

A N N U A L R E P O R T

DECEMBER 31, 2009



NGEx RESOURCES INC.
(Formerly Canadian Gold Hunter Corp.)



Letter to Shareholders For the Year Ended December 31, 2009

To our shareholders,

The past year was one of significant positive changes for the Company. We believe that the consolidation of three of the Lundin Group's junior exploration companies, Canadian Gold Hunter, Suramina and Sanu, into NGEX has created a company that is very well positioned to benefit from several powerful long term trends affecting both the global economy and the mining industry.

- Despite the disruption caused by the financial crisis, the underlying fundamentals that drove the commodity boom through the last decade remains intact. Increasing demand for commodities, driven by growth in developing economies, is paired with a general lack of significant new discoveries to replace resources that continue to be depleted through mining of existing deposits. This story is particularly robust for copper and gold.
- Reserve replacement is increasingly difficult for the major mining companies who have reduced in-house exploration and increasingly rely on acquisitions to replace and add to reserves. This trend is particularly acute for gold companies who are more and more turning to porphyry copper gold deposits to replace mined ounces.
- Companies from Asia have emerged as strong competitors for the acquisition of large, long life resources located anywhere in the world, but particularly on the Pacific basin.

All of the above will make an exploration company that controls copper-gold deposits with access to Pacific tidewater and good exploration potential particularly valuable in the coming years. This underpins the investment case for NGEX which controls significant copper-gold resources in North and South America as well as copper-zinc-gold resources in Africa. NGEX's combined resource base of 673 million pounds of copper and 833,000 ounces of gold in Measured and Indicated Resources and, 4.4 million pounds of copper and 4.8 million ounces of gold in Inferred Resources, located in attractive mining jurisdictions, with significant exploration upside are likely to be of great interest to a wide variety of mining companies and this in time has the potential to deliver significant value for NGEX shareholders.

The merger of the three regional exploration companies resulted in a very large and diverse portfolio. Over the six months since completing the transactions that created NGEX we have ranked our projects and prioritized those which have the best potential to create value through investing our own exploration dollars. We believe that can best be done on our copper and copper-gold projects and particularly those where we can add value to existing resources, Our current areas of focus are:

- Porphyry copper-gold projects in South America
 - Los Helados, Chile
 - Josemaria, Argentina
- Copper-gold ± (zinc) massive sulfide projects in Eritrea
 - Hambok and surrounding license

We are also funding smaller earlier stage programs that have the potential to generate this type of project in the future including a copper project in Congo and copper projects in Chile.

It is not practical to fund or staff all of our exploration ideas and therefore we have an ongoing successful effort to attract partners and realize value for good ideas that we are not funding ourselves. Divestments and partnerships are an important source of additional funding that does not dilute existing shareholders and allows us maintain exposure to a wider variety of projects in a cost effective manner. Approximately 30% of our total exploration budget comes from partners such as JOGMEC who are our partners in South America. In the course of the year, we divested our interest in the Caballo Blanco gold Project in Mexico

and the Nyieme gold project in Burkina Faso. There will be additional divestments as we complete ongoing discussions regarding other projects where we feel we can add value and decrease risk by bringing in partners. Where possible we plan to retain a share in the upside of projects that we like by retaining a partial interest, taking payment in shares and/or retaining royalties.

As a result of income from divestments, primarily the sale of Caballo Blanco, and an \$8.7 million financing completed late last year, the Company is well funded and can fund all its existing programs as well as take advantage of new opportunities, or follow up on success in any of its existing programs.

Our long term goal for NGEX is to create significant market value by acquiring or discovering a project with major exploration potential and defining a world class resource. The acquisition or discovery of a flagship project is a major objective for 2010. We believe that we can best do this by focusing on projects that are between the discovery and resource stage. It does not matter whether we make the discovery ourselves or acquire them at an early stage - it is only important that we add value through exploration. Along the way we will try to realize value for our near misses and any good opportunities that are a better fit for others.

The past year was a year of consolidation and rationalization for NGEX. Our intent is to make 2010 a year of significant value addition and growth.

On behalf of the Board of Directors,

Wojtek Wodzicki
President and CEO

March 23, 2010

NGEx RESOURCES INC.
(Formerly Canadian Gold Hunter Corp.)
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2009

This MD&A focuses on significant factors that have affected NGEx Resources Inc. ("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 nine months ended December 31, 2009 and the year ended March 31, 2009 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 March 26, 2010.

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.ngexresources.com.

OVERVIEW

The Company is principally engaged in the acquisition, exploration and development of precious and base metal properties located in Africa, North and South America.

HIGHLIGHTS

The nine months ended December 31, 2009 was a busy one for the Company. We completed two acquisitions, an \$8.7 million equity financing, continued a successful program to divest non-core assets and began drill programs in South America and Africa.

