insufficient drill holes at Pedrero to evaluate its potential at this stage but more drilling is required. The host monzodiorites at both sites are identical and, hence, are assumed to belong to the same mineralizing episode.

Geological data are verified by qualified person Jan Christoffersen, P. Eng., Vice President of the Company.

GJ/KINASKAN PROJECT

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The measured and indicated resource, at a cut-off of 0.20% copper, is 153.3 million metric tons grading 0.321% copper and 0.369 g/t gold and contains 1.09 billion pounds of copper and 1.82 million ounces of gold.

The Donnelly Zone has been drilled to an average depth of about 300 metres on about 50-metre centres. It is 1600 metres in (strike) length and up to 340 metres wide. This resource estimate includes substantial near-surface, higher-grade material that would be immediately accessible for mining.

Main and North Donnelly Measured & Indicated Resource

Cut-off Cu (%)	Tonnes (000,000)	Cu (%)	Au (g/t)	Contained Cu (million lbs)	Contained Au (million ozs)
0.10	293.3	0.238	0.281	1,539	2.65
0.15	217.5	0.277	0.323	1,328	2.26
0.20	153.3	0.321	0.369	1,085	1.82
0.25	103.4	0.367	0.416	837	1.38
0.30	66.3	0.420	0.469	614	1.00

The Main and North Donnelly Zone resource estimate was prepared by qualified person Mr. Gary Giroux, P.Eng. using a computer-generated block model based on approximately 42,000 metres of diamond drilling in 169 drill holes. A total of 9,883 assayed samples were used to define the resource.

The GJ/Kinaskan Property is located in northwest British Columbia about 10 kilometres west of Highway 37. The claims cover an area of about 150 square kilometres and cover a number of significant mineral showings, including the Donnelly, GJ and North zones. The Company has a 100% working interest in the property.

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The IP geophysical survey demonstrated that mineralization is associated with a very large sulphide system, which is continuous between the FM and Hobbes grids, covering an area at least 5 kilometres long and approximately 2.5 kilometres wide.

The Company can earn an initial 60% interest in the property from Eastfield Resources Ltd. by making cash payments totaling \$350,000 over five years (\$20,000 paid), completing exploration expenditures of \$4 million over five years and issuing 50,000 shares (issued). A further 10% interest may be earned by completing a feasibility study and a further 5% by arranging mine financing for Eastfield. A minimum exploration expenditure of \$800,000 (incurred) must be completed in calendar 2008. The 10,250 hectare property is accessed by good quality logging roads from Smithers.

The Company plans a modest diamond drill program in 2009 to meet its expenditure obligations and flow-through funding obligations.

CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING DEVELOPMENTS

CICA Section 1400, "General Standards on Financial Statement Presentation", was amended to include requirements to assess and disclose an entity's ability to continue as a going concern. This new standard became effective for the Company on April 1, 2008. There was no material impact on the Company's financial condition or operating results as a result of the adoption of the new standard.

Change in accounting policy on mineral exploration costs:

During the third quarter of this fiscal year, the Company changed its accounting policy for mineral property exploration costs. In prior years, the Company capitalized the acquisition costs of mineral properties and deferred exploration expenditures directly related to specific mineral properties, net of recoveries received. Under the new policy, property exploration costs incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are charged to operations as incurred. Exploration costs also include exploration licence and maintenance fees which are paid on a yearly basis. All direct costs related to the acquisition of resource property interests will continue to be capitalized. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves. Management believes that this treatment provides a more relevant and reliable depiction of the asset base of the Company prior to establishing the economic feasibility of its resource base.

The Company has accounted for this change in accounting policy on a retroactive basis. Balance sheet amounts as at March 31, 2008 were restated as follows: mineral properties reduced by \$16.2 million, future income taxes reduced by \$831,000 and the deficit increased by \$15.4 million. The restatement also results in a restatement of the comparative operating results for nine months ended December 31, 2007 by increasing exploration and project investigation expenses by \$5.2 million, decreasing future income tax recovery by \$275,000 and increasing net loss by \$5.4 million.

