

ANNUAL REPORT

MARCH 31, 2009



CANADIAN GOLD HUNTER CORP.

To our shareholders,

Our goal is to build the Company into a diversified exploration vehicle that will provide our investors with exposure to projects with world class potential. We will seek to consistently upgrade our portfolio and focus on projects where we can quickly and efficiently add value. We believe we can do so by concentrating on projects that are at the discovery stage and taking them through to the defined resource stage. The first step in this strategy was completed in April, 2009 with the acquisition Suramina Resources which has South American projects.

As a result of the transaction with Suramina Canadian Gold Hunter acquired a large, prospective copper/gold exploration portfolio in South America that in combination with the Company's North American projects gives the company exposure to the most prospective countries in the Americas. The projects acquired range from grass roots to resource definition stage, and include the Josemaria copper/gold porphyry project with a 43-101 inferred resource of 460 million tonnes grading 0.39% copper and 0.30 g/t gold at a 0.3% TCu cut-off, containing 3.9 billion pounds of copper and 4.4 million ounces of gold. Key members of Suramina's exploration South American based team have also joined Canadian Gold Hunter. The Suramina team has a strong track record of success including the discovery of the Veladero gold deposit, now owned by Barrick Gold, as well as the initial recognition and development of the Bajo de la Alumbrera copper/gold mine, now owned by Goldcorp., Xstrata and Yamana. The addition of Suramina's Buenos Aires based team gives the company a strong competitive advantage in furthering our South American exploration initiatives.

Concurrent with the business combination, Dr. Wojtek Wodzicki was appointed President and CEO of the Company. Dr. Wodzicki replaced Mr. Richard Bailes who resigned as President and CEO and from the Board to pursue other endeavours. Dr. Wodzicki has worked in the international mining industry since 1987, managing exploration programs on five continents. Prior to joining Canadian Gold Hunter he had an impressive career with Teck Cominco Ltd. that included managing exploration offices in Bolivia, Peru, Chile, and Argentina. In 2001, Dr. Wodzicki was appointed Teck Cominco's General Manager of Exploration for North America and Europe-Africa. He holds a doctorate in Geosciences from the University of Arizona.

The Company now has a diversified portfolio of copper and gold exploration projects which provides a broad range of highly prospective targets, as well greater operational and commercial flexibility. Over the coming months we will conduct a strategic review of the Company's project portfolio that will focus on identifying those projects where we think the Company can add greatest value by sole funding ongoing exploration. The Company has received numerous expressions of interest from parties wishing to acquire or joint venture several of its projects. We will consider sale or JV of any projects that would benefit from third party funding or expertise, or for which we receive commercially attractive offers. The savings or proceeds from any divestments will be used to upgrade our portfolio. We will continue to be flexible and commercially minded as we seek to advance as many of our projects as possible in a cost effective manner.

Over the course of the past year, drilling identified a significant high sulphidation gold system at Caballo Blanco in Mexico, as well as a new copper-gold zone on the Zymo Property in B.C., Canada. In South America, drilling conducted by Suramina identified a significant new porphyry copper-gold system at Los Helados in Chile. Suramina was also successful in attracting a partner to fund further work on the large Jose Maria copper gold porphyry system in Argentina, The Company's key projects are discussed in more detail below.

Caballo Blanco Gold Project, Mexico

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. Access and infrastructure are excellent and the prospective areas are all located within 10 kilometers of the Panamerican highway and a power plant. The Company has an option to earn a 70 per cent interest in the Caballo Blanco project.

The property covers three large hydrothermal alteration zones called the Northern Zone, the Central Grid, and the Highway Zone. The Company has focused on the Northern Zone which contains the most significant gold mineralization discovered to date. As in many high sulphidation gold systems, gold in the Northern Zone is associated with strong silicification. Work to date has identified five distinct areas of strong silicification in the Northern Zone each measuring approximately one kilometer long by several hundred meters wide.

Most of the Company's drilling to date has focused on one of the five silicified areas in the Northern Zone, called Cerro La Paila, where drilling has defined gold mineralization over approximately 800 meters. The initial 18 holes (3,355 metres) drilled on the Cerro La Paila high sulphidation gold target from late 2007 to mid 2008 gave 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. A follow up drill program of 14 holes was completed during the first quarter of calendar 2009. In general, it appears that higher gold grades correspond to structurally controlled silicified breccia bodies as is common in many high sulphidation gold systems. These features can potentially be identified with geophysical techniques and future drilling will target these potential feeder structures.

In addition to the drilling on Cerro La Paila four scout holes were drilled on two outlying gold targets in the Northern Zone – Cerro la Cruz and Cerro Bandera – south and southwest of Cerro La Pailla, respectively. The drill holes on Cerro la Cruz and Cerro Bandera intersected long intervals of silicification with significant levels of pathfinder elements but only weakly anomalous gold. Both targets are similar in size to Cerro La Paila and are considered to still be open in all directions. Future work in the Northern Zone will more extensively test the other areas of silicification and target their possible high grade feeders

Zymo Copper/Gold 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. This work discovered a new area of copper-gold mineralization named the Hobbes zone. 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 Company has an option to earn an initial 60% interest in the property.

The 2008 program included a 6-hole 1,555-metre diamond drill program which tested the newly identified Hobbes target. The highlight of the 2008 program 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. An IP geophysical survey also completed in 2008 suggests that mineralization in the Hobbes Zone is associated with a large sulphide system that extends for several kilometers.

The Company plans a follow-up diamond drill program scheduled to begin in mid 2009.

GJ/Kinaskan Copper/Gold Project

The Company announced the completion of an updated independent resource estimate on the Donnelly and North Donnelly zones at its GJ/Kinaskan porphyry copper gold 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.

GJ is a significant copper-gold resource located in a stable jurisdiction with improving infrastructure and therefore it may have significant value when metal prices improve. Holding costs are minimal so the project can be held until its value can be realized.

Los Helados Project, Argentina/Chile

Los Helados is one of a large group of porphyry copper/gold projects in the Andes that are part of the Vicuna joint venture with JOGMEC, the Japanese government oil and mineral exploration agency. The Company has a 60% participating interest in the joint venture and is the operator. The joint venture with JOGMEC is part of the Company's strategy to share risk on selected early stage large scale exploration projects. The Company acquired these projects through the recent acquisition of Suramina.

Work to date at Los Helados suggests the presence of a large copper gold porphyry system. Highlights of the 2009 drill program include Hole LH-DDH 04 which returned 762 metres from near surface of 0.43% copper and 0.22 g/t gold. This deep hole ended at 779 metres in increasing grades of copper with the final 43 metres grading 0.74% copper and 0.23 g/t gold.

The results of LH-DDH 04 are interpreted as a confirmation that the core potassic zone of the Los Helados porphyry continues at depth carrying significant copper/gold grades. Deep penetrating geophysics utilizing the MIMDAS system will be carried out over the project area to better define the sulphide bearing core at depth.

To date this highly promising target has only seen limited drilling totaling approximately 4,200 metres. The system remains open at depth, to the north, west. Further drilling at Los Helados is planned for the 2009/2010 season to investigate the project at depth and the extension of the mineralization.

