

FIRST QUARTER REPORT

June 30, 2009



CANADIAN GOLD HUNTER CORP.

Canadian Gold Hunter Corp.

First Quarter Highlights

- The business combination with Suramina Resources Inc. was completed on April 17, 2009. Through the transaction, the Company acquired an outstanding portfolio of South American copper-gold projects. Suramina's most advanced project was Josemaria which contains a NI 43-101 compliant inferred resource at a 0.3% TCu cut off of 460 million tonnes at 0.39% TCu and 0.30 g/t Au. The Josemaria resource is open in several directions. Other significant projects include Los Helados in Chile a large copper gold system, where drilling in early 2009 hit 762 meters of 0.43% copper and 0.22 g/t gold.
- On July 2, 2009 the Company announced a business combination with Sanu Resources, which holds an excellent portfolio of gold and base metal exploration projects in Africa. Sanu's most advanced project is the Hambok deposit in Eritrea which has an NI 43-101 compliant indicated resources of 10.7 million tonnes grading 0.98% copper, 2.25% zinc, 6.84 g/t silver, 0.20 g/t gold containing 231.1 million pounds of copper, 530.7 million pound of zinc, 2.3 million ounces of silver, 68 thousand ounces of gold. There is an additional inferred resource of 17.0 million tonnes of 0.85% copper, 1.74% zinc, 5.89 g/t silver, 0.19 g/t gold containing, 318.5 million pounds of copper, 652.1 million pounds of zinc, 3.2 million ounces of silver, and 103 thousand ounces of gold. If approved by Sanu shareholders the transaction is expected to close by the end of August, 2009.
- At the Caballo Blanco gold project in Veracruz, Mexico work during the quarter focused on detailed mapping and sampling of five additional target area in the Northern Zone which have received much less exploration to date. Each of these zones is similar in size to the Cerro La Paila target where drilling to date has focused. The results of a follow up drill program targeting extensions of the Cerro La Paila target suggest 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.
- At the Los Helados copper/gold porphyry project located in Chile, deep penetrating geophysics utilizing the MIMDAS system was completed over the project area to better define the mineralization at depth. Results obtained subsequent to the quarter end suggest that the system remains open at depth, to the north, and to west. Further drilling at Los Helados is planned for the 2009/2010 season. Los Helados is part of the Vicuna joint venture in which the Company holds a 60% participating interest and JOGMEC holds a 40% participating interest.
- At the Josemaria copper/gold porphyry deposit, the Company carried out a deep penetrating MIMDAS geophysical survey designed to test for the presence of additional mineralization at depth. The results are currently being interpreted and targets will be followed up in a Jogmec funded drill program expected to start in November, 2009

Looking Forward

- During the second quarter the Company plans further drilling on the Zymo copper-gold project located 40 kilometres west of Smithers in central British Columbia.
- Later in the year the Company will commence a new phase of drilling at the Los Helados copper/gold porphyry project.
- The Company also plans a US\$2 million drill program to test extensions of the Josemaria copper/gold porphyry deposit. This program will be funded by JOGMEC who have the option to earn a 40% interest in Josemaria by spending US\$6.13 million over 3 years.

Canadian Gold Hunter's mission is to build a diversified international exploration company which will pursue world class exploration opportunities around the world.



First Quarter 2009
Period Ended June 30, 2009

**CANADIAN GOLD HUNTER CORP.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED JUNE 30, 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 unaudited consolidated financial statements for the three months ended June 30, 2009 and the March 31, 2009 year end audited consolidated financial statements 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 August 13, 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 SANU RESOURCES LTD. ("Sanu")

On July 2, 2009, the Company announced that it has entered into an agreement ("Sanu Agreement") to effect a business combination with Sanu pursuant to a Plan of Arrangement under the Canada Business Corporations Act.

Pursuant to the Sanu Agreement, the Company proposed to acquire all of the issued and outstanding shares of Sanu on the basis of 0.5725 shares of the Company for each one Sanu share (the "Sanu Exchange Ratio"). All outstanding Sanu stock options are to be exchanged for replacement stock options of the Company, the number and exercise price of which will be determined using the Sanu Exchange Ratio. The transaction values the Sanu shares at \$0.233 per share, representing a 25% premium to the 20 day volume weighted average closing price of Sanu. Upon completion of the transaction, Sanu will be a wholly-owned subsidiary of the Company and it is estimated that the Company will have 134,161,066 shares outstanding. Former shareholders of Sanu will hold approximately 17.8% of the outstanding shares of the Company. The transaction is expected to close by the end of August 2009. The Company has certain directors in common with Sanu.