SELECTED QUARTERLY INFORMATION

Financial Data for 8 Quarters								
Three Months Ended*	Dec-08	Sep-08	Jun-08	Mar-08	Dec-07	Sep-07	Jun-07	Mar-07
		(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
A. Exploration Expenses, net of recoveries (\$000's)	1,097	2,349	1,282	1,621	1,296	2,647	1,241	183
B. Net loss (\$000's)	(1,254)	(2,648)	(1,710)	(2,119)	(1,308)	(2,876)	(2,052)	(1,289)
C. Basic and diluted loss per share (\$)	(0.02)	(0.05)	(0.03)	(0.04)	(0.02)	(0.05)	(0.04)	(0.03)

*As disclosed in Note 3 to the unaudited interim consolidated financial statements for the nine months ended December 31, 2008, the prior period results have been restated as a result of the change in accounting policy for mineral property exploration costs.

Net loss, quarter over quarter, is affected by the level of exploration and project investigation expenses incurred and write-off of mineral properties interests and will vary accordingly. Net loss is also impacted by the recognition of stock based compensation in that quarter, which will depend on options granted and vested. Exploration expenditures are affected to some extent by seasonal factors. Prior to the acquisition of Caballo Blanco in May 2007, exploration activities were heaviest in the second fiscal quarter, coinciding with the typical Canadian field season.

The increase in net loss for the fourth quarter ended March 31, 2008 from the third quarter ended December 31, 2007 is mainly attributed to exploration expenditures on the Caballo Blanco property and a donation of Company shares. The donation, amounting to \$252,000, was made to the University of British Columbia towards the construction of a new earth science systems building.

RESULTS OF OPERATIONS

The Company's loss for the third quarter ended December 31, 2008 and 2007 was comparable at \$1.3 million. Exploration and project investigation expenditures was slightly lower at \$1.1 million compared to \$1.3 million for the same period ended December 31, 2007 due primarily to reduced activities on the GJ/Kinaskan and Manson Creek properties.

For the nine months ended December 31, 2008, the Company's net loss was \$5.6 million compared with a net loss of \$6.2 million for the same period ending December 31, 2007. The decrease in net loss is due primarily to lower exploration expenditures and stock based compensation expenses. Exploration expenditures on the GJ/Kinaskan and Manson Creek properties were significantly lower for the nine months ended December 31, 2008 while expenditures were higher at the Caballo Blanco and Zymo properties due to increase drilling.

The operating losses are a reflection of the Company's status as a non-revenue producing mineral exploration company. As the Company has no main source of income, losses are expected to continue.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2008, the Company had cash of \$6.1 million and working capital of \$6.7 million as compared to cash and working capital of \$4.1 million and \$3.9 million, respectively, at March 31, 2008. The increase in both cash and working capital is primarily due to the completion of a private placement during the second quarter of 2008 comprising of 565,500 flow-through common shares at a price of \$2.30 per share and 3.5 million common shares of the Company at a price of \$2.00 per share for total gross proceeds of \$8.3 million. Finder's fees totaling \$240,000 and other share issuance costs of \$17,000 were paid.

Net cash used in operating activities was \$5.9 million for the nine months ended December 31, 2008 and consisted primarily of the loss from operations of \$5.6 million adjusted for the impact of non-cash items and changes in non-cash working capital items.

Net cash provided by financing activities for the nine months ended December 31, 2008 was \$8.0 million and consisted primarily of the private placement completed during the second quarter, net of issuance costs including finder's fees.

Net cash used in investing activities was \$145,000 and consisted mainly of mineral property expenditures of \$20,000 relating to the Zymo property, equipment purchase of \$34,000 and other assets of \$92,000.

Based on the Company's financial position at December 31, 2008 the Company believes that existing funds will be sufficient to perform planned discretionary exploration and general corporate activities for at least the next 12 months. Additional funding from the issuance of shares will be required in the future to fund further exploration and corporate expenses.

The recent unprecedented global credit crisis has adversely affected the mineral industry and the ability to raise exploration funding through the equity market. Consequently, there can be no assurance that equity financing will be available to the Company in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to establish accounting policies and to make estimates that affect both the amount and timing of the recording of assets, liabilities, revenues and expenses. Some of these estimates require judgements about matters that are inherently uncertain.