Jose Maria

Jose Maria is a large copper/gold porphyry project located in San Juan Province, Argentina east of Los Helados. Jose Maria was discovered by the Company's Argentine exploration team and contains a NI 43-101 compliant inferred resource at a 0.3% TCu cutoff of 460 million tonnes at 0.39% TCu and 0.30 g/t Au.

Jose Maria was recently optioned by JOGMEC who have the right to earn a 40% interest by making a cash payment of US\$1 million and spending \$6 million over 3 years. Jogmec is required to spend US \$2 million in 2009. The planned program which will be managed by the Company, will include deep penetrating geophysics and drilling to test for extensions of mineralization at depth and laterally.

Other South American Projects

The Company's South American team has been highly successful at generating new early stage exploration projects at relatively low cost. In addition to the more advanced projects discussed above the company holds exploration projects in Chile, Peru, and Colombia. These projects provide a platform for exposure to some of the most prospective mineral rich countries on the continent. As markets improve the Company is well positioned to take advantage of the tremendous potential of its large copper/gold property asset base.

The current economic environment has been difficult for many junior exploration companies, however it has also created numerous opportunities for companies like ours that are well financed with strong backers who continue to have access to the financial markets. The coming year will be important for the Company and its shareholders as we follow up successful drill programs in North and South America and work to build our team, and to extract the maximum value from our portfolio. Thank you for your continued support as we work to position the Company for further growth.

On behalf of the board,

Lukas Lundin
Chairman

June 23, 2009

CANADIAN GOLD HUNTER CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2009

This 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 understand the MD&A better, it should be read in conjunction with the audited consolidated financial statements for the years ended March 31, 2009 and 2008 and the related notes therein. 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 ("GAAP"). All dollars amounts are expressed in Canadian dollars, unless otherwise indicated. The effective date of this MD&A is June 23, 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 North and South America.

TRANSACTION WITH SURAMINA RESOURCES INC. ("Suramina")

On April 17, 2009, the Company completed a business combination with Suramina pursuant to a Plan of Arrangement ("Arrangement"). Pursuant to the Arrangement, the Company acquired 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 were exchanged for replacement stock options of the Company using the Exchange Ratio.

As a result of the Arrangement, the Company acquired a large holding of gold and base metal exploration properties in Argentina and Chile totaling approximately 600,000 hectares, Peru (1,000 hectares) as well as claims under application in Colombia (165,000 hectares). Suramina's prime areas of focus were copper/gold exploration in San Juan province, Argentina and adjacent areas of Chile, as well as a silver/zinc project in Patagonia. Pursuant to an agreement with a corporation owned by the previous President of Suramina, the Company is restricted from engaging in mining and exploration activities in the areas of Argentina between 30°30' and 32° latitude and the other corporation is only allowed to operate in that same area.

NEW MANAGEMENT

As of April 17, 2009, Dr. Wojtek Wodzicki has joined the Board of Directors and has been appointed President and CEO of the Company following the business combination with Suramina. Dr. Wodzicki has worked in the international mining industry since 1987, managing exploration programs on five continents. Prior to joining the Company he had an impressive career with Teck Cominco Ltd. that included managing exploration offices in Bolivia, Peru, Chile, and Argentina. In 2001 Dr. Wodzicki was appointed Teck Cominco's General Manager of Exploration for North America and Europe-Africa. He holds a doctorate in Geosciences from the University of Arizona. Dr. Wodzicki also currently serves as President of Sanu Resources Ltd.

EXPLORATION REVIEW

CABALLO BLANCO PROJECT

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 and the prospective areas are all located within 10 kilometres of the Pan-American 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 extends over 20-25 square kilometres.

A second phase of diamond drilling on the Company's Caballo Blanco Project in Mexico commenced in November 2008. Two track-mounted core rigs were mobilized to the property for a planned 5,000-metre drill program. The planned program was subsequently reduced to 14 holes (3,606 metres) in order to conserve cash and was completed on March 07, 2009. The Company has an option to earn a 70% interest in the Caballo Blanco Project from Almaden Minerals Ltd.

The focus of the drill program on the Northern Zone was 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 800-900 metres with widths up to 450 metres and substantial, but as yet undetermined, depth extent. 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 250 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.

This drill program was 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 metric ton 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 14 holes filled in parts of Cerro la Paila on 50-meter sections. In general, gold grades reported from the follow-up drilling were lower compared to the first drill program and it appears that higher gold grades correspond to structurally controlled silicified breccia bodies as is common in many high sulfidation gold systems. Future drilling will target these potential feeder structures.

In addition to the drilling on Cerro La Paila four scout holes were drilled on two outlying gold targets in the Northern Zone – Cerro la Cruz and Cerro Bandera – south and southwest of Cerro La Paila, respectively. The drill holes on Cerro la Cruz and Cerro Bandera intersected long intervals of silicification with significant levels of pathfinder elements but only weakly anomalous gold. Both targets are similar in size to Cerro La Paila and are considered to still be open in all directions.

One hole was drilled on the Pedrero porphyry copper prospect, to follow up 08CBCN-19, 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. Hole09CBCN-042, was drilled about 250 metres east of CBCN-019. It intersected 137.16 metres grading 0.11% Cu and 0-10 g/t Au in well-developed quartz stockwork in altered monzodiorite.

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 and massive 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.

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

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 porphyry copper/gold deposit in northwest British Columbia in October 2008.

The measured and indicated resource, at a cut-off grade 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.

Donnelly and North Donnelly Measured & Indicated Resource

Cut-off Cu (%)	Metric Tons (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 Donnelly 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.

Due to the depressed market conditions and in order to conserve cash, the Company does not plan further exploration work on the GJ/Kinaskan property in 2009.

ZYMO PROJECT

In October 2008, the Company completed its initial exploration program on the Zymo copper-gold project, which the Company is earning a 60% interest from Eastfield Resources Ltd. The Zymo property is located 40 kilometres west of Smithers in central British Columbia. The initial exploration program on the Hobbes target included a 6-hole 1,550-metre diamond drill program, the highlight of which was an intersection of 72.0 metres in ZY08-09, which graded 0.72% copper and 0.54 g/t gold from 15.0 to 87.0 metres.

The 2008 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 six kilometres long and approximately 2.5 kilometres wide.

The Company plans a diamond drill program of 1,200-1,500 metres in the summer of 2009. Three or four holes will test the new Hobbes Zone laterally and at depth and two holes will be drilled to explore the large FM Zone further.

MANSON CREEK/QCM PROJECT

During the year ended March 31, 2009, the Company assessed the results of the exploration to date on this project and determined that further exploration would not be undertaken. Accordingly, the Company wrote off capitalized expenditures totaling \$57,775 on the Manson Creek /QCM properties to operations.

SURAMINA'S PROPERTIES ACQUIRED

Pursuant to the Arrangement, the Company acquired the following properties:

Jose Maria and Batidero properties, Argentina

Jose Maria is a large copper/gold porphyry project located east of the Chilean border in San Juan Province, Argentina near the Vicuna group of properties. Jose Maria contain a NI 43-101 compliant inferred resource at a 0.3% TCu cutoff of 460 million tonnes at 0.39% TCu and 0.30 g/t Au.