FINANCING

In December, 2009, the Company completed a private placement of 12.43 million common shares of the Company at a price of \$0.70 per share for gross proceeds of \$8.70 million. Finder's fees totalling \$294,000 were paid on a portion of the private placement.

SALE OF CABALLO BLANCO

On November 23, 2009 the Company entered into a Share Purchase Agreement ("Goldgroup Agreement") with Goldgroup Resources Inc. ("Goldgroup") to sell its wholly owned Mexican subsidiary that held the option to acquire a 70% interest in the Caballo Blanco Project located in Mexico. Pursuant to the Goldgroup Agreement, Goldgroup agreed to pay the Company staged cash payments totaling \$6 million and 9 million shares of Goldgroup ("Consideration Shares"). The Consideration Shares were received and the last payment of \$3 million was paid in February, 2010 in the form of a promissory note due on May 31, 2010. The promissory note is secured by the shares of 0788598 BC Ltd, the parent company of the Mexican subsidiary. Goldgroup is seeking to complete a going public event ("Going Public Event") which will result in a public listing of its shares.

If the value of the Consideration Shares after Goldgroup's Going Public Event is less than \$6.3 million, then Goldgroup shall issue additional shares such that the aggregate value of the Consideration Shares shall be equal to no less than \$6.3 million. In addition, the Company will receive a 1.5% net smelter return royalty and upon the project reaching commercial production shall receive a one time advance royalty payment in the amount of \$5 million. The royalty does not apply to a small area of the property defined as the Caballo Blanco Copper Project.

TRANSACTION WITH SANU RESOURCES LTD. ("Sanu")

On August 20, 2009, the Company completed a business combination with Sanu pursuant to a Plan of Arrangement ("Sanu Arrangement"). Pursuant to the Sanu Arrangement, the Company acquired all of the issued and outstanding shares of Sanu by issuing a total of 23,825,075 shares on the basis of 0.5725 share for each one Sanu share ("Sanu Exchange Ratio"). All outstanding Sanu stock options were exchanged for replacement stock options of the Company using the Sanu Exchange Ratio. The Company had certain directors and significant shareholders in common with Sanu.

As a result of the Sanu Arrangement, the Company acquired a portfolio of gold and base metal exploration projects located in Africa.

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 a total of 52,227,705 shares on the basis of 0.7541 shares of the Company for each one Suramina share ("Exchange Ratio"). All outstanding Suramina stock options were exchanged for replacement stock options of the Company using the Exchange Ratio. The Company had certain directors and significant shareholders 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 as well as claims under application in Colombia.

EXPLORATION HIGHLIGHTS

During the nine months ended December 31, 2009 the Company:

- Completed a 2,253 metre drill program at its Josemaria copper-gold project in Argentina. Drill results are expected in late March, 2010. A 3,700 metre drill program at the Los Helados Project in Chile began in early January, 2010.
- Started a 2,000 metre drill program to test targets on its licenses in Eritrea. The program will test new targets discovered in earlier regional reconnaissance programs, drill a possible extension of the Hambok Deposit, and try to better define an apparent higher grade core to the Hambok deposit. This program will continue into the first quarter of calendar 2010.
- Received approval for its exploration license applications in Congo-Brazzaville.
- Divested its option to earn a 70% interest in the Caballo Blanco gold project in Mexico to Goldgroup Resources in exchange for staged payments of \$6 million, 9 million shares of Goldgroup, and a 1.5% net smelter return royalty.
- Divested its option to earn a 100% interest in the Nyieme gold project in Burkina Faso to Goldplat Plc in exchange for cash payments, a work commitment, and a 2% net smelter return royalty.

SOUTH AMERICAN PROJECTS

With the onset of the Southern Hemisphere summer in October, 2009 the Company's exploration programs in the Andes began in earnest with drilling on two advanced projects (Jose Maria and Los Helados) and target development work on earlier stage projects in Chile.

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 of 460 million tonnes at 0.39% tonnes copper and 0.30 grams/tonne gold at a 0.3% copper cut off. The Jose Maria resource is open in several directions. The Company acquired Jose Maria through its acquisition of Suramina completed in April 2009.

The Jose Maria and the adjacent 75% owned Batidero properties are subject to a joint exploration agreement ("Jose Maria JEA") dated March 16, 2009 with Japan Oil, Gas and Metals National Corporation ("Jogmec"). The Jose Maria 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 Maria JEA and is required to make US\$6.13 million in exploration expenditures over three years in order to acquire the 40% interest. Jogmec plans to spend US\$2 million (US\$1.7 million spent to December 31, 2009) during the 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 December 2009 quarter the Company completed a seven hole, 2,253 metre drill program. The objective of the drilling was to test the potential for a significant expansion of the existing resource. All holes were drilled outside the 0.3% copper shell of the current resource. Complete assays are expected by the end of March, 2010.