Note 3 to the consolidated financial statements for the year ended March 31, 2008 include a summary of the significant accounting policies adopted by the Company. The following policies are considered to be the critical accounting policies since they involve the use of significant estimates.

Mining Properties

The Company carries the acquisition costs of its mining properties at cost less any provision for impairment. The costs of each property will be amortised over the economic life of the property on a units-of-production basis. Costs are charged to operations when a property is abandoned or when impairment in value has been determined. Exploration costs are charged to operations as incurred.

The Company undertakes a periodic review of the carrying values of mining properties and whenever events or changes in circumstances indicate that their carrying values may exceed their fair value. In undertaking this review, management of the Company is required to make significant estimates. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the mining properties.

Income Taxes

Future income tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward. Future income tax assets and liabilities are measured using tax rates that are expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in operations in the period in which the change is substantively enacted. The amount of future income tax assets recognised is limited to the amount of the benefit that is more likely than not to be realised.

Management of the Company is required to exercise judgements and make assumptions about the future performance of the Company in determining its ability to utilize loss carry-forwards and thereby realise the benefits of future income tax assets.

Stock Based Compensation

In calculating the fair value of stock options granted, management is required to make significant estimates in relation to the future volatility of the Company's share price and the period in which stock options will be exercised. The selection of the volatility factor and the estimate of the expected option life will have a significant impact on costs recognized for stock based compensation. The estimates concerning volatility are made with reference to historical volatility, which is not necessarily an accurate indicator of volatility that will be experienced in the future. Management assumes that stock options will be exercised prior to their expiry date.

RELATED PARTY TRANSACTIONS

During the nine months ended December 31, 2008, the Company incurred:

- (a) management fees of \$252,000 (2007 - \$223,000) to a company controlled by a director pursuant to an agreement which is renewable on July 1, 2010. At December 31, 2008, \$6,000 (March 31, 2008 - \$41,416) was due to this company and included in amounts due to related parties;
- (b) legal fees of \$99,000 (2007 - \$31,000) to a law firm of which a partner is a director of the Company. At December 31, 2008, \$38,000 (March 31, 2008 - \$2,000) was due to this law firm and included in amounts due to related parties.
- (c) A donation of \$83,000 (2007 - \$Nil) to Lundin for Africa Foundation, a charitable organization with a director in common.

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

OUTSTANDING SHARE DATA

As at February 12, 2009, the Company had 58,108,286 common shares outstanding and 2,559,000 share options outstanding under its stock-based incentive plans. As at the same date, the Company had no share purchase warrants outstanding.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, other assets, accounts payable and accrued liabilities and due to related parties. The carrying value of cash, accounts receivable and accounts payable approximates fair value.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

For the nine months ended December 31, 2008, the Company took steps to improve its internal disclosure controls and procedures over financial reporting which includes an independent tax review of future income tax balances and provided the appropriate training and instruction for the staff at its foreign subsidiary with respect to the accrual basis of accounting.

RISKS AND UNCERTAINTIES

Exploration for mineral resources involves a high degree of risk. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. The Company attempts to mitigate its exploration risk by maintaining a diversified portfolio. Beyond exploration risk, management is faced with a number of other risk factors. The more significant ones include:

Metal Price Risk: The Company's portfolios of properties and investments have exposure to predominantly copper and gold. The prices of these metals, especially copper and gold, greatly affect the value of the Company and the potential value of its properties and investments. This, in turn, greatly affects its ability to form joint ventures and the structure of any joint ventures formed. This is due, at least in part, to the underlying value of the Company's assets at different metals prices.

Financial Markets: The Company is dependent on the equity markets as its sole source of operating working capital and the Company's capital resources are largely determined by the strength of the resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

Foreign Operations Risk: The Company conducts exploration activities in Mexico, which expose the Company to risks that may not otherwise be experienced if all operations were domestic. The risks include, but are not limited to, terrorism and hostage taking, fluctuations in currency exchange rates, expropriation or nationalization without adequate compensation, changes to royalty and tax regimes, high rates of inflation, labour unrest and difficulty in understanding and complying with the regulatory and legal framework respecting ownership and maintenance of mineral properties. Changes in mining or investment policies or shifts in political attitudes may also adversely affect Company's existing assets and operations. Real and perceived political risk may also affect Company's ability to finance exploration programs and attract joint venture or option partners, and future mine development opportunities.