The Jose Maria and the adjacent 75% owned Batidero properties are subject to a joint exploration agreement ("Jose Marie JEA") with Japan oil, Gas and Metals National Corporation ("Jogmec"). The Jose Marie JEA provides Jogmec the option to acquire a 40% interest in these properties. In consideration, Jogmec paid Suramina US\$1 million upon signing of the Jose Marie JEA and spent US\$130,000 in exploration expenditures to earn a 40% interest in the Company's interest in the Batidero project and is required to spend a total of US\$6 million in exploration expenditures over a period of three years in order to meet the terms of the option agreement. Jogmec will spend US\$2,000,000 during the coming field season beginning in October, 2009. Once Jogmec has earned its interest, the partners will fund ongoing expenditure pro-rata to their ownership interest.

Vicuna Properties, Argentina and Chile

The Vicuna properties include the Los Helados, Cerro Blanco and Filo de Sol properties. These properties are subject to a Joint Venture Exploration Agreement (the "Vicuna JEA") with Jogmec whereby the Company and Jogmec are funding expenditures on a pro rata basis as to 60% and 40% respectively.

Los Helados Property, Chile

Additional drilling comprising of two deep drill holes totaling approximately 1,529 metres to test the copper/gold porphyry system at depth was completed in the first quarter 2009. Highlights include drill hole LH 04 which intercepted 762m of 0.43% copper and 0.22 grams/tonne gold with the final 43m grading 0.74% copper and 0.23 grams/tonne gold. The target at Los Helados is open to the north and west and follow-up drilling is planned for the 2009/2010 field season scheduled to begin in about November, 2009.

Cerro Blanco Property, La Rioja Province (Argentina) and Chile

The Cerro Blanco property straddles the Chilean and Argentine border. As of the first quarter 2009 a first phase drilling program comprising three holes totaling 1,050 meters was completed. Subsequent programs are dependent on the results of this first phase drilling program.

Filo del Sol Project, San Juan Province (Argentina)

The Filo del Sol Project was last drilled during the first quarter of 2008. Exploration to date has defined near surface copper/gold oxides overlying deeper porphyry copper and diatreme hosted gold targets. Further drilling on Filo del Sol is postponed until market conditions improve.

Cerro Cuadrado Property (Argentina)

The 100% owned Cerro Cuadrado is a high grade silver/zinc project located in Santa Cruz Argentina. There was no work done on this project during the current quarter. Work in prior quarters identified multiple veins. Highlights include CC-25, which returned 17.7 metres grading 106 g/t silver, 8.27% zinc, 3.96% lead. The vein system remains open along strike to the north. The company is actively seeking partners to do further exploration on the project.

Chilean Properties

Regional exploration and prospecting was carried out on a number of early stage Chilean properties before the onset of South American winter. Copper mineralization was discovered on the Juanuchos property in Chile's Region 6. Reconnaissance mapping and geochemical sampling was carried out on three porphyry copper prospects Farol, Andrea, and Cardamo all located in central Chile.

Initial results are encouraging and follow-up work is planned for the next field season starting at the end of 2009.

Other Argentine, Colombian and Peruvian Properties

Limited prospecting and geochemical sampling were carried out on other properties in Argentina, Colombia and Peru during the quarter. The Company is in discussion with third parties to potentially option its properties in Colombia and to joint venture or divest of non-core properties in Argentina.

CHANGES IN ACCOUNTING POLICIES

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.

SELECTED ANNUAL INFORMATION

	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007
Statement of Operations Data (\$000's)			
Total Revenue	\$ NIL	\$ NIL	\$ NIL
Net loss	\$ 6,662	\$ 8,355	\$ 2,795
Data per Common Share (\$)			
Basic and Diluted Net Loss	\$ 0.12	\$ 0.16	\$ 0.06
Balance Sheet Data (\$000's)			
Total Assets	\$ 10,046	\$ 8,719	\$ 4,672
Long Term Liabilities	\$ 875	\$ 875	\$ -

SELECTED QUARTERLY INFORMATION

Financial Data for 8 Quarters								
Three Months Ended	Mar-09	Dec-08	Sep-08	Jun-08	Mar-08	Dec-07	Sep-07	Jun-07
A. Exploration Expenses, net of recoveries (\$000's)	1,113	1,097	2,349	1,282	1,621	1,296	2,647	1,241
B. Net loss (\$000's)	1,050	1,254	2,648	1,710	2,119	1,308	2,876	2,052
C. Basic and diluted loss per share (\$)	0.02	0.02	0.05	0.03	0.04	0.02	0.05	0.04

QUARTERLY ANALYSIS

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.

The increase in net loss for the fourth quarter ended March 31, 2008 included a donation of Company shares, amounting to \$252,000, to the University of British Columbia towards the construction of a new earth science systems building.

COMPARISON OF THE MARCH 31, 2009 AND MARCH 31, 2008 FINANCIAL YEARS

Results of Operations

The Company's loss for the year ended March 31, 2009 was \$6.7 million as compared to a loss of \$8.4 million for the year ended March 31, 2008. The decrease in loss of \$1.7 million was primarily due to a decrease in exploration and project investigation expenses as the Company has decreased the amount of exploration expenditures in light of the economic crisis and the need to conserve cash. Stock based compensation expenses were also lower at \$514,000 from \$784,000 in the prior fiscal year.

The annual 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 March 31, 2009, the Company had cash of \$5.1 million and working capital of \$5.3 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 was 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 \$6.7 million for the year ended March 31, 2009 and consisted primarily of the loss from operations of \$6.6 million and adjusted for the impact of non-cash items and changes in non-cash working capital items.

Net cash provided by financing activities for the year ended March 31, 2009 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 \$395,000 and consisted mainly of mineral property expenditures of \$20,000 relating to the Zymo property, equipment purchase of \$46,000 and other assets of \$329,000 (costs relating to the Arrangement with Suramina).

Based on the Company's financial position at March 31, 2009, 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 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.

NEW ACCOUNTING PRONOUNCEMENTS

In February 2008, the Canadian Institute of Chartered Accountants issued the following new standard:

Section 3064, "Goodwill and Intangible Assets". This section replaces Handbook section 3062 "Goodwill and Other Intangible Assets" and establishes revised standards for the recognition, measurement and disclosure of goodwill and intangible assets. The Corporation will be required to adopt this standard for interim and annual financial statements relating to its fiscal year commencing April 1, 2009. The adoption will not have a material impact on the consolidated financial statements.

In January 2009, the Canadian Institute of Chartered Accountants issued the following new standards:

Sections 1582 "Business Combinations", Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-controlling interests".

Section 1582 replaces Handbook section 1581 "Business Combinations" and sections 1601 and 1602 together replace Handbook section 1600 "Consolidated Financial Statements". The adoption of section 1582, and collectively, 1601 and 1602 provides the Canadian equivalent to International Financial Reporting Standard ("IFRS") 3 "Business Combinations" and International Accounting Standards (IAS) 27 "Consolidated and Separate Financial Statements", respectively. CICA 1582 applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. CICA 1601 and CICA 1602 apply to interim and annual consolidated financial statements relating to years beginning on or after January 1, 2011.