Full details of the transaction, including the terms of the Sanu Agreement, are included in management information circular which has been mailed to shareholders of Sanu. 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 Sanu shareholders present in person or represented by proxy at the special meeting to be held on August 17, 2009.

Sanu brings to the transaction a portfolio of gold and base metal exploration projects located in Africa. Sanu's most advanced project is the Hambok deposit in Eritrea with an NI 43-101 indicated resource (at a 0.75% zinc cutoff) of 10.7 million tonnes grading 0.98% copper, 2.25% zinc, 6.84 g/t silver, 0.20 g/t gold containing 231.1 million pounds of copper, 530.7 million pound of zinc, 2.3 million ounces of silver, 68.8 thousand ounces of gold. There is an additional inferred resource (at a 0.75% zinc cutoff) of 17.0 million tonnes of 0.85% copper, 1.74% zinc, 5.89 g/t silver, 0.19 g/t gold containing, 318.5 million pounds of copper, 652.1 million pounds of zinc, 3.2 million ounces of silver, and 103.8 thousand ounces of gold.

TRANSACTION WITH SURAMINA RESOURCES INC. ("Suramina")

On April 17, 2009, the Company completed a business combination with Suramina pursuant to a Plan of Arrangement ("Suramina Arrangement"). Pursuant to the Suramina Arrangement, the Company acquired all of the issued and outstanding shares of Suramina by issuing 52,227,705 shares on the basis of 0.7541 share for each one Suramina share (the "Suramina Exchange Ratio"). All outstanding Suramina stock options were exchanged for replacement stock options of the Company using the Suramina Exchange Ratio. The Company had certain directors in common with Suramina.

As a result of the Suramina 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.

EXPLORATION REVIEW

The first quarter ended June 30, 2009 was relatively quiet for the Company's exploration team as exploration programs in South America and Mexico wound down for the winter and rainy seasons respectively. During the quarter, deep penetrating geophysical surveys were completed on the Company's copper-gold projects in Argentina and Chile; target development work continued at Caballo Blanco in Mexico and a planned drill program on the Zymo project in Canada waited for snow to melt. Recent activity on the Company's principal projects is summarized below.

Caballo Blanco Project, Mexico

Caballo Blanco is a large high sulphidation epithermal gold system located roughly 70 kilometres north of the port city of Veracruz in Veracruz State, Mexico. The Caballo Blanco property includes approximately 20,500 hectares of mineral tenure which covers three main target areas; the Northern Zone gold target, the Highway Zone gold target, and the Central Zone copper target. The Company has an option to earn a 70% interest in the Caballo Blanco Property from Almaden Minerals Ltd.

The primary target at Caballo Blanco is gold mineralization in the Northern Zone. The Company has completed two phases of diamond drilling focused on Cerro La Paila a strongly silicified ridge which is one of the targets in the Northern Zone. The second phase of drilling consisting of 14 holes (3,606 metres) was completed on March 7, 2009. Drilling and surface sampling to date have traced gold mineralization over approximately 800 meters by 450 meters and to depths of up to 250m. This work suggests that higher grade gold is associated structurally controlled silicified breccia bodies as is common in many high sulfidation gold systems.

During the last quarter the Company re-processed previously collected geophysical data and was able to highlight apparent high angle structures which may represent potential feeder structures.

In addition to Cerro La Paila there are five additional silified zones forming high ridges in the Northern Zone which have received much less exploration. During the first quarter the Company focused on detailed mapping and sampling of these areas to define targets for future drilling. The results of this work will be evaluated in the coming months and will guide decisions on future exploration.

The Caballo Blanco project area like much of Mexico was home to pre-Columbian civilizations and therefore the Company checks areas where road building or other disturbance is planned for archaeological sites. This work is contracted to INAH ("Instituto Nacional de Antropología e Historia") the Mexican government entity responsible for archeology. During the first quarter INAH completed an archaeological survey covering areas where the Company plans to drill. Their final report is pending.

Jose Maria Project, Argentina

Jose Maria is a large copper/gold porphyry project located in San Juan Province, Argentina near the Vicuna group of properties described below. Jose Maria contains a NI 43-101 compliant inferred resource at a 0.3% TCu cut off of 460 million tonnes at 0.39% TCu and 0.30 g/t Au. The Josemaria resource is open in several directions. The Company acquired Josemaria through its acquisition of Suramina Resources completed this quarter.