Competition: There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other exploration and mining companies, many of which have greater financial resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Environmental Risk: The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in Canada. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas. Although minimal at this time, site restoration costs are a component of exploration expenses.

Title Risk: The Company has investigated its right to explore and exploit its properties and, to the best of its knowledge, those rights are in good standing. However, the results of the Company's investigations should not be construed as a guarantee of title. No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties.

The Company is earning an interest in certain of its key properties through options agreements and acquisition of title to the properties is completed only when the option conditions have been met. These conditions include making property payments, incurring exploration expenditures on the properties and satisfactory completion of certain pre-feasibility studies and third party agreements. If the Company does not satisfactorily complete these option conditions in the time frame laid out in the option agreements, the Company's title to the related property will not vest and the Company will have to write down its previously capitalized costs related to that property.

OFF-BALANCE SHEET AGREEMENTS

The Company has no off-balance sheet arrangements.

OUTLOOK

At the Caballo Blanco project, a second-phase drill program commenced in late November 2008. A 24-hole, five-thousand-metre diamond drill program is planned and will be focused on the Cerro la Paila target in the Northern Zone. This program will be completed using two larger rigs capable of drilling deeper holes so that Cerro la Paila can be tested on 50-metre-spaced sections to a depth of up to 300 metres. In addition to the work at Cerro la Paila, reconnaissance drilling will be carried out to test two other Northern Zone targets: Cerro Bandera and Cerro la Cruz. The program will be monitored closely to ensure drilling is justified in the light of on-going assay results.

Due to the current economic conditions, no further exploration work is planned at the GJ/Kinaskan project in 2009 but the Company will be undertaking an informal economic study of the project. The Company will continue to monitor the progress on the Highway 37 power line, which is undergoing an environmental assessment process. This power line would have a very positive impact on the project's economics.

At the Zymo project, the data from the 2008 summer program will be compiled over the winter and a follow-up program will be planned for the summer of 2009.

The mineral industry has been adversely affected by the recent uncertain economic conditions. In the long term, demand for metals from China, India, Eastern Europe and Brazil is expected to remain strong. However, in the short term, the ability of the Company to raise funds through the sale of equity has been compromised. The Company has sufficient funds to carry out planned exploration programs and cover general and administrative costs through to early 2010. In addition, the Company is reducing expenditures on several properties to meet the minimum expenditure obligations and keep the properties in good standing.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in the foregoing Management's Discussion and Analysis and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth above.

**CANADIAN GOLD HUNTER CORP.
CONSOLIDATED BALANCE SHEETS
(Unaudited)**

	December 31, 2008	March 31, 2008
		<u>Restated - Note 3</u>
ASSETS		
Current assets		
Cash (Note 4)	\$ 6,134,192	\$ 4,111,307
Accounts receivable	468,296	318,375
Prepaid expenses	390,427	62,207
	<u>6,992,915</u>	<u>4,491,889</u>
Fixed assets, net	214,674	207,460
Mineral properties (Note 5)	3,996,052	3,975,827
Other assets	135,217	43,500
	<u>\$ 11,338,858</u>	<u>\$ 8,718,676</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 222,302	\$ 523,387
Due to related parties (Note 8)	44,061	43,416
	<u>266,363</u>	<u>566,803</u>
Long Term Liabilities		
Future income taxes	875,000	875,000
	<u>1,141,363</u>	<u>1,441,803</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 7)		
58,108,286 shares (March 31, 2008 - 53,992,786 shares)	113,926,148	105,824,379
Reserved for issuance 20,348 shares (March 31,2008 - 20,348 shares)	1,290	1,290
Contributed surplus - stock options	2,395,782	1,964,571
Deficit	(106,125,725)	(100,513,367)
	<u>10,197,495</u>	<u>7,276,873</u>
	<u>\$ 11,338,858</u>	<u>\$ 8,718,676</u>
Nature and Continuance of Operations (Note 1)		