The Company has not yet determined the effect if any that the adoption of these new standards will have on its consolidated financial statements.

IFRS

The Canadian Accounting Standards Board ("AcSB") has set January 1, 2011 as the date for publicly-listed companies to adopt IFRS, replacing Canadian GAAP. Accordingly, IFRS compliant financial statements will be required for the first quarter of 2011. Comparative figures presented in these financial statements are also required to comply with IFRS.

During the year ended March 31, 2009, the Company completed an IFRS diagnostic study to assess the impact of the transition to IFRS on the Company's accounting policies and to establish a project plan to implement IFRS. A number of key accounting areas where IFRS differs and accounting alternatives were reviewed. In 2009/2010 the Company will proceed to make a determination of the impact of transition to IFRS on its financial statements and systems, if any.

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 2 to the consolidated financial statements for the year ended March 31, 2009 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.

Mineral Properties

The Company carries the acquisition costs of its mineral 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 that is other than temporary has been determined. Exploration costs are charged to operations as incurred.

The Company undertakes a periodic review of the carrying values of mineral 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 mineral properties and related expenditures.

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 utilise 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 year ended March 31, 2009, the Company incurred:

- (a) management fees of \$336,000 (2008 - \$306,900) to a company controlled by a director pursuant to an agreement which is renewable on July 1, 2010. At March 31, 2009, \$7,076 (2008 - \$41,416) was due to this company and included in amounts due to related parties.
- (b) legal fees of \$99,028 (2008 - \$34,318) to a law firm of which a partner is a director of the Company. At March 31, 2009, \$27,362 (2008 - \$2,000) was due to this law firm and included in amounts due to related parties.

- (c) a donation of \$83,007 (2008 - \$Nil) to Lundin for Africa Foundation, a charitable organization with a director in common.

These transactions, occurring in the normal course of operations, 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 June 23, 2009, the Company had 110,335,991 common shares outstanding and 2,554,000 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.

CONTINGENCY

Suramina's subsidiary, Desarrollo de Prospectos Mineros SA "DPM", has received a claim from the Banco Central de la Republica Argentina ("BCRA") in connection with two foreign exchange transactions made in 2003. It has been alleged that DPM exceeded the maximum allowable limit for foreign exchange conversions on those days. DPM have filed a statement of defence to dismiss this claim. Provisions have not been made in the consolidated financial statements as the likelihood of the loss occurring cannot be determined and the amount of loss if it should occur cannot be reasonably estimated at this early stage. DPM will continue to defend its position.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining the disclosure controls and procedures of the Company, and have so certified, as required by Multilateral Instrument 52-109. These officers have evaluated the effectiveness of the Company's disclosure controls and procedures and have concluded that the disclosure controls and procedures at the Company provide management a reasonable level of assurance that information required to be disclosed by the Company on a continuous basis and in annual and interim filings or other reports is recorded, processed, summarized, and reported or disclosed on a timely basis as required.

For the year ended March 31, 2009, the Company took steps to improve its internal controls 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. The CEO and CFO have evaluated the Company's internal controls over financial reporting and have concluded that the controls are effective.

It should be noted that while the CEO and CFO believe that the Company's disclosure controls and internal control procedures are effective, they do not expect disclosure controls and internal control procedures over financial reporting will prevent all errors and fraud. A control system no matter how well conceived or operated can provide only reasonable, not absolute assurance that the objectives of the control system are met.

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 that includes several metal commodity targets in a number of geologic and political environments. 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, gold, silver and zinc. The prices of these metals 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, option agreements 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. The recent global credit crisis has adversely affected the Company's 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.

Foreign Operations Risk: The Company conducts exploration activities in several countries, including Argentina, Chile, Colombia, Mexico and Peru. Each of these countries 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 and Socio-Political Risks: The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company conducts activities and the Company will conduct its activities in accordance with high corporate social responsibility principles. 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 due to technical factors, new legislative constraints, social opposition or local government capacity or willingness to issue permits to explore in a timely manner.

In parts of Argentina, there has been a significant increase in environmental opposition to both mineral exploration and mining. This is already affecting properties in some of the provinces where the Company works, in particular in Mendoza where the Company had two drilled ready projects, Paramillos and Papagallos. In certain other Argentine provinces such as Tierra del Fuego, Chubut, Rio Negro and La Rioja, there is a significant degree of anti-mining sentiment which affects the risk of successfully exploring and developing the Company's assets in those provinces. There is no assurance that this trend will not continue, however the Company is spending considerable effort in local stakeholder communication and education to mitigate concerns for the Corporation exploration activities which are in any case conducted to high international standards.

In Mexico, the Company has funded an archaeological study by Instituto Nacional de antropologia e Historia ("INAH), a Mexican state body, on its Caballo Blanco property to identify any significant archaeological sites. The Company will continue to work with INAP to minimize the impact of its operations on any archeological sites.

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 except for the imposed provincial park boundary expansion over the Papagallos Project, and anti-mining legislation affecting all mineral exploration in Mendoza and La Rioja provinces in Argentina. 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

The merger between the Company and Suramina has created a company with a strong portfolio of projects in the most prospective jurisdictions in the Americas. Over the next several months these projects will be ranked and prioritized. The Company will finance further work on those where it considers will have the most value and seek partners for the rest.

The drill programs at Caballo Blanco, Los Helados, and Cerro Blanco were completed during the quarter ended March 31, 2009 and results will be compiled and analyzed over the coming months. At Caballo Blanco drilling to date has focused on Cerro La Paila while other similar targets in the Northern Zone and elsewhere on the property have only seen limited drilling.

An intensive effort by company staff and outside consultants is currently underway to review existing geochemical and geophysical data to define new targets for testing later in the year. Drilling on the South American projects has ended for the southern hemisphere winter but follow-up drilling is planned for Los Helados and other targets in the large Vicuna region during the next summer season starting in November, 2009.

No further exploration work is planned at the GJ/Kinaskan project in 2009, pending the completion of an informal economic study of the property. 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 in British Columbia, Canada, the company plans a diamond drill program of 1,200-1,500 metres in three or four holes to test the Hobbes Zone laterally and at depth and two holes to further test the large FM Zone. Drilling is expected to start in July, 2009.

The mineral industry has been adversely affected by the recent uncertain economic conditions. In the long term, demand for metals from China, India 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 affected. As a result of its merger with Suramina the Company improved its cash position and has sufficient funds to carry out planned exploration programs and cover general and administrative costs through to early 2010. Once the review of the merged company's projects is complete there are likely to be opportunities to further prioritize exploration expenditures and reduce overhead costs.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain of the statements made and contained herein in the MD&A and elsewhere constitute forward-looking statements. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or achieved. 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 including, without limitation, exploration/drill results and budgets; mineral reserve and resource estimates and the geology, grade and continuity of mineral deposits; metal price and foreign currency fluctuations; uncertain political and economic environments; changes in laws or policies; delays or the inability to obtain the necessary government permits; the need to obtain financing and uncertainty as to the availability and terms of future financing; uncertainties involved in dispute or litigation and other risks and uncertainties describe under Risks and Uncertainties disclosed above and in the Company's Annual Information Form. Accordingly, 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 the Company does not assume any obligations to update or revise them to reflect new events or circumstances, except as required by law.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Canadian Gold Hunter Corp. and its subsidiaries and all information in the annual report are the responsibility of management and have been approved by the Board of Directors. The financial statements include some amounts that are based on management's best estimates, which have been made using careful judgment.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial and operating data elsewhere in the annual report are consistent with the information contained in the financial statements.