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 Jose Maria 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 oxides and gold within a diatrema hosted gold target and a deeper porphyry copper target. Another significant copper-gold system has been identified at Los Helados on the Chilean portion of the Vicuna Property. Drilling completed in the first half of 2009 included drill hole LH 04 which intercepted 762 metres of 0.43% copper and 0.22 grams/tonne gold with the final 43 metres grading 0.74% copper and 0.23 grams/tonne gold.

A deep penetrating MIMDAS geophysical survey was completed in the quarter ended June 2009 to better define the mineralization at depth and to the north and west of LH 04. This survey defined a chargeability anomaly measuring approximately 1,000 metres by 750 metres located just to the north of drill hole LH 04. Drilling to test this target began in early January, 2010 and is expected to continue through to the end of March, 2010. Approximately 3700 metres of diamond drilling is planned with the potential to expand the program if results are encouraging.

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 years 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.

Chilean Properties

Regional exploration and prospecting continued on a number of early stage copper-gold projects in Chile. Reconnaissance mapping and geochemical sampling was carried out on two porphyry copper prospects Colmillos and Andrea both located in central Chile. At Colmillos mapping has defined a 2 kilometre long trend of tourmaline breccia bodies with occasional copper oxides and strongly anomalous molybdenum analyses in rock chip samples. Planning is underway to construct a road to access the area and to conduct a geophysical survey over the breccia trend. At Andrea mapping has defined a 1000 metre by 500 metre zone of potassic alteration with stockwork veining. Strongly anomalous copper values were obtained from sampling of talus fines over this zone. Further work is planned at Andrea. The objective of work at Andrea and Colmillos is to develop drill targets by the end of the year.

Other South American Properties

There was no exploration activity on the Companies other properties in Argentina, Colombia and Peru during the nine months ended December 31, 2009. The Company continues efforts to joint venture or divest of non-core properties in Argentina.

NORTH AMERICAN PROJECTS

GJ/Kinaskan Project, Canada

The GJ/Kinaskan Property is located in northwest British Columbia, Canada, about 10 kilometres west of Highway 37. The Company has a 100% working interest in the property. The BC and Federal Governments recently announced plans to build a new power line along the Highway 37 corridor. When completed the proximity of grid power would have a positive effect on the economics of the GJ project. 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 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. and is filed on SEDAR under the Company's profile.

During the quarter the Company announced plans to review the potential of its GJ copper-gold project to host high grade copper-gold mineralization similar to that reported from Imperial Metals Corporation's Red Chris project located approximately 25 kilometres to the east of GJ. Mineralization at GJ and Red Chris is geologically similar and both deposits are believed to be associated with similar Jurassic age intrusions. Drilling to date at GJ has focused on the southwest margins of the Jurassic Groat Stock. The rest of the stock which extends for approximately 10 kilometres to the northwest and is believed to be associated with the mineralization has seen limited drilling. The Company plans to review its extensive geological, geochemical, and geophysical database on the property to try to identify areas with potential for high grade zones similar to those at Red Chris.

The positive news from the Government with regards to infrastructure improvements as well as positive drill results from the Red Chris Deposit has raised the profile of the GJ project and the Company has received several expression of interest in the project. The Company will continue to consider all options to realize value from its investment in GJ.

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 ("Eastfield"). The initial exploration program on the Hobbes target included a 6-hole 1,550-metre diamond drill program in 2008, 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. A drill program completed in July, 2009 traced the Hobbes zone over 600 metres in an east-west direction. Work on the Zymo property to date has confirmed the presence of a sulphide mineralized copper-gold system that is over 8 kilometres long and 2 kilometres wide and hosts several mineralized targets including the Hobbes and FM. The Company is reviewing the possibility of doing further work on this property.

The Company has the option to earn a 60% interest in the property by completing exploration expenditures of \$4 million over five years. The Company may earn an additional 10% interest by completing a feasibility study and an additional 5% by arranging mine financing for Eastfield.

AFRICAN PROPERTIES

Eritrea

The Company holds two exploration licenses which cover extension of the rocks hosting Nevsun Resources's Bisha copper-zinc-gold deposit. The Company's Mogoraib License hosts the Hambok deposit which has a NI 43-101 compliant 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 and 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. The wide spaced drilling to date suggests the presence of a higher grade core to the Hambok Deposit although more drilling is required to better define this zone. This report is filed under the Company's profile on SEDAR.

In December, 2009 the Company started an approximately 2,000 metre drill program that is targeting volcanogenic massive sulphide targets on its Mogoraib and Kerkebeit licenses. Drilling will test additional targets at the Koken Prospect where initial drilling in 2008 intersected encouraging results and a new mineralized gossan known as the Aradaib prospect that was identified by prospecting. Initial mapping identified 350 metre of discontinuous strike exposure of the gossan. Of twelve rock chip samples taken, ten returned anomalous gold values (100 to 350ppb) with two assaying 4.1 and 8.9gpt, five had Cu values >1,000ppm, and two had Pb >1,000ppm. Zn is moderately anomalous in all of them. Drilling will also test possible extensions to the Hambok deposit identified by a gradient IP survey conducted in November, 2009 as well as trying to better define the higher grade core of the Hambok Deposit.