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 is required to make US\$6.13 million in exploration expenditures over three years in order to acquire the 40% interest. 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.

During the current quarter the Company carried out a deep penetrating MIMDAS geophysical survey designed to test for the presence of additional mineralization at depth. The results are currently being interpreted and targets will be followed up in a Jogmec funded drill program expected to start in November 2009.

Vicuna Project, Argentina and Chile

The Vicuna properties comprise a large land package of approximately 18,300 hectares that covers a number of porphyry copper and high sulfidation gold targets in San Juan Province, Argentina and immediately adjacent parts of Chile. The Vicuna Properties are adjacent to Josemaria and are subject to a separate Joint Venture Exploration Agreement (the "Vicuna JEA") with Jogmec in which the Company holds a 60% participating interest and Jogmec holds a 40% participating interest. Each party funds its pro rata share of expenditures. The Vicuna project includes several copper gold targets that have been explored in the past including: Filo del Sol where previous drilling has indentified near surface copper/gold oxides overlying deeper porphyry copper and diatreme hosted gold targets.

Two more recently defined targets on the Vicuna Properties, Cerro Blanco and Los Helados were drilled earlier in 2009. Two drill holes at Cerro Blanco during early 2009 encountered low grade copper and gold within a large alteration system. In early 2009, the copper-gold porphyry system previously identified at Los Helados (Chile) was tested with two additional deep drill holes totaling approximately 1,529 metres. 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.

During this quarter, a deep penetrating MIMDAS geophysical survey was completed to better define the mineralization at depth and to the north and west. Follow-up drilling is planned for the 2009/2010 field season scheduled to begin in November 2009.

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 containing zinc, lead and silver. 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.

GJ/Kinaskan Project, Canada

The GJ/Kinaskan Property is located in northwest British Columbia, Canada, 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. The GJ project has a measured and indicated resource, of 153.3 million tonnes grading 0.321% copper and 0.369 g/t gold, at a cut off grade of 0.20% copper which contains 1.09 billion pounds of copper and 1.82 million ounces of gold. The resource estimate was prepared to NI 43-101 standards by qualified person Mr. Gary Giroux P.Eng. No further work is planned on the GJ/Kinaskan Project and the Company is actively seeking to divest it.

Zymo Project, Canada

The Zymo property is located 40 kilometres west of Smithers in central British Columbia, Canada. The Company has an option to earn up to a 75% interest in the Zymo property from Eastfield Resources Ltd. 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 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.

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.

The results of this season's work are currently being compiled. 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

Effective April 1, 2009, the Company has adopted the following Canadian Institute of Chartered Accountants new accounting 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. There was no material impact on the Company's financial condition or operating results as a result of the adoption of the new standard.

During the year ended March 31, 2008, the Company changed its accounting policy for mineral property exploration costs whereby 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. The effect of this change in accounting policy resulted in an increase in the net loss and basic and diluted loss per common share of \$1,348,276 and \$0.02 respectively, for the three months ended June 30, 2008 and a decrease in mineral properties and future income taxes liabilities of \$1,281,630 and \$66,645, respectively, at June 30, 2008.

SELECTED QUARTERLY INFORMATION

Financial Data for 8 Quarters								
Three Months Ended	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08	Mar-08	Dec-07	Sep-07
A. Exploration Expenses, net of recoveries (\$000's)	1,140	1,113	1,097	2,349	1,282	1,621	1,296	2,647
B. Net loss (\$000's)	1,920	1,050	1,254	2,648	1,710	2,119	1,308	2,876
C. Basic and diluted loss per share (\$)	0.02	0.02	0.02	0.05	0.03	0.04	0.02	0.05

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.

RESULTS OF OPERATIONS

The Company recorded a loss for the three months ended June 30, 2009 of \$2.0 million or \$0.02 per common share compared to a loss of \$1.7 million or \$0.03 per common share for the comparative period ended June 30, 2008. The increase in loss as compared to 2008 is primarily as a result of higher wages and benefits relating to severance costs totalling \$316,800 paid to the former President and Vice-President of the Company and the acquisition of Suramina. Management fees have also increased as a result of the expansion into South America through the acquisition of Suramina.

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 June 30, 2009, the Company had cash of \$6.5 million and working capital of \$6.8 million as compared to cash and working capital of \$5.1 million and \$5.3 million, respectively, at March 31, 2009.