In fulfilling their responsibilities, management of the Company and its subsidiaries have developed and continue to maintain systems of internal accounting controls that are appropriate in the circumstances. Although no cost effective system of internal controls will prevent or detect all errors and irregularities, these systems are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, transactions are properly recorded and the financial records are reliable for preparing the financial statements.

The Board of Directors carries out its responsibility for the financial statements in this annual report principally through its audit committee, comprising management and outside directors. The audit committee reviews the Company's annual consolidated financial statements and recommends their approval to the Board of Directors. The Company's auditors have full access to the audit committee, with and without management being present.

These financial statements have been audited by PricewaterhouseCoopers LLP, Chartered Accountants, and their report follows.

/s/Wojtek Wodzicki
President

/s/Wanda Lee
Chief Financial Officer

June 23, 2009

AUDITORS' REPORT

To the Shareholders of
Canadian Gold Hunter Corp.

We have audited the consolidated balance sheets of Canadian Gold Hunter Corp. as at March 31, 2009 and 2008 and the consolidated statements of loss and deficit and comprehensive loss and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants
Vancouver, British Columbia

June 23, 2009

CANADIAN GOLD HUNTER CORP.
CONSOLIDATED BALANCE SHEETS
(Amounts are stated in Canadian dollars)

	<u>March 31,</u> <u>2009</u>	<u>March 31,</u> <u>2008</u>
ASSETS		
Current assets		
Cash (Note 3)	\$ 5,091,454	\$ 4,111,307
Accounts receivable	403,704	318,375
Prepaid expenses	22,646	62,207
	<u>5,517,804</u>	<u>4,491,889</u>
Fixed assets, net (Note 4)	159,310	207,460
Mineral properties (Note 5)	3,996,052	3,975,827
Other assets	372,359	43,500
	<u>\$ 10,045,525</u>	<u>\$ 8,718,676</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 187,283	\$ 523,387
Due to related parties (Note 8)	59,438	43,416
	<u>246,721</u>	<u>566,803</u>
Long Term Liabilities		
Future income taxes (Note 9)	875,000	875,000
	<u>1,121,721</u>	<u>1,441,803</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 7)		
58,108,286 shares (2008 - 53,992,786 shares)	113,522,946	105,824,379
Reserved for issuance 20,348 shares (2008 - 20,348 shares)(Note 2(a))	1,290	1,290
Contributed surplus - stock options	2,574,503	1,964,571
Deficit	(107,174,935)	(100,513,367)
	<u>8,923,804</u>	<u>7,276,873</u>
	<u>\$ 10,045,525</u>	<u>\$ 8,718,676</u>
Nature and Continuance of Operations (Note 1)		
Subsequent Event (Note 13)		
ON BEHALF OF THE BOARD:		
<u>/s/William A. Rand</u> Director	<u>/s/Wojtek A. Wodzicki</u> Director	

CANADIAN GOLD HUNTER CORP.
CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
AND COMPREHENSIVE LOSS
FOR THE YEAR ENDED MARCH 31,
(Amounts are stated in Canadian dollars)

	<u>2009</u>	<u>2008</u>
Expenses		
Exploration and project investigation (Note 6)	\$ 5,841,354	\$ 6,805,075
Management fees	336,000	306,900
Office and general	30,788	26,701
Professional fees	135,002	120,431
Promotion and public relations	94,984	131,120
Donation	83,007	256,024
Stock exchange and filing fees	40,247	19,911
Transfer agent and shareholder information	32,571	30,371
Travel	2,451	12,124
Wages and benefits	242,002	207,175
Stock based compensation	514,275	783,791
Loss before the undernoted items	<u>7,352,681</u>	<u>8,699,623</u>
Other (income) expenses		
Interest income	(125,214)	(177,063)
Interest and financing expenses	-	76,605
Foreign exchange gain	(220,472)	(244,430)
Write-off of mineral property interests	57,775	-
Loss before income taxes	<u>7,064,770</u>	<u>8,354,735</u>
Future income tax recovery (Note 9)	(403,202)	-
Loss and comprehensive loss for the year	<u>6,661,568</u>	<u>8,354,735</u>
Deficit, beginning of the year	<u>100,513,367</u>	<u>92,158,632</u>
Deficit, end of the year	<u>\$ 107,174,935</u>	<u>\$ 100,513,367</u>
Basic and diluted loss per common share	<u>\$ 0.12</u>	<u>\$ 0.16</u>
Weighted average number of shares outstanding	<u>56,962,311</u>	<u>52,795,734</u>

See notes to consolidated financial statements

CANADIAN GOLD HUNTER CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31,
(Amounts are stated in Canadian dollars)

	<u>2009</u>	<u>2008</u>
Cash flows from (used in) operating activities		
Loss for the year	\$ (6,661,568)	\$ (8,354,735)
Items not affecting cash		
Depreciation	93,867	670
Shares issued as a donation	-	251,600
Stock based compensation	609,932	1,132,155
Write-off of mineral property interests	57,775	-
Future income tax recovery	(403,202)	-
	<u>(6,303,196)</u>	<u>(6,970,310)</u>
Changes in non-cash working capital items		
Accounts receivable and prepaid expenses	(45,768)	(345,135)
Accounts payable and accrued liabilities	(336,104)	487,026
Due to related parties	16,022	21,535
	<u>(6,669,046)</u>	<u>(6,806,884)</u>
Cash flows from financing activities		
Common shares issued, net	<u>8,043,769</u>	<u>7,399,805</u>
Cash used in investing activities		
Mineral properties and related expenditures	(20,000)	(531,500)
Purchase of equipment	(45,717)	(223,110)
Other assets	(328,859)	(2,242)
	<u>(394,576)</u>	<u>(756,852)</u>
Increase (decrease) in cash	980,147	(163,931)
Cash, beginning of the year	<u>4,111,307</u>	<u>4,275,238</u>
Cash, end of the year	<u>\$ 5,091,454</u>	<u>\$ 4,111,307</u>
Supplementary information regarding non-cash transactions		
Investing activities		
Property acquisition and related tax liability	<u>\$ (58,000)</u>	<u>\$ (3,125,000)</u>
Financing activities		
Shares issued on acquisition of mineral properties	<u>\$ 58,000</u>	<u>\$ 2,250,000</u>

See notes to consolidated financial statements

CANADIAN GOLD HUNTER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008
(Amounts are stated in Canadian dollars, unless otherwise indicated)

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.