ON BEHALF OF THE BOARD:

/s/William A. Rand
Director

/s/Richard J. Bailes
Director

CANADIAN GOLD HUNTER CORP.
CONSOLIDATED INTERIM STATEMENTS OF LOSS AND DEFICIT
AND COMPREHENSIVE LOSS
(Unaudited)

	Three months ended		Nine months ended	
	December 31,		December 31,	
	2008	2007	2008	2007
		Restated - Note 3		Restated - Note 3
Expenses				
Exploration and project investigation (Note 6)	\$ 1,096,867	\$ 1,296,112	\$ 4,727,884	\$ 5,184,375
Management fees	84,000	84,900	252,000	222,900
Office and general	7,225	5,639	23,299	18,634
Professional fees	34,657	13,189	87,401	75,932
Promotion and public relations	19,159	37,380	88,969	84,668
Donation	-	-	83,007	4,424
Stock exchange and filing fees	3,991	2,053	33,030	15,319
Transfer agent and shareholder information	5,070	5,270	28,995	23,903
Travel	732	9,294	2,283	9,744
Wages and benefits	63,249	50,101	171,155	138,223
Stock based compensation	70,142	-	355,341	783,791
Amortization	-	220	-	660
Loss before the undernoted items	1,385,092	1,504,159	5,853,364	6,562,574
Other (income) expenses				
Interest income	(33,285)	(43,930)	(103,168)	(150,876)
Interest and financing expenses	-	75,000	-	75,000
Foreign exchange (gain)/ loss	(98,259)	(227,567)	(195,613)	(250,563)
Write-off of mineral property interests	-	-	57,775	-
Loss and comprehensive loss for the period	1,253,548	1,307,662	5,612,358	6,236,135
Deficit, beginning of the period	104,872,177	97,087,105	100,513,367	92,158,632
Deficit, end of the period	\$ 106,125,725	\$ 98,394,767	\$ 106,125,725	\$ 98,394,767
Basic and diluted loss per common share	\$ 0.02	\$ 0.02	\$ 0.10	\$ 0.12
Weighted average number of shares outstanding	58,108,286	53,446,383	56,587,264	52,443,223

See notes to consolidated financial statements

CANADIAN GOLD HUNTER CORP.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2008	2007	2008	2007
		Restated - Note 3		Restated - Note 3
Cash flows from (used in) operating activities				
Loss for the year	\$ (1,253,548)	\$ (1,307,662)	\$ (5,612,358)	\$ (6,236,135)
Items not affecting cash				
Amortization	-	220	-	660
Stock based compensation	85,652	55,302	431,210	1,101,012
Write-off of mineral property interests	-	-	57,775	-
	<u>(1,167,896)</u>	<u>(1,252,140)</u>	<u>(5,123,373)</u>	<u>(5,134,463)</u>
Changes in non-cash working capital items				
Accounts receivable and other current assets	(118,895)	48	(478,141)	(198,734)
Accounts payable and accrued liabilities	(478,860)	(18,142)	(274,609)	283,941
Due to related parties	29,966	26,448	645	21,147
	<u>(1,735,685)</u>	<u>(1,243,786)</u>	<u>(5,875,478)</u>	<u>(5,028,109)</u>
Cash flows from (used in) financing activities				
Common shares issued, net	-	369,600	8,043,768	7,265,487
Cash flows (used in) investing activities				
Mineral properties and related expenditures	-	-	(20,000)	(531,500)
Purchase of equipment	(20,424)	(55,602)	(33,689)	(187,534)
Other assets	(91,717)	-	(91,717)	-
	<u>(112,141)</u>	<u>(55,602)</u>	<u>(145,406)</u>	<u>(719,034)</u>
Increase (decrease) in cash	(1,847,826)	(929,788)	2,022,885	1,518,344
Cash, beginning of the period	7,982,018	6,723,370	4,111,307	4,275,238
Cash, end of the period	<u>\$ 6,134,192</u>	<u>\$ 5,793,582</u>	<u>\$ 6,134,192</u>	<u>\$ 5,793,582</u>
Supplementary information regarding non-cash transactions				
Investing activities				
Property acquisition and related tax liability	\$ -	\$ -	\$ (58,000)	\$ (2,250,000)
Financing activities				
Shares issued on acquisition of mineral properties	\$ -	\$ -	\$ 58,000	\$ 2,250,000

See notes to consolidated financial statements

CANADIAN GOLD HUNTER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2008
(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Canadian Gold Hunter Corp. (the "Company") is a Canadian federal company engaged in the acquisition, exploration and development of mineral properties primarily in Canada and Mexico.