In September 2009 the Company was granted two new prospecting licenses in Northern Eritrea. The Shukula license covers a 400 metre long gossan outcrop with strongly anomalous gold and base metal values in surface sampling. The Lelit license covers the extension of the Shukula stratigraphy to the south. A gravity survey is planned in mid 2010 to try to define the size and extent of these gossan occurrences.

Burkina Faso

On December 21st, 2009 the Company signed an agreement to sell its option to earn an interest in the Nyeime Project to Goldplat Plc for cash payments of \$50,000, \$500,000 in exploration expenditures and a 2% Net Smelter Return royalty. The Company is continuing efforts to divest its remaining 4 exploration licenses in Burkina Faso.

Congo-Brazzaville

In late December, 2009 the Company received final approval of two exploration licenses in Congo-Brazzaville. The licenses cover 1579 square kilometres of ground in the Boko Songo-Mindouli trend where mining during French colonial times exploited high grade copper and zinc ore bodies hosted in carbonate rocks. A Chinese group is currently reopening some of the historic mines. The Company is planning mapping, sampling, and geophysics in order to define targets for possible drill testing later this year.

Sudan

For political and security reasons, the Company decided not to pursue its right to acquire an exploration concession in Sudan and as a result sold this right for consideration of US\$100,000 subsequent to year end.

CHANGE OF YEAR END

In November, 2009, the Company changed its financial year end from March 31 to December 31. As a result of the change, the Company has a nine month transitional financial period ended December 31, 2009. This change was made to align the Company's reporting periods with its subsidiaries.

SELECTED ANNUAL INFORMATION

	Nine months ended <u>December 31, 2009</u>	Year ended <u>March 31, 2009</u>	Year ended <u>March 31, 2008</u>
<i>Statement of Operations Data (\$000's)</i>			
Total Revenue	\$ NIL	\$ NIL	\$ NIL
Exploration expenditures	\$ 3,768	\$ 5,841	\$ 6,805
Net income (loss)	\$ 3,628	\$ (6,662)	\$ (8,355)
<i>Data per Common Share (\$)</i>			
Basic and Diluted Net income (loss)	\$ 0.03	\$ (0.12)	\$ (0.16)
<i>Balance Sheet Data (\$000's)</i>			
Total Assets	\$ 52,655	\$ 10,046	\$ 8,719
Long Term Liabilities	\$ -	\$ 875	\$ 875

SELECTED QUARTERLY INFORMATION

Financial Data for 8 Quarters								
Three Months Ended	Dec-09	Sep-09	Jun-09	Mar-09	Dec-08	Sep-08	Jun-08	Mar-08
A. Exploration Expenses, net of recoveries (\$000's)	1,181	1,448	1,140	1,113	1,097	2,349	1,282	1,621
B. Net income (loss) (\$000's)	7,395	(1,855)	(1,920)	(1,050)	(1,254)	(2,648)	(1,710)	(2,119)
C. Basic and diluted income (loss) per share (\$)	0.05	(0.02)	(0.02)	(0.02)	(0.02)	(0.05)	(0.03)	(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, exploration results and availability of funds.

The net income for the fourth quarter ended December 2009 is primarily due to the gain realized from the sale of the Company's subsidiaries which held the option on the Caballo Blanco property.

RESULTS OF OPERATIONS

NINE MONTHS ENDED DECEMBER 31, 2009 COMPARED TO YEAR ENDED DECEMBER 31, 2008

The Company's income for the nine months ended December 31, 2009 was \$3.3 million as compared to a loss of \$5.6 million for the year ended December 31, 2008. As noted above, the increase in income for the nine months ended December 31, 2009 was primarily due to a gain of \$9.2 million realized from the sale of the Company's subsidiaries which hold the option on the Caballo Blanco property. Exploration expenditures were lower at \$3.8 million compared to \$5.8 for the prior full year period due to reduced exploration expenditures levels in light of market conditions. Stock based compensation expenses were also lower at \$133,000 from \$514,000 for the prior full year period and relates to the amount of options granted and vested during the period. Wages and benefits were higher at \$670,000 from \$242,000 for the prior full year period due to severance costs paid to the former President and Vice-President of the Company. Management fees for services and office facilities have also increased to \$434,000 from \$336,000 for the prior full year period as a result of the expansion into South America and Africa through the acquisition of Suramina and Sanu.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2009, the Company had cash of \$14.2 million and working capital of \$24.3 million as compared to cash and working capital of \$5.1 million and \$5.3 million, respectively, at March 31, 2009. The increase in cash and working capital is primarily due to the completion of a private placement and the sale of its subsidiaries to Goldgroup. In December 2009, the Company completed a private placement of 12.43 million common shares of the Company at a price of \$0.70 per share for gross proceeds of \$8.7 million. Finder's fees totalling \$294,000 were paid on a portion of the private placement.