The recoverability of the cost of mineral properties expenditures 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.

The mineral properties are also subject to title and sovereign risks, including political and economic instability, government regulations relating to mining, military repression, civil disorder, currency fluctuations and inflation, all or any of which may impede the Company's activities or may result in the impairment or loss of part or all of the Company's interest in the properties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company are prepared in accordance with accounting principles generally accepted in Canada and applied on a consistent basis. A summary of the Company's significant policies is set out below:

(a) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its controlled subsidiaries Royal County Minerals Corp. ("Royal County"), 0788598 B.C. Ltd, 0788601 BC. Ltd and Minera Cardel SA de CV. Royal County was acquired in 2004 and substantially all shares are owned by the Company. Certain shares of Royal County have not yet been tendered to the Company; accordingly the Company has reserved 20,348 shares for issuance on the tender of the remaining shares of Royal County. Royal County has been treated for accounting purposes as a 100% wholly owned subsidiary of the Company.

All significant inter-Company balances and transactions have been eliminated upon consolidation.

(b) Changes in Accounting Policies

CICA Section 1400, "General Standards of 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.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, term deposits and short term highly liquid investments with the original term to maturity of three months or less, which are readily convertible to known amounts of cash and which, in the opinion of management, are subject to an insignificant risk of changes in value.

(d) Mineral Properties and Impairment assessment

The Company is in the process of exploring its mineral properties and has adopted the policy of capitalizing significant acquisition costs for property rights, including payments for exploration rights and leases and estimated fair value of exploration properties acquired as part of a business acquisition. Mineral exploration costs and maintenance payments are expensed prior to the determination that a property has economically recoverable ore reserves. Development expenditures incurred subsequent to a determination of the feasibility of mining operations 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 periodically assesses the carrying value of amounts recorded for individual mineral properties. If management considers the carrying value is not recoverable, the capitalized acquisition costs are written down or written off if the property is abandoned.

Title to mineral properties involves inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently unreliable conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, all of its properties are in good standing.

(e) Fixed Assets

Fixed assets are recorded at cost. Amortization is provided on a straight-line basis over varying periods of three to five years according to the expected life of the asset.

(f) Income Taxes

The Company accounts for income taxes using the asset and liability method. Under this method, future income tax assets and liabilities are determined based on differences between the financial statement carrying values of existing assets and liabilities and their respective income tax bases (temporary differences), and losses carried forward. Future income tax assets and liabilities are measured using the tax rates 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 recognized is limited to the amount of the benefit that is more likely than not to be realized.

(g) Foreign Currency Translation

The Company follows the temporal method of accounting for the translation of foreign currency denominated amounts into Canadian dollars. Under this method, monetary assets and liabilities are translated into Canadian dollars at exchange rates prevailing at the balance sheet date; non-monetary assets and liabilities are recorded at historical rates; and revenues and expenses are translated at approximate exchange rates prevailing on the dates of the respective transactions, except for amortization which is recorded at historical rates.

Foreign exchange gains or losses on translation are included in the consolidated statement of operations in the period in which they occur.

(h) Basic and Diluted Earnings (loss) per common share

Earnings (loss) per common share is presented for basic earnings (loss) and diluted earnings. Basic earnings (loss) per share are computed by dividing net earnings (loss) by the weighted average number of outstanding common shares for the year. The Company follows the treasury stock method in the calculation of diluted earnings per share. Since the Company has losses, the exercise of stock options has not been included in the calculation as it would be anti-dilutive.

(i) Stock-based compensation

Stock options awarded to employees and non-employees are measured and recognized in the statement of operations and deficit or added to mineral properties at the fair value of the award. The fair value of all forms of stock based compensation is charged to the consolidated statement of operations and deficit over the vesting period of the options granted.

(j) Use of 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 include the determination of reclamation obligations, the recoverability of mineral properties, and the assumptions used in the determination of the fair value of stock based compensation. Actual results could differ from those estimates.

(k) Asset retirement obligations

The Company recognizes statutory, contractual or other legal obligations related to the retirement of tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset. Management has determined that there is no material obligation at March 31, 2009.

(l) Flow-through shares

Canadian income tax legislation permits an enterprise to issue securities referred to as flow-through shares whereby the flow-through shareholder may claim the tax deductions arising from the related qualifying resource expenditures incurred by the Company. On the effective date that the resource expenditures are renounced to the shareholder, the Company recognizes, as a cost of issuing the flow-through shares, a change in its future tax assets resulting from the difference between the book value and the tax value of the related resource expenditures.

If the effective date of renunciation is prior to the date of the related expenditures being incurred, the Company will recognize the timing difference if it has reasonable assurance that all qualifying expenditures will be made in accordance with the flow-through agreement.

(m) Financial Instruments

The Company classifies financial instruments as either held-to-maturity, available-for-sale, held for trading, loans and receivables or other financial liabilities. At the respective balance sheet dates, the Company's financial instruments consisted of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and due to related parties.

Financial assets held-to-maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available-for-sale instruments are measured at fair value with the unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with the unrealized gains and losses recognized in the statement of operations.

The following is a summary of the categories the Company has elected to apply to each of its significant financial instruments:

Financial instrument	Category
Cash and cash equivalents	Held for trading
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities
Due to related parties	Other financial liabilities

The carrying values of accounts receivable, accounts payable and accrued liabilities and due to related parties approximates their fair values due to the short-term nature of these balances.

(n) Future Accounting Changes

In February 2008, the Canadian Institute of Chartered Accountants issued the following new standard:

Section 3064, "Goodwill and Intangible Assets". This section replaces Handbook section 3062 "Goodwill and Other Intangible Assets" and establishes revised standards for the recognition, measurement and disclosure of goodwill and intangible assets. The Corporation will be required to adopt for interim and annual financial statements relating to its fiscal year commencing April 1, 2009. The adoption will not have a material impact on the consolidated financial statements

In January, 2009, the Canadian Institute of Chartered Accountants issued the following new standards:

Sections 1582 "Business Combinations", Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-controlling interests".

Section 1582 replaces Handbook section 1581 "Business Combinations" and sections 1601 and 1602 together replace Handbook section 1600 "Consolidated Financial Statements". The adoption of section 1582, and collectively, 1601 and 1602 provides the Canadian equivalent to International Financial Reporting Standard ("IFRS") 3 "Business Combinations" and International Accounting Standards (IAS) 27 "Consolidated and Separate Financial Statements", respectively. CICA 1582 applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. CICA 1601 and CICA 1602 apply to interim and annual consolidated financial statements relating to years beginning on or after January 1, 2011.

The Company has not yet determined the effect if any that the adoption of these new standards will have on its consolidated financial statements.

3. CASH

As at March 31, 2009, the Company is committed to spend approximately \$423,000 (March 31, 2008-\$Nil) in accordance with flow-through share agreements entered into through private placements. The balance is included in cash, but is segregated to complete the qualified expenditures on Canadian mineral property exploration.