Net cash used in operating activities was \$3.3 million for the three months ended June 30, 2009 and consisted primarily of the loss from operations of \$2.0 million and adjusted for the impact of non-cash items and changes in non-cash working capital items.

Net cash from investing activities was \$4.7 million and consisted mainly of net cash acquired on the acquisition of Suramina of \$4.8 million offset in part by mineral property expenditures of \$100,650 relating to the Lirio and Zymo properties and other assets of \$16,550 (costs relating to the proposed arrangement with Sanu Resources Ltd).

Based on the Company's financial position at June 30, 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.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("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. Accounting estimates deemed most critical by the Company are discussed in the Company's 2009 annual MD&A dated June 23, 2009. There have been no material changes to the critical estimates discussed in the Company's 2009 annual MD&A.

RELATED PARTY TRANSACTIONS

During the three months ended June 30, 2009, the Company:

- (a) incurred management fees of \$143,919 (2008 - \$84,000) to a company controlled by a director pursuant to an agreement which is renewable on July 1, 2010. At June 30, 2009, \$27,395 (March 31, 2009 - \$7,076) was due to this company and included in amounts due to related parties.
- (b) incurred legal fees of \$6,467 (2008 - \$12,244) to a law firm of which a partner is a director of the Company. At June 30, 2009, \$5,324 (March 31, 2009 - \$27,362) was due to this law firm and included in amounts due to related parties.
- (c) recovered wages and benefits of \$26,250 (2008 - \$Nil) from a company related by common directors and officers. At June 30, 2009, \$27,563 (March 31, 2009 - \$Nil) was due from this company and included in amounts due from related parties.

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 August 13, 2009, the Company had 110,335,991 common shares outstanding and 2,985,557 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, investment, accounts receivable, other assets, accounts payable and accrued liabilities and due to/from related parties and joint venture partners. The carrying value of cash, investment, receivables and payables 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 INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management, under the supervision of the President and Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), is responsible for establishing and maintaining the disclosure controls and procedures of the Company. There have been no changes in the Company's disclosure controls and procedures during the quarter ended June 30, 2009.

The Company's management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP. Any system no matter how well conceived or operated has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation and will not prevent all errors and frauds. There have no changes in the Company's internal control over financial reporting during the three months ended June 30, 2009 that have materially affected, or is reasonably likely to materially affect, the internal control over financial reporting.

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. For a complete discussion of the risks and uncertainties refer to the Company's 2009 annual MD&A file dated June 23, 2009. There have been no material changes in the risks and uncertainties that were discussed in the Company's 2009 annual MD&A.

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 prioritized and the Company will finance further work on those where it considers that it can add the most value, and seek partners for the rest.

Drilling on the South American projects has ended for the southern hemisphere winter, but follow-up drilling is planned for Los Helados. A drill program, funded by Jogmec is also planned for the Josemaria project. Both drill programs are expected to start in late 2009. 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 to review and evaluate results obtained to date will continue during the coming quarter and is expected to be completed in August.

At the Zymo project, 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 started in July 2009.

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 to 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.

Our long term goal is to build the Company into a diversified international exploration vehicle that will provide a platform to pursue world class exploration opportunities around the world. We will pursue both organic growth and seek acquisition opportunities created by recent market turmoil. The Lundin Group's mining business has had some of its biggest successes in South America and Africa- both regions with continued potential to deliver new world class discoveries. If the proposed transaction with Sanu is approved by Sanu shareholders in August, the Company will gain exposure to exploration in Africa and access to a highly experienced international exploration team that will be able to help the Company evaluate the projects in Africa and elsewhere, that will be the key to its future growth.

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.

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

	<u>June 30,</u> <u>2009</u>	<u>March 31,</u> <u>2009</u>
ASSETS		
Current assets		
Cash (Note 5)	\$ 6,518,510	\$ 5,091,454
Investment (Note 6)	9,073	-
Accounts receivable and prepaid expenses	565,180	426,350
Due from related parties (Note 11)	27,563	-
Due from joint venture partners	349,433	-
	<u>7,469,759</u>	<u>5,517,804</u>
Fixed assets, net (Note 7)	585,915	159,310
Mineral properties (Note 8)	17,592,359	3,996,052
Other assets	60,050	372,359
	<u>\$ 25,708,083</u>	<u>\$ 10,045,525</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 594,776	\$ 187,283
Due to related parties (Note 11)	32,718	59,438
	<u>627,494</u>	<u>246,721</u>
Long Term Liabilities		
Future income taxes	875,000	875,000
	<u>1,502,494</u>	<u>1,121,721</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 10)		
110,335,991 shares (2009 - 58,108,286 shares)	130,758,088	113,522,946
Reserved for issuance 20,348 shares (2009 - 20,348 shares)	1,290	1,290
Contributed surplus - stock options	2,540,918	2,574,503
Deficit	(109,094,707)	(107,174,935)
	<u>24,205,589</u>	<u>8,923,804</u>
	<u>\$ 25,708,083</u>	<u>\$ 10,045,525</u>
Nature and Continuance of Operations (Note 1)		
Subsequent Event (Note 14)		