Net cash used in operating activities was \$5.6 million for the year ended December 31, 2009 and consisted primarily of the income from operations of \$3.6 million and adjusted for the impact of non-cash items and changes in non-cash working capital items.

Net cash from financing activities was \$8.5 million and consisted of the net proceeds from the private placement completed in December, 2009 and stock options exercised.

Net cash from investing activities was \$6.2 million and consisted mainly of net cash received on the acquisition of Suramina and Sanu of \$5.4 million, net cash of \$860,000 from the sale of subsidiaries, offset in part by mineral property expenditures of \$100,000 relating to the Lirio and Zymo properties.

Based on the Company's financial position at December 31, 2009, the Company believes that existing funds will be sufficient to perform all currently planned discretionary exploration and general corporate activities for at least the next twelve months. Additional funding through either equity financing or divestures will be required in the future to fund further exploration and corporate expenses. There can be no assurance that such 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.

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.

EIC 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. The adoption of this Section had no material impact on the Company's financial statements.

EIC 174, "Mining Exploration Costs". This standard provides guidance on the capitalization of exploration costs related to mining properties, in particular, and on impairment of mineral properties. The adoption of this standard had no material impact on the Company's financial statements.

NEW ACCOUNTING PRONOUNCEMENTS

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 for the Company will be required for the first quarter of 2011. Comparative figures presented in these financial statements are also required to comply with IFRS.

The Company's conversion plan to transition from Canadian GAAP to IFRS consists of three phases:

- Phase 1 (Scoping and diagnostic) – A preliminary diagnostic review which included the determination, at a high level, of the financial reporting differences and options under IFRS and the key areas that may be impacted was completed in 2008.
- Phase 2 (Impact analysis, quantification and evaluation) – In this phase, the Company will perform a detailed assessment and technical analysis of each area identified from Phase 1 that will result in the conclusion of IFRS transitional adjustments, decisions on accounting policy choices and the drafting of accounting policies. The Company has started this second phase with completion expected in the second quarter of 2010.
- Phase 3 (Implementation phase) – This phase includes the collection of financial information necessary to compile IFRS compliant financial statements and the preparation of the opening balance sheet as at January 1, 2010 and will be carried out in the second half of 2010.

Based on the review in phase 1 and the work to date under phase 2, a number of key accounting areas were identified where IFRS differs from current GAAP, which are expected to have an impact on the Company's financial statements. These areas includes mineral properties, impairment of mineral properties and assets, joint ventures, foreign currency translation and stock based compensation and are explained below. It would appear that IFRS will require more extensive disclosure and analysis of balances and transaction in the notes to the financial statements. The Company's review did not identified significant impact on its accounting processes, financial reporting systems and controls.

Mineral Properties

IFRS currently allows exploration and evaluation expenses to be either capitalized or expensed. The Company expects to maintain its policy of expensing exploration and evaluation expenses.

Impairment of mineral properties and fixed assets

Canadian GAAP provides for a 2 step test with no impairment being required if the undiscounted future expected cash flows relating to an asset are higher than the carrying value of that asset. Under IFRS, the undiscounted cash flows are not considered and an impairment is recorded when the recoverable amount (defined as the higher of 'value in use' and 'fair value less costs to sell') is below the asset's carrying value. As the Company only holds assets that do not generate cash flows, all impairment will be done on an asset by asset basis.

Joint Ventures

Canadian GAAP allows for the use of proportionate consolidation in the accounting for joint ventures. This is also currently allowed under IFRS, however, it is expected that future changes may remove this option and permit only the equity method of accounting for such interests. If the equity method is only allowed, the Company will be required to equity account for its interest in joint ventures but will continue to recognize its share of the joint assets together with its share of expenses and revenue.

Foreign Currency Translation

IFRS uses the functional currency (defined as the currency of the primary economic environment in which the entity operates) for foreign exchange translation. If the functional currency is different from the presentation currency, an entity is required to translate its results and financial position from its functional currency into the presentation currency by using the closing rate at the date of the balance sheet for assets and liabilities, rate at the dates of transaction or average rate for the period for income and expenses. Resulting exchange differences would be recognized as a separate component of equity as cumulative translation difference. Under Canadian GAAP, the Company's foreign operations are integrated with its parent, NGEx Resources Inc's functional currency. The impact to the Company of the transition to IFRS will be dependent on the selection of the functional currency of its foreign subsidiaries, which the Company is currently in the process of reviewing.