4. FIXED ASSETS, NET

March 31, 2009

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture and office equipment	\$ 27,773	\$ (14,605)	\$ 13,168
Vehicles	91,093	(10,019)	81,074
Field equipment	93,188	(28,120)	65,068
	<u>\$ 212,054</u>	<u>\$ (52,744)</u>	<u>\$ 159,310</u>

March 31, 2008

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture and office equipment	\$ 24,260	\$ (8,496)	\$ 15,764
Vehicles	84,468	(6,068)	78,400
Field equipment	115,052	(1,756)	113,296
	<u>\$ 223,780</u>	<u>\$ (16,320)</u>	<u>\$ 207,460</u>

5. MINERAL PROPERTIES

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

	March 31, 2009	March 31, 2008
Canada		
GJ/Kinaskan	\$ 261,552	\$ 261,552
Manson Creek	-	57,775
Zymo	78,000	-
Mexico		
Caballo Blanco	3,656,500	3,656,500
Total	\$ 3,996,052	\$ 3,975,827

(a) GJ and Kinaskan Lake Properties, B.C.

GJ Property – The Company owns a 100% interest in the GJ Property, a porphyry copper-gold prospect located in northern British Columbia.

Kinaskan Lake Property – The Company owns a 100% interest in the Kinaskan Lake mineral claims located in the Liard Mining District, British Columbia. The claims are subject to a net smelter return royalty of 1%, one-half of which may be repurchased by the Company for \$500,000 for a term of 25 years.

(b) Manson Creek / QCM Properties, B.C.

The Company has a 100% interest in the QCM claims located in the Manson Creek area of British Columbia, which are subject to a net smelter return royalty of 1%, one-half of which may be repurchased by the Company for \$500,000 for a term of 25 years. During the year ended March 31, 2009, the Company assessed the results of the exploration to date, determined that further exploration would not be undertaken and wrote off capitalized expenditures totaling \$57,775 on the Manson Creek /QCM properties to operations.

(c) Zymo Property, B.C.

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 (\$1.0 million spent) 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 was completed in calendar 2008.

(d) Caballo Blanco Property, Mexico

In May, 2007, the Company entered into an option agreement with Almaden Resources Ltd ("Almaden") to acquire a 70% interest in the Caballo Blanco Property in exchange for issuing 1.0 million common shares to Almaden (issued), making a cash payment of US\$500,000 to a subsidiary of Almaden (paid) and expending a total of US\$12 million (US\$7.4 million spent) in minimum annual tranches through May, 2013. Upon completion of the minimum expenditures of US\$12 million, 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.

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.

6. EXPLORATION COSTS

	GJ and Kinaskan Canada	Manson Creek Canada	Zymo Canada	Caballo Blanco Mexico	Other	Total
Exploration Expenditures for year ended March 31, 2009						
Assaying	\$ 4,626	\$ 1,578	\$ 42,391	\$ 328,494	\$ 1,776	\$ 378,865
Camp costs	5,364	-	84,606	45,397	-	135,367
Drilling	-	-	157,608	2,032,668	-	2,190,276
Environmental & community relation	59,461	-	-	42,792	-	102,253
Expediting and project supervision	-	357	-	224,284	-	224,641
Field supplies and equipment	15,490	-	79,544	91,805	-	186,839
Field salaries and contract labour	-	-	-	475,097	-	475,097
Consulting	20,501	-	-	147,114	-	167,615
Geological, geophysical & geochemical	20,550	3,125	357,150	163,158	-	543,983
Roadwork	-	-	-	152,296	-	152,296
Helicopter	12,483	-	237,749	-	-	250,232
Maps and reports	5,937	67	2,570	67,936	-	76,510
Office miscellaneous	380	-	344	156,626	-	157,350
Licenses , fees and access rights	-	-	34,855	219,715	-	254,570
Professional	-	-	12,444	246,940	-	259,384
Stock based compensation	26,338	-	-	69,319	-	95,657
Survey	-	-	-	-	-	-
Transport and travel	2,323	-	39,862	148,234	-	190,419
Total for the year	\$ 173,453	\$ 5,127	\$ 1,049,123	\$ 4,611,875	\$ 1,776	\$ 5,841,354
Exploration Expenditures for year March 31, 2008						
Assaying	\$ 146,174	\$ 28,160	\$ -	\$ 174,401	\$ -	\$ 348,735
Camp costs	55,318	13,926	-	79,961	-	149,205
Drilling	1,195,725	224,452	-	775,002	-	2,195,179
Environmental & community relation	68,242	-	-	60,695	-	128,937
Expediting and project supervision	35,919	48,014	-	97,602	-	181,535
Field supplies and equipment	78,769	34,241	-	135,284	-	248,294
Field salaries and contract labour	207,853	57,067	-	154,368	-	419,288
Fuel	61,053	-	-	5,984	-	67,037
Consulting	115,640	-	-	28,394	16,336	160,370
Geological, geophysical & geochemical	275,877	49,558	-	667,843	-	993,278
Roadwork	-	-	-	209,098	-	209,098
Helicopter	505,009	-	-	57,915	-	562,924
Maps, staking and reports	19,503	62	-	12,410	-	31,975
Office miscellaneous	2,053	-	-	218,776	-	220,829
Licenses, fees and access rights	13,764	-	-	109,339	-	123,103
Professional	-	-	-	48,710	-	48,710
Stock based compensation	44,169	-	-	304,196	-	348,365
Survey	-	-	-	101,296	-	101,296
Transport and travel	63,459	13,571	-	189,887	-	266,917
Total for the year	\$ 2,888,527	\$ 469,051	\$ -	\$ 3,431,161	\$ 16,336	\$ 6,805,075

7. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares with no par value.

(b) Issued and outstanding:

	Number of Shares	Share Capital Amount	Contributed Surplus Amount
Common shares			
Balance, March 31, 2007	48,683,766	\$ 95,315,501	\$1,439,887
Private placements, net (i)	3,000,000	6,464,638	-
Mineral property (Note 5 (d))	1,000,000	2,250,000	-
Reserved shares issued	20	1	-
Donation, net (ii)	148,000	249,238	-
Stock based compensation	-	-	1,132,155
Stock options exercised	1,161,000	937,530	-
Transfer of contributed surplus on exercise of stock options	<u>-</u>	<u>607,471</u>	<u>(607,471)</u>
Balance, March 31, 2008	53,992,786	\$105,824,379	\$1,964,571
Mineral property (Note 5(c))	50,000	58,000	-
Private placement, net (iii)	4,065,500	8,043,769	-
Tax costs recognized on issuance of flow- through shares	-	(403,202)	-
Stock based compensation	<u>-</u>	<u>-</u>	<u>609,932</u>
Balance, March 31, 2009	<u>58,108,286</u>	<u>\$113,522,946</u>	<u>\$2,574,503</u>

- (i) During the year ended March 31, 2008, the Company completed a private placement of 3.0 million common shares of the Company at a price of \$2.25 per share for gross proceeds of \$6.75 million. Finder's fees totalling \$270,000 were paid on a portion of the private placement and other costs and expenses of \$15,362 were incurred resulting in net proceeds of \$6,464,638.
- (ii) During the year ended March 31, 2008, the Company issued 148,000 shares at a fair value of \$1.70 per share to the University of British Columbia as a donation towards the construction of an earth science systems building.
- (iii) 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 totalling \$240,026 and other share issuance costs of \$16,856 were paid.