ON BEHALF OF THE BOARD:

/s/William A. Rand
Director

/s/Wojtek A. Wodzicki
Director

CANADIAN GOLD HUNTER CORP.
INTERIM CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
AND COMPREHENSIVE LOSS
(Amounts are stated in Canadian dollars)
(Unaudited)

	Three months ended June 30,	
	<u>2009</u>	<u>2008</u>
		(Restated-Note3)
Expenses		
Exploration and project investigation (Note 9)	\$ 1,139,791	\$ 1,281,630
Management fees	143,919	84,000
Office and general	21,020	6,210
Professional fees	48,134	29,085
Promotion and public relations	25,823	51,390
Stock exchange and filing fees	18,653	12,386
Transfer agent and shareholder information	13,348	6,658
Travel	6,372	1,474
Wages, benefits and severance	433,823	55,149
Stock based compensation	(36,277)	214,174
	<u>1,814,606</u>	<u>1,742,155</u>
Loss before the undernoted items	1,814,606	1,742,155
Other (income) expenses		
Interest income	(7,870)	(11,401)
Foreign exchange gain	47,829	(20,350)
Other expenses	65,207	-
	<u>1,919,772</u>	<u>1,710,404</u>
Loss and comprehensive loss for the period	1,919,772	1,710,404
Deficit, beginning of the period	<u>107,174,935</u>	<u>100,513,367</u>
Deficit, end of the period	<u>\$ 109,094,707</u>	<u>\$ 102,223,771</u>
Basic and diluted loss per common share	<u>\$ 0.02</u>	<u>\$ 0.03</u>
Weighted average number of shares outstanding	<u>100,579,167</u>	<u>54,003,226</u>

See notes to consolidated financial statements

CANADIAN GOLD HUNTER CORP.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts are stated in Canadian dollars)
(Unaudited)

	Three months ended	
	June 30,	
	2009	2008
		(Restated-Note3)
Cash flows from (used in) operating activities		
Loss for the period	\$ (1,919,772)	\$ (1,710,404)
Items not affecting cash		
Depreciation	50,070	8,510
Stock based compensation	(33,585)	257,210
	(1,903,287)	(1,444,684)
 Changes in non-cash working capital items		
Accounts receivable and prepaid expenses	167,896	(212,811)
Accounts payable and accrued liabilities	(832,340)	(165,508)
Due to/from related parties	(173,204)	(9,842)
Advances from joint venture partners	(515,556)	-
	(3,256,491)	(1,832,845)
 Cash used in investing activities		
Net cash received from acquisition	4,800,747	-
Mineral properties and related expenditures	(100,650)	(20,000)
Purchase of equipment	-	(5,325)
Other assets	(16,550)	-
	4,683,547	(25,325)
 Increase (decrease) in cash	1,427,056	(1,858,170)
 Cash, beginning of the period	5,091,454	4,111,307
 Cash, end of the period	\$ 6,518,510	\$ 2,253,137

See notes to consolidated financial statements

CANADIAN GOLD HUNTER CORP.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2009
(Amounts are stated in Canadian dollars, unless otherwise stated)
(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 in North and South America.

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. 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 2 to the Company's audited consolidated financial statements for the year ended March 31, 2009.

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 2009 Annual Report.

3. CHANGES IN ACCOUNTING POLICIES

Effective April 1, 2009, the Company has adopted the following Canadian Institute of Chartered Accountants new accounting 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. There was no material impact on the Company's financial condition or operating results as a result of the adoption of the new standard.

During the year ended March 31, 2008, the Company changed its accounting policy for mineral property exploration costs whereby 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. The effect of this change in accounting policy resulted in an increase in the net loss and basic and diluted loss per common share of \$1,348,276 and \$0.02 respectively, for the three months ended June 30, 2008 and a decrease in mineral properties and future income taxes liabilities of \$1,281,630 and \$66,645, respectively, at June 30, 2008.