Stock based compensation

Under IFRS, each installment is to be treated as a separate share option grant with graded-vesting features, forfeitures are to be estimated at time of grant and revised if actual forfeitures are likely to differ from previous estimates and options granted to parties other than employees are measured on the date the goods or services received. The concept of employees and other providing similar services under IFRS is a broader concept under IFRS. The Company is currently recording its stock based compensation expenses on a straight line basis over the vesting period and forfeitures as they occur. The transition to IFRS would likely result in more variability in the compensation expenses.

The Company continues to monitor IFRS standards development as issued by the International Accounting Standard Board and the regulators which may affect the timing, nature and disclosure of the Company's adoption of IFRS.

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 nine months ended December 31, 2009 include a summary of the significant accounting policies adopted by the Company. The following policies are considered to be the most 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 nine months ended December 31, 2009 and the year ended March 31, 2009, the Company incurred:

- (a) management fees of \$434,226 (March 31, 2009 - \$336,000) to a company controlled by a director pursuant to an agreement for services and office facilities, which is renewable on August 1, 2011. At December 31, 2009, \$3,395 (March 31, 2009 - \$7,076) was due to this company and included in amounts due to related parties.

- (b) legal fees of \$89,280 (March 31, 2009 - \$99,028) to a law firm of which a partner was a director of the Company. At December 31, 2009, \$56,760 (March 31, 2009 - \$27,362) was due to this law firm and included in amounts due to related parties.
- (c) a donation of \$87,000 (March 31, 2009 - \$83,007) to Lundin for Africa Foundation, a charitable organization with two directors in common. At December 31, 2009, \$87,000 (March 31, 2009 - \$nil) was due to this Foundation and is included in amounts due to 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 March 26, 2010, the Company had 146,901,649 common shares outstanding, 7,117,627 share options outstanding under its stock-based incentive plans and 28,624 share purchase warrants outstanding.

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. The Company's financial instruments consist of cash, accounts receivable, investments, other assets, accounts payable and accrued liabilities and due to related parties. The carrying value of cash, accounts receivable, investment and accounts payable approximates fair value. The investments are recorded at fair value as determined by active market prices, measured at cost if there is no active market quoted market price or recent sale.

CONTINGENCY

The Company's Argentine 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 by approximately US\$63,000 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 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.

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. Management has used the Committee of Sponsoring Organizations of the Treadway Commission framework to evaluate the effectiveness of our internal control over financial reporting.

Related to the Sanu acquisition, management has concluded that as at December 31, 2009 weaknesses existed in the design of internal control over financial reporting due to segregation of duties in the Sanu's foreign subsidiaries in Africa as a result of having a limited number of accounting staff. Management is addressing this through the implementation of treasury controls and direct oversight of the reporting process.

RISKS AND UNCERTAINTIES

Exploration and Development Risk: The Company's properties in North and South America and Africa are in early exploration stages and are without a known body of commercial ore. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), commodity prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Corporation. 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. Management also balances the exploration risks through joint ventures and option agreements with other companies.

Beyond exploration and development 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 main source of operating working capital and funding for its exploration activities. 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. 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, Eritrea, Congo-Brazzaville and Burkina Faso. Each of these countries expose the Company to risks that may not otherwise be experienced if all operations was located in Canada. The risks include, but are not limited to, civil unrest or war, 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 is significant environmental opposition to both mineral exploration and mining. This has affected properties in some of the provinces where the Company works, in particular in Mendoza where the Company had two drill 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.

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. Title to the Company's projects in Africa is held under exploration license agreements with the national governments that are subject to renewal on a periodic or annual basis. Although the company has not had any problem renewing its licenses in the past there is no guarantee that it will always be able to do so. Inability to renew a license could result in the loss of any project located within that license.

The Company is earning an interest in certain of its properties through option 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 Company currently has drill programs underway in South America and Eritrea and these are expected to continue through the first quarter of calendar 2010. Results from drill programs at Josemaria, Los Helados, and Eritrea will be received during the first and second quarters of calendar 2010. We will work to advance the Colmillos and Andrea copper targets in Chile to drill stage. Efforts to rationalize and focus our portfolio through divestments of non-core projects are ongoing.

Following the financing that was completed late last year and the sale of our interest in Caballo Blanco the Company is well financed and able to fund all currently planned programs as well as any additional drilling required to follow-up on any positive results. We continue to seek and evaluate new projects and our strong financial position will enable us to act promptly on these opportunities.

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 FINANCIAL REPORTING

The consolidated financial statements have been prepared by and are the responsibility of the management of the Company.

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada, using management's best estimates and judgment based on currently available information.

The Company maintains an appropriate system of internal controls to provide reasonable assurance that financial information is accurate and reliable and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors carries out its responsibilities for the consolidated financial statements principally through its Audit Committee, comprised of independent 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.

The consolidated financial statements have been audited by PricewaterhouseCoopers LLP, Chartered Accountants. Their report outlines the scope of their examination and opinion on the consolidated financial statements.