The tax cost related to the issuance of the flow-through shares on private placements is recognized in the period in which the Company files the related renunciation with the taxation authorities.

(c) Incentive stock options issued and outstanding during 2009 and 2008 are as follows:

The Company has an incentive stock option plan in which 3,600,000 common shares have been made available for the Company to grant incentive stock options to certain directors, officers, employees and consultants of the Company. Vesting and terms of the option agreement are at the discretion of the Board of Directors.

Incentive stock options outstanding and held by directors, officers, employees and consultants of the Company are as follows:

	Year Ended March 31, 2009		Year Ended March 31, 2008	
	Number of Shares	Weighted-average exercise price	Number of shares	Weighted-average exercise price
Outstanding at Beginning of year	1,294,000	\$2.01	2,400,000	\$0.97
Granted	1,293,000	\$1.19	1,154,000	\$2.12
Forfeited/Expired	(33,000)	\$1.35	(1,099,000)	\$1.12
Exercised	-	-	(1,161,000)	\$0.81
Outstanding at end of year	<u>2,554,000</u>	<u>\$1.60</u>	<u>1,294,000</u>	<u>\$2.01</u>
Exercisable at end of year	<u>1,921,500</u>	<u>\$1.74</u>	<u>1,169,000</u>	<u>\$2.01</u>

The fair values of stock options with vesting provisions are amortized on a straight-line basis as stock-based compensation expenses over the applicable period. The weighted average contractual life of the options outstanding as at March 31, 2009 is 1.5 years. At March 31, 2009, the Company had an additional \$50,709 in stock-based compensation expense to be recognized in operations.

The stock based compensation expenses were estimated using the Black-Scholes option-pricing model. Assumptions used in the pricing model are as follows:

	Year ended March 31, 2009	Year ended March 31, 2008
Dividend Yield	0%	0%
Average risk free interest rate	2.63%	4.55%
Expected volatility	63%	69%
Expected life of option	3 years	3 years

(d) As at March 31, 2009, there were no share purchase warrants outstanding.

8. RELATED PARTY TRANSACTIONS

In addition to items noted elsewhere in these consolidated financial statements, the Company incurred:

- (a) management fees of \$336,000 (2008 - \$306,900) 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 March 31, 2009, \$7,076 (2008 - \$41,416) was due to this company and included in amounts due to related parties.
- (b) legal fees of \$99,028 (2008 - \$34,318) to a law firm of which a partner is a director of the Company. At March 31, 2009, \$27,362 (2008 - \$2,000) was due to this law firm.
- (c) a donation of \$83,007 (2008 - \$Nil) to Lundin for Africa Foundation, a charitable organization with a director in common.

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

9. INCOME TAXES

	Year Ended March 31, <u>2009</u>	Year Ended March 31, <u>2008</u>
Combined Canadian Federal and Provincial statutory income tax rate	31.00%	33.47%
Expected income tax provision (recovery)	\$ (2,190,079)	\$ (2,796,330)
Permanent differences	416,402	435,136
Change in valuation allowance	1,159,746	1,358,356
Change in tax rates	188,584	872,493
Other	(48,704)	8,644
Losses expiring	<u>70,849</u>	<u>21,701</u>
Future income tax expense (recovery) for the year	<u>\$ (403,202)</u>	<u>\$ -</u>
Future income tax assets		
Tax loss carry forwards	\$ 2,884,312	\$ 1,353,743
Mining properties and related expenditures	2,002,568	2,398,349
Equipment	12,200	12,200
Other	<u>214,557</u>	<u>189,599</u>
	5,113,637	3,953,891
Valuation allowance	<u>(5,113,637)</u>	<u>(3,953,891)</u>
Net future income tax assets	<u>\$ -</u>	<u>\$ -</u>
Future income tax liabilities		
Net future income liabilities	<u>\$ (875,000)</u>	<u>\$ (875,000)</u>

- (i) During the year ended March 31, 2009 the Company issued \$1,300,650(2008-\$Nil) flow-through shares (Note 7(b)(iii)) and renounced \$1,300,650(2008-\$Nil) of its mineral property expenditures to flow-through shareholders. The resultant loss of future income tax assets, which is treated as a cost of issuing flow-through shares (Note 3(k)), gives rise to a future tax liability. This liability has been offset by the Company's recognition of future income tax assets that have been previously written-down by a valuation allowance.

The Company has Canadian tax losses of approximately \$3.7 million expiring between 2010 and 2029 and Mexican tax losses of approximately \$6.9 million expiring in 2018 and 2019, which are available for deduction against future income.

10. SEGMENTED INFORMATION

The Company's only business activity is the exploration for and development of mineral reserves 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.

11. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company considers the items included in shareholders' equity to be capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's assets. In order to maintain or adjust the capital structure, the Company may attempt to issue new shares or debt instruments, acquire or dispose of assets, or to bring in joint venture partners. The Company has also taken steps to reduce its planned exploration expenditure and general administrative activities.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditures budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

The Company expects its current capital resources will be sufficient to carry its exploration and development plans and operations through its current operation period.

12. MANAGEMENT OF FINANCIAL RISK

The Company's financial instruments are exposed to certain financial risks, including currency, credit, liquidity and price risk.

a) Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Mexico and as such, a portion of its expenses are incurred in the local currencies and US dollars. A significant change in the currency exchange rates could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

At March 31, 2009, the Company is exposed to currency risk relating to funds held in US dollars of \$606,000 and Mexican pesos of \$2.2 million. Based on this exposure, a 10% change in the Canadian/US dollar and Canadian/Mexican pesos exchange rate would give rise to an increase/decrease of approximately \$96,619 in income/loss.

b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The majority of the Company's cash is held through a large Canadian financial institution with a high investment grade rating.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk through the management of its capital structure and financial leverage. Accounts payable and accrued liabilities are due within the current operating period.

d) Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any short-term investments included in cash due to the short term nature.

13. SUBSEQUENT EVENT

On April 17, 2009, the Company completed a business combination with Suramina Resources Inc. ("Suramina") pursuant to a Plan of Arrangement ("Arrangement"). Pursuant to the Arrangement, the Company acquired 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 were exchanged for replacement stock options of the Company using the Exchange Ratio.

As a result of the Arrangement, the Company acquired a large holding of gold and base metal properties under exploration in Argentina and Chile as well as claims in Colombia and Peru. Certain of the holdings in Argentina and Chile are under options with joint venture partners.

Suramina's subsidiary, Desarrollo de Prospectos Mineros SA "DPM", has received a claim from the Banco Central de la Republica Argentina ("BCRA") in connection with two foreign exchange transactions made in 2003. It has been alleged that DPM exceeded the maximum allowable limit for foreign exchange conversions on those days. DPM have filed a statement of defence to dismiss this claim. Provisions have not been made in the consolidated financial statements as the likelihood of the loss occurring cannot be determined and the amount of loss if it should occur cannot be reasonably estimated at this early stage. DPM will continue to defend its position.