The recoverability of the cost of mineral properties is dependent upon the discovery of economically recoverable reserves, preservation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the project, and future profitable production or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material reductions in the carrying amount of mineral properties and related fixed assets.

2. BASIS OF PRESENTATION

The unaudited interim consolidated financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles using the same accounting policies and methods of application as those disclosed in Note 3 to the Company's audited consolidated financial statements for the year ended March 31, 2008, except as noted in Note 3 below.

These interim consolidated financial statements do not contain all of the information required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the consolidated financial statements included in the Company's 2008 Annual Report.

3. CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING DEVELOPMENTS

CICA Section 1400, "General Standards on Financial Statement Presentation", was amended to include requirements to assess and disclose an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity's ability to continue as a going concern, those uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date. This new standard became effective for the Company on April 1, 2008. There was no material impact on the Company's consolidated financial statements as a result of the adoption of the new standard.

Change in accounting policy on mineral exploration costs:

During the third quarter of this fiscal year, the Company changed its accounting policy for mineral property exploration costs. In prior years, the Company capitalized the acquisition costs of mineral properties and deferred exploration expenditures directly related to specific mineral properties, net of recoveries received. Under the new policy, property exploration costs incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are charged to operations as incurred. Exploration costs also include exploration licence and maintenance fees which are paid on a yearly basis. All direct costs related to the acquisition of resource property interests will continue to be capitalized. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves. Management believes that this treatment provides a more relevant and reliable depiction of the asset base of the Company prior to establishing the economic feasibility of its resource base.

The Company has accounted for this change in accounting policy on a retroactive basis. Balance sheet amounts as at March 31, 2008 were restated as follows: mineral properties reduced by \$16.2 million, future income taxes reduced by \$831,000 and the deficit increased by \$15.4 million. The restatement also results in a restatement of the comparative operating results for nine months ended December 31, 2007 by increasing exploration and project investigation expenses by \$5.2 million, decreasing future income tax recovery by \$275,000 and increasing net loss by \$5.4 million.

4. CASH

As at December 31, 2008, the Company is committed to spend \$421,000 (March 31, 2008 - \$Nil) in accordance with flow-through share agreements entered through private placements. The balance is included in cash, but is reserved to complete the qualified expenditures on Canadian mineral property exploration.

5. MINERAL PROPERTIES

The carrying value of the Company's mineral properties are as follows:

	December 31, 2008	March 31, 2008 Restated-Note 3
Canada:		
GJ/Kinaskan	\$ 261,552	\$ 261,552
Manson Creek	-	57,775
Zymo	78,000	-
Mexico:		
Caballo Blanco	<u>3,656,500</u>	<u>3,656,500</u>
Total	<u>\$3,996,052</u>	<u>\$3,975,827</u>

(a) Caballo Blanco Property, Mexico

In May, 2007, the Company entered into an option agreement to acquire a 70% interest in the Caballo Blanco Property in exchange for issuing 1.0 million common shares to Almaden Minerals Ltd. ("Almaden") (issued), making a cash payment of US\$500,000 to a subsidiary of Almaden (paid) and expending a total of US\$12 million in minimum annual tranches through May, 2013, of which US\$1.5 million is a firm commitment in the first year (made). The Company has agreed to fund all costs required for the completion of a Bankable Feasibility Study in connection with the Property, and is entitled to receive on a preferential basis, out of the proceeds of production, all the expenditures it has incurred to exercise the option and to complete the feasibility study. Upon completion of the minimum expenditures, the two parties will enter into a joint venture agreement which will result in the Company holding an initial 70% participating interest in the joint venture.