4. ACQUISITION OF SURAMINA RESOURCES INC.

On April 17, 2009, the Company acquired Suramina Resources Inc ("Suramina") through a plan of arrangement by issuing a total of 52,227,705 shares to the shareholders of Suramina on the basis of 0.7541 share for each Suramina share. The Company had certain directors in common with Suramina.

The net assets acquired on the acquisition of Suramina are not considered to meet the definition of a business under Emerging Issues Abstract 124, as published by the Canadian Institute of Chartered Accountants, accordingly, the acquisition had been accounted for as a purchase of assets and liabilities. The allocation of the purchase price is summarized as follows:

Purchase price:

Share issued on acquisition (52,227,705 shares)	\$17,235,143
Acquisition costs	<u>393,735</u>
	<u>\$17,628,878</u>

Net assets acquired

Cash	\$ 4,865,652
Accounts receivable and prepaid expenses	306,726
Due from joint venture partners	20,684
Fixed assets	476,675
Mineral properties	13,495,627
Accounts payable and accrued liabilities	(1,239,830)
Due to related parties	(118,922)
Due to joint venture partners	<u>(177,734)</u>
	<u>\$17,628,878</u>

The purchase price has been allocated to the fair value of the assets acquired and liabilities assumed based on management's best estimates and taking into account all available information at the time of acquisition.

For the three months ended June 30, 2009

Cash acquired on acquisition	\$4,865,652
Cash paid for transaction costs	<u>(64,905)</u>
Net cash received from the acquisition	<u>\$4,800,747</u>

5. CASH

As at June 30, 2009, the Company is committed to spend approximately \$423,000 (March 31, 2009-\$423,000) 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.

6. INVESTMENT

Investment is comprised of available for sale marketable securities in TNR Resources Corp ("TNR") shares with a fair value of \$9,073 (2009-\$nil) as at June 30, 2009. These securities were received from TNR as settlement of amounts owed in respective of their share of costs on joint venture properties.

7. FIXED ASSETS, NET

June 30, 2009

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture and office equipment	\$ 212,989	\$ (36,317)	\$ 176,672
Vehicles	107,098	(39,507)	67,591
Field equipment	<u>369,184</u>	<u>(27,532)</u>	<u>341,652</u>
	<u>\$ 689,271</u>	<u>\$ (103,356)</u>	<u>\$ 585,915</u>

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	<u>93,188</u>	<u>(28,120)</u>	<u>65,068</u>
	<u>\$ 212,054</u>	<u>\$ (52,744)</u>	<u>\$ 159,310</u>

8. MINERAL PROPERTIES

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

	<u>June 30, 2009</u>	<u>March 31, 2009</u>
Canada		
GJ/Kinaskan	\$ 261,552	\$ 261,552
Zymo	108,000	78,000
Mexico		
Caballo Blanco	3,656,500	3,656,500
South America		
Unallocated	<u>13,566,307</u>	<u>-</u>
Total	<u>\$17,592,359</u>	<u>\$ 3,996,052</u>

(a) CANADIAN PROPERTIES

(i) 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.

(ii) 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 (\$50,000 paid) and completing exploration expenditures of \$4 million (\$1.1 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.

(b) MEXICAN PROPERTY

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\$7.7 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.

If the Company elects to complete a Bankable Feasibility Study in connection with the Property, the Company has agreed to sole fund all costs. The Company is entitled to recover on a preferential basis, all the expenditures it has incurred to exercise the option and to complete the feasibility study from the proceeds of production.

(c) SOUTH AMERICAN PROPERTIES ACQUIRED FROM SURAMINA

The allocation of the purchase consideration to individual properties acquired in the acquisition of Suramina has not yet been finalized.

(i) Vicuna Joint Exploration Agreement (“Vicuna JEA”), Argentina

The Vicuna properties comprise a portion of the Lirio properties (Note 8(c)(iii)), the Vicuna property (Note 8(c)(iv)), the La Chola property (Note 8(c)(vi)) and certain staked properties including the Los Helados project directly across the border in Chile. These properties are subject to the Vicuna JEA with Japan oil, Gas and Metals National Corporation (“Jogmec”) whereby the Company and Jogmec are funding expenditures on a pro rata basis as to 60% and 40% respectively. Amount due from Jogmec at June 30, 2009 was US\$131,000.