"Wojtek Wodzicki"

Wojtek Wodzicki
President and Chief Executive Officer

Vancouver, British Columbia
March 26, 2010

"Wanda Lee"

Wanda Lee
Chief Financial Officer

Auditors' Report

To the Shareholders of
NGEx Resources Inc.

We have audited the consolidated balance sheets of **NGEx Resources Inc.** (the "Company") as at December 31, 2009 and March 31, 2009 and the consolidated statements of loss and comprehensive loss and cash flows for the nine months ended December 31, 2009 and the year ended March 31, 2009. These consolidated 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 December 31, 2009 and March 31, 2009 and the results of its operations and its cash flows for the nine months ended December 31, 2009 and the year ended March 31, 2009 in accordance with Canadian generally accepted accounting principles.

Signed "PricewaterhouseCoopers LLP"

Chartered Accountants
Vancouver, BC
March 26, 2010

NGEx RESOURCES INC. (formerly Canadian Gold Hunter Corp)
CONSOLIDATED BALANCE SHEETS

	<u>December 31,</u> <u>2009</u>	<u>March 31,</u> <u>2009</u>
ASSETS		
Current assets		
Cash	\$ 14,240,947	\$ 5,091,454
Investments (Note 5)	6,308,223	-
Accounts receivable (Note 7(b))	5,114,646	-
Prepaid expenses	388,612	426,350
Due from joint venture partners (Note 7 (c))(ii(b)))	15,513	-
	<u>26,067,942</u>	<u>5,517,803</u>
Fixed assets, net (Note 6)	462,655	159,310
Mineral properties (Note 7)	26,081,009	3,996,052
Other assets	43,500	372,359
	<u>\$ 52,655,106</u>	<u>\$ 10,045,525</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 973,568	\$ 187,283
Due to related parties (Note 10)	147,155	59,438
Due to joint venture partners (Note 7 (c)(i,ii(b)))	613,339	-
	<u>1,734,063</u>	<u>246,721</u>
Long Term Liabilities		
Future income taxes	-	875,000
	<u>1,734,063</u>	<u>1,121,721</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 9)		
146,858,712 shares (March 31, 2009 - 58,108,286 shares)	151,480,754	113,522,946
Reserved for issuance 20,348 shares (March 31, 2009 - 20,348 shares)	1,290	1,290
Contributed surplus - stock options	2,986,094	2,574,503
Deficit	(103,555,093)	(107,174,935)
Accumulated other comprehensive income/(loss)	7,998	-
	<u>50,921,043</u>	<u>8,923,804</u>
	<u>\$ 52,655,106</u>	<u>\$ 10,045,525</u>

Nature and Continuance of Operations (Note 1)

Subsequent Events (Note 7(b), 16)

ON BEHALF OF THE BOARD:

/s/William A. Rand
Director

/s/Wojtek A. Wodzicki
Director

NGEx RESOURCES INC. (formerly Canadian Gold Hunter Corp)
CONSOLIDATED STATEMENTS OF (INCOME) LOSS
AND COMPREHENSIVE LOSS

	For the Nine Months Ended December 31, 2009	For the Year Ended March 31, 2009
	<u> </u>	<u> </u>
Expenses		
Exploration and project investigation (Note 8)	\$ 3,768,410	\$ 5,841,354
Management fees	434,226	336,000
Office and general	43,307	30,787
Professional fees	182,740	135,001
Promotion and public relations	82,865	94,984
Donation	87,000	83,007
Stock exchange and filing fees	34,406	40,247
Transfer agent and shareholder information	43,166	32,571
Travel	44,189	2,451
Wages and benefits	669,733	242,003
Stock based compensation	132,584	514,274
	<u> </u>	<u> </u>
Loss before the undernoted items	5,522,626	7,352,680
Other (income) expenses		
Interest expense (income)	(59,264)	(125,214)
Foreign exchange gain	(18,961)	(220,472)
Other expenses	154,431	-
Gain on sale of investments	(19,100)	-
Gain on sale of subsidiaries (Note 7 (b))	(9,199,573)	-
Write-off of mineral property interests	-	57,775
	<u> </u>	<u> </u>
Net (income)/loss before income taxes	(3,619,841)	7,064,769
Future income tax recovery	-	(403,202)
	<u> </u>	<u> </u>
Net (income)/loss	(3,619,841)	6,661,567
Other comprehensive loss/income		
Unrealized gain/loss on investments	(7,998)	-
	<u> </u>	<u> </u>
Comprehensive (income)/loss for the year	(3,627,839)	6,661,567
	<u> </u>	<u> </u>
Basic (income)/loss per common share	\$ (0.03)	\$ 0.12
	<u> </u>	<u> </u>
Diluted (income)/loss per common share	\$ (0.03)	\$ 0.12
	<u> </u>	<u> </u>
Weighted average number of shares outstanding	119,145,527	56,962,311
	<u> </u>	<u> </u>
Diluted weighted average number of shares outstanding	119,145,527	56,962,311
	<u> </u>	<u> </u>