(b) Zymo Property, Canada

In May, 2008, the Company signed an option agreement with Eastfield Resources Ltd. to earn up to a 75% interest in the Zymo Property, located 40 kilometres west of Smithers, BC. The Company can earn an initial 60% interest in the property by making cash payments totaling \$350,000 over five years (\$20,000 paid) and completing exploration expenditures of \$4 million over five years and issuing 50,000 shares (issued). A further 10% interest may be earned by completing a feasibility study and a further 5% by arranging mine financing for Eastfield. A minimum exploration expenditure of \$800,000 (incurred) must be completed in calendar 2008.

6. EXPLORATION COSTS

	GJ and Kinaskan Canada	Manson Creek Canada	Zymo Canada	Caballo Blanco Mexico	Other	Total
Exploration Expenditures for nine months ended December 31, 2008						
Assaying	\$ 4,626	\$ 1,578	\$ 42,391	\$ 341,458	\$ 1,026	\$ 391,079
Camp costs	5,364	-	84,544	7,318		97,226
Drilling	-	-	157,608	1,478,955		1,636,563
Environmental & community relation	56,108	-	-	40,045		96,153
Expediting and project supervision	-	357	3,296	233,576		237,229
Field supplies and equipment	15,488	-	79,544	90,489		185,521
Field salaries and contract labour	-	-	-	314,608		314,608
Consulting	20,006	-	-	153,209		173,215
Geological, geophysical & geochemical	20,550	3,124	349,681	109,015		482,370
Roadwork	-	-	-	108,849		108,849
Helicopter	12,483	-	237,749	-		250,232
Maps and reports	5,937	67	2,034	9,214		17,252
Office miscellaneous	380	-	5,199	71,155		76,734
Licenses, fees and access rights	-	-	30,000	209,594		239,594
Professional	-	-	12,444	168,593		181,037
Staking	-	-	-	-		-
Stock based compensation	17,967	-	-	57,902		75,869
Survey	-	-	-	-		-
Transport and travel	2,323	-	39,862	122,168		164,353
Total for the period	\$ 161,232	\$ 5,126	\$ 1,044,352	\$ 3,516,148	\$ 1,026	\$ 4,727,884
Exploration Expenditures for nine months ended December 31, 2007						
Assaying	\$ 139,144	\$ 10,790		\$ 108,781		\$ 258,715
Camp costs	55,083	13,926		110,949		179,958
Drilling	1,195,725	224,452		102,629		1,522,806
Environmental & community relation	62,874	-		46,468		109,342
Expediting and project supervision	35,919	45,276		85,105		166,300
Field supplies and equipment	78,732	31,195		16,307		126,234
Field salaries and contract labour	198,403	57,067		75,306		330,776
Fuel	61,053	-		5,984		67,037
Consulting	115,640	-		19,154	11,621	146,415
Geological, geophysical & geochemical	240,206	42,602		459,741		742,549
Roadwork	-	-		123,494		123,494
Helicopter	502,053	-		57,915		559,968
Maps and reports	3,944	62		1,884		5,890
Office miscellaneous	2,045	-		118,819		120,864
Licenses, fees and access rights	-	-		40,071		40,071
Professional	-	-		91,187		91,187
Staking	-	-		7,747		7,747
Stock based compensation	44,169	-		273,052		317,221
Survey	-	-		57,689		57,689
Transport and travel	63,385	13,559		133,168		210,112
Total for the period	\$ 2,798,375	\$ 438,929	\$ -	\$ 1,935,450	\$ 11,621	\$ 5,184,375

7. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares with no par value.

(b) Issued and outstanding:

Common shares	<u>Number of Shares</u>	<u>Amount</u>
Balance, March 31, 2008	53,992,786	\$105,824,379
Mineral property (Note 5(b))	50,000	58,000
Private placement, net (i)	<u>4,065,500</u>	<u>8,043,769</u>
Balance, December 31, 2008	<u>58,108,286</u>	<u>\$113,926,148</u>

(i) On July 11, 2008, the Company completed a private placement of 565,500 flow-through common shares at a price of \$2.30 per share and 3.5 million common shares of the Company at a price of \$2.00 per share for total gross proceeds of \$8.3 million. Finder's fees totaling \$240,026 and other share issuance costs of \$16,856 were paid.