(ii) Jose Maria and Batidero properties, Argentina

The Jose Maria and the adjacent 75% owned Batidero properties are subject to a joint exploration agreement ("Jose Marie JEA") with 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 is required to spend a total of US\$6.13 million in exploration expenditures over a period of three years in order to meet the terms of the option agreement. Once Jogmec has earned its interest, the partners will fund ongoing expenditure pro-rata to their ownership interest. Amount due from Jogmec at June 30, 2009 was US\$163,000.

(iii) Lirio Properties: copper/gold exploration properties in San Juan Province

The Company has a 100% ownership in the Lirio properties, comprising of the Jose Maria deposit and various other exploration targets. If a mine is put into production, the underlying property holder is entitled to a 0.5 % Net Smelter Return and a further US\$2 million within 6 months following the second complete year of mine operations.

A portion of the Lirio properties (excluding Jose Maria) forms part of the Vicuna JEA (Note 8(c)(i)). The Jose Maria property forms part of the Jose Maria JEA (Note 8(c)(ii)).

(iv) Vicuña Property: copper/gold exploration property in San Juan Province

The Company has a 75% interest in the Vicuna properties, which forms part of the Jogmec Vicuna JEA (Note 8(c)(i)). Within 30 months after a mine goes into production, a US\$1,100,000 is payable to the other 25% owners.

(v) Batidero Property: gold/silver exploration property in San Juan Province Northern Properties: copper and gold exploration property in San Juan/La Rioja Provinces

The Company has a 75% interest in the Batidero and Northern Properties and TNR TNR has the remaining 25%. The Company and TNR are funding expenditures pro-rata to their interest. As at June 30, 2009, TNR owes the Company US\$9,000 for their share of expenditures. The Batidero forms part of the Jose Maria JEA (Note 8(c)(ii)).

(vi) La Chola Project: copper and gold exploration property in La Rioja Province

During 2004, the Company signed an agreement with Lancaster/Didier de Antonio whereby the Company can earn a 100% interest in the La Chola Project through payments in stages totaling US\$375,000 over 8 years subject to a 1 % NSR. As at March 31, 2009, the Company has paid an accumulated amount of US\$150,000. All option payments are on hold since the property was put under force majeure in April 2007.

The La Chola Project forms part of the Vicuna JEA (Note 8(c)(i)) and is under force majeure due to anti-mining legislation in La Rioja Province.

In addition to the above mentioned properties acquired under option agreements, the Company has other properties in Argentina, acquired by staking, such as the Cerro Blanco (La Rioja Province), El Porto (Sillimanita), Cerro Cuadro (Santa Cruz), El Bagueel (Santa Cruz) and Elisa (Mendoza) properties. The Cerro Blanco property straddles the Argentinean and Chilean border and forms part of the Vicuna JEA (Note 8(c)(i)).

CHILEAN PROPERTIES

The Company has acquired, by staking, several mineral exploration concessions directly across the border in Chile from Argentina (most notably the Los Helados Property). The Los Helados property forms part of the Vicuna JEA (Note 8(c)(i)).

PERUVIAN AND COLOMBIAN PROPERTIES

The Company has acquired by staking several mineral exploration concessions in Peru and Colombia.

9. EXPLORATION COSTS

	GJ, Kinaskan and Zymo Canada	Caballo Blanco Mexico	South America	Other	Total
Exploration Expenditures for the three months ended June 30, 2009					
Assaying	\$ 190	\$ -	\$ -	\$ -	190
Drilling	-	-	47,226	-	47,226
Environmental & community relation	-	2,624	27,589	-	30,213
Field supplies, equipment and camp costs	496	155,065	(15,050)	-	140,511
Geological, geophysical & geochemical	14,085	3,336	103,875	-	121,296
Roadwork	-	13,929	72,585	-	86,514
Maps and reports	768	40,352	-	-	41,120
Office miscellaneous	-	16,836	80,897	-	97,733
Licenses, fees and access rights	-	-	123,985	-	123,985
Professional	-	33,020	222,414	-	255,434
Stock based compensation	1,197	1,496	-	-	2,692
Transport and travel	1,014	21,346	84,085	-	106,445
Value added tax	-	-	86,432	-	86,432
Total for the period	\$ 17,750	\$ 288,003	\$ 834,038	\$ -	\$ 1,139,791
Exploration Expenditures for the three months ended June 30, 2008					
Assaying	\$ 1,553	\$ 36,116	\$ -	\$ -	37,669
Drilling	-	605,371	-	-	605,371
Environmental & community relation	9,187	10,028	-	-	19,215
Expediting and project supervision	-	80,838	-	357	81,195
Field supplies, equipment and camp costs	19,277	41,873	-	-	61,150
Fuel	-	154,543	-	-	154,543
Geological, geophysical & geochemical	36,455	69,259	-	3,506	109,220
Roadwork	-	57,067	-	-	57,067
Helicopter	9,818	-	-	-	9,818
Maps, staking and reports	3,749	4,784	-	2,393	10,926
Office miscellaneous	-	(36,895)	-	-	(36,895)
Licenses, fees and access rights	-	61,412	-	-	61,412
Professional	12,444	13,383	-	-	25,827
Stock based compensation	10,780	32,255	-	-	43,035
Transport and travel	1,503	40,574	-	-	42,077
Total for the period	\$ 104,766	\$ 1,170,608	\$ -	\$ 6,256	\$ 1,281,630

10. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares with no par value.

(b) Issued and outstanding:

Common shares	Number of Shares	Share Capital Amount	Contributed Surplus Amount
Balance, March 31, 2009	58,108,286	\$113,522,946	\$ 2,574,503
Issued for 100% of Suramina shares (Note 4)	52,227,705	17,235,143	-
Stock based compensation	<u>-</u>	<u>-</u>	<u>(33,585)</u>
Balance, June 30, 2009	<u>110,335,991</u>	<u>\$130,758,089</u>	<u>\$ 2,540,918</u>

(c) Incentive stock options issued and outstanding 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.

The continuity of incentive stock options issued and outstanding is as follows:

	Number of Shares	Weighted-average exercise price
Outstanding at March 31, 2009	2,554,000	\$1.60
Granted in exchange for Suramina's options	1,166,967	\$1.33
Forfeited/Expired	<u>(735,410)</u>	\$1.50
Outstanding at June 30, 2009	<u>2,985,557</u>	\$1.52
Exercisable at June 30, 2009	<u>2,496,411</u>	\$1.57

The fair value of the stock options granted in exchange for Suramina's options was estimated using the Black-Scholes option- pricing model with the following assumptions:

Dividend Yield	0%
Average risk free interest rate	1.10%
Expected volatility	97.42%
Expected life of option	1.24 years

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 June 30, 2009 is 1 year. At June 30, 2009, the Company had an additional \$42,358 in stock-based compensation expense to be recognized in operations.

(d) As at June 30, 2009, there were no share purchase warrants outstanding.

11. RELATED PARTY TRANSACTIONS

In addition to items noted elsewhere in these consolidated financial statements, during the three months ended June 30, 2009, the Company:

- (a) incurred management fees of \$143,919 (2008 - \$84,000) 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 June 30, 2009, \$27,395 (March 31, 2009 - \$7,076) was due to this company and included in amounts due to related parties.
- (b) incurred legal fees of \$6,467 (2008 - \$12,244) to a law firm of which a partner is a director of the Company. At June 30, 2009, \$5,324 (March 31, 2009 - \$27,362) was due to this law firm.
- (c) recovered wages and benefits of \$26,250 (2009 - \$Nil) from a company related by common directors and officers. At June 30, 2009 \$27,563 (March 31, 2009 - \$Nil) was due from this company.

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.

12. SEGMENTED INFORMATION

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

13. 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.

14. SUBSEQUENT EVENT

On July 2, 2009, the Company announced that it has entered into an agreement ("Sanu Agreement") to effect a business combination with Sanu pursuant to a Plan of Arrangement under the Canada Business Corporations Act.

Pursuant to the Sanu Agreement, the Company proposed to acquire all of the issued and outstanding shares of Sanu on the basis of 0.5725 shares of the Company for each one Sanu share (the "Sanu Exchange Ratio"). All outstanding Sanu stock options are to be exchanged for replacement stock options of the Company, the number and exercise price of which will be determined using the Sanu Exchange Ratio. The transaction values the Sanu shares at \$0.233 per share, representing a 25% premium to the 20 day volume weighted average closing price of Sanu. Upon completion of the transaction, Sanu will be a wholly-owned subsidiary of the Company and it is estimated that the Company will have 134,161,066 shares outstanding. Former shareholders of Sanu will hold approximately 17.8% of the outstanding shares of the Company. It is expected the transaction to close by the end of August 2009. The Company has certain directors in common with Sanu.

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 Sanu shareholders present in person or represented by proxy at the special meeting to be held on August 17, 2009.