See notes to consolidated financial statements

NGEx RESOURCES INC. (formerly Canadian Gold Hunter Corp)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Nine Months Ended December 31, 2009	For the Year Ended March 31, 2009
Cash flows from (used in) operating activities		
Income (loss) for the year	\$ 3,619,842	\$ (6,661,568)
Items not affecting cash		
Depreciation	39,672	93,867
Stock based compensation	132,584	609,932
Gain on sale of subsidiaries	(9,199,573)	-
Gain on sale of available for sale investments	(19,100)	-
Write-off of mineral property interests	-	57,775
Future income tax recovery	-	(403,202)
	<u>(5,426,575)</u>	<u>(6,303,196)</u>
Changes in non-cash working capital items		
Proceeds from the sale of available for sale investments	28,695	-
Accounts receivable and prepaid expenses	219,970	(45,768)
Accounts payable and accrued liabilities	(797,099)	(336,104)
Due to related parties	(31,205)	16,022
Advances from/(to) joint venture partners	430,956	-
	<u>(5,575,258)</u>	<u>(6,669,046)</u>
Cash flows from financing activities		
Common shares issued, net	8,548,610	8,043,768
	<u>8,548,610</u>	<u>8,043,768</u>
Cash used in investing activities		
Net cash received from acquisitions	5,416,146	-
Net cash on sale of subsidiaries	860,223	-
Mineral properties and related expenditures	(100,228)	(20,000)
Purchase of equipment	-	(45,717)
Other assets	-	(328,859)
	<u>6,176,141</u>	<u>(394,576)</u>
Increase in cash	9,149,493	980,147
Cash, beginning of the year	5,091,454	4,111,307
Cash, end of the year	<u>\$ 14,240,947</u>	<u>\$ 5,091,454</u>
Supplementary information regarding non-cash financing and investing activities:		
Shares issued on acquisition of mineral properties	\$ -	\$ 58,000
Shares issued on acquisition of Sanu Resources Ltd.	\$ 12,150,788	\$ -
Shares issued on acquisition of Suramina Resources Inc.	\$ 17,235,143	\$ -
Warrants and options issued for the acquisition of Sanu Resources Ltd.	\$ 302,275	\$ -

See notes to consolidated financial statements

NGEx RESOURCES INC. (formerly Canadian Gold Hunter Corp)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND MARCH 31, 2009
(Amounts are stated in Canadian dollars, unless otherwise indicated)

1. NATURE AND CONTINUANCE OF OPERATIONS

NGEx Resources Inc. (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.

In November 2009, the Company changed its financial year end from March 31 to December 31. As a result of the change, the Company has a nine month transitional financial period ended December 31, 2009. This change was made to align the Company's reporting periods with its subsidiaries.

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

(b) Use of estimates

The preparation of consolidated 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.

(c) Changes in Accounting Policies

Effective April 1, 2009, the Company adopted the following Canadian Institute of Chartered Accountants new accounting standards:

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.

EIC 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. The adoption of this Section did not have a material impact on the Company's financial statements.

EIC 174, "Mining Exploration Costs". This standard provides guidance on the capitalization of exploration costs related to mining properties, in particular, and on impairment of mineral properties. The adoption of this standard did not have a significant impact on the Company's financial statements.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) 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 which, for purposes of determining the weighted average number of shares outstanding, assumes that the proceeds to be received on the exercise of the stock options and warrants are applied to repurchase common shares at the average market price for the year. When a loss is incurred, basic and diluted loss per share is the same because the inclusion of common share equivalents would be anti-dilutive.

(j) 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.

(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 December 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.

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 Company's financial instruments consists of cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities and due to related parties.

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
Investments	Available for sale
Accounts payable and accrued liabilities	Other financial liabilities
Due to related parties	Other financial liabilities

The carrying values of accounts receivable, investments, accounts payable and accrued liabilities and due to related parties approximates their fair values due to the short-term nature of these balances. Investments are recorded at fair value as determined by active market prices, measured at cost if there is no active market quoted market price or based on recent sale.

(n) Future Accounting Changes

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. 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 (Suramina Exchange Ratio) for each Suramina share. In addition, the Company issued a total of 1,166,967 replacement options to the Suramina option holders based on the Suramina Exchange Ratio. The Company had certain directors and significant shareholders 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 year ended December 31, 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>

4. ACQUISITION OF SANU RESOURCES LTD.

On August 20, 2009, the Company acquired Sanu Resources Ltd. ("Sanu") through a plan of arrangement by issuing a total of 23,825,075 shares to the shareholders of Sanu on the basis of 0.5725 share (Sanu Exchange Ratio) for each Sanu share.

In addition, the Company issued a total of 2,093,432 replacement options to the Sanu option holders based on the Sanu Exchange Ratio. The Company had certain directors and significant shareholders in common with Sanu