(c) Incentive stock options issued and outstanding are as follows:

	<u>December 31, 2008</u>		<u>December 31, 2007</u>	
	Number of Shares	Weighted- average exercise price	Number of Shares	Weighted- average exercise price
Outstanding at beginning of period	1,294,000	\$2.01	2,400,000	\$0.97
Granted	1,293,000	\$1.19	1,154,000	\$2.12
Cancelled/Expired	(28,000)	\$1.38	(1,099,000)	\$1.12
Exercised	<u>-</u>	-	<u>(960,000)</u>	\$0.83
Outstanding at the end of period	<u>2,559,000</u>	\$1.61	<u>1,495,000</u>	\$1.83
Exercisable at end of period	<u>1,871,500</u>	\$1.54	<u>1,320,000</u>	\$1.81

Option prices, when granted; reflect current trading values of the Company's shares. The options outstanding at December 31, 2008 have exercise prices ranging from \$1.19 to \$2.25 and expire between January 4, 2010 and April 9, 2011 and have a weighted-average remaining contractual life of approximately 2 years.

The fair value of options granted have been estimated using an option-pricing model with the following assumptions:

	December 31, <u>2008</u>	December 31, <u>2007</u>
Dividend Yield :	0%	0%
Average risk free interest rate :	4.55%	4.71%
Expected volatility :	68%	69%
Expected life of option :	3 years	3 years

During the nine months ended December 31, 2008, stock based compensation of \$431,210(2007 - \$1,045,710), of which \$75,869 (2007-\$261,919) is included in Exploration and project investigation expenses, has been recognized in the Consolidated Statements of Loss and Deficit and Comprehensive Loss.

The fair values of stocks options with vesting provisions are amortized on a straight-line basis as stock-based compensation over the applicable period. At December 31, 2008, the Company had an additional \$229,536 in stock-based compensation to be recognized in operations, of which \$25,209 will be included in Exploration and project investigation expenses.

(d) As at December 31, 2008, there were no share purchase warrants outstanding.

8. RELATED PARTY TRANSACTIONS

During the nine months ended December 31, 2008, the Company:

- (a) incurred management fees of \$ 252,000 (2007 - \$223,000) to a company controlled by a director pursuant to an agreement for administration and officer services, which is due for renewal on July 1, 2010. At December 31, 2008, \$6,049 (March 31, 2008 - \$41,416) was due to this company and included in amounts due to related parties.
- (b) incurred legal fees of \$99,028 (2007 - \$31,000) to a law firm of which a partner is a director of the Company. At December 31, 2008, \$38,012 (March 31, 2008 - \$2,000) was due to this law firm and included in amounts due to related parties.
- (c) A donation of \$83,000 (2007 - \$Nil) to Lundin for Africa Foundation, a charitable organization with a director in common.

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. SEGMENTED INFORMATION

The Company's only business activity is the exploration for and development of mineral resources in Canada and Mexico. Segmented information about mineral properties is disclosed elsewhere in these consolidated financial statements. The Company's fixed assets are primarily located in Mexico.

10. SUBSEQUENT EVENT

On February 12, 2009, the Company entered into an agreement (Arrangement Agreement) to effect a business combination with Suramina Resources Inc ("Suramina") pursuant to a Plan of Arrangement under the Canada Business Corporation Act.

Pursuant to the Arrangement Agreement, the Company will acquire all of the issued and outstanding shares of Suramina on the basis of 0.7541 shares of the Company for each one Suramina share (the "Exchange Ratio"). All outstanding Suramina stock options will be exchanged for replacement stock options of the Company, the number and exercise price of which will be determined using the Exchange Ratio. Upon completion of the transaction, Suramina will be a wholly-owned subsidiary of the Company.

The transaction is subject to all requisite regulatory and court approvals as well as shareholder approval of the transaction by at least 66 2/3% of the votes cast by the Suramina shareholders and shareholder approval of the Company share issuance in connection with the transaction by not less than a majority of the votes cast by the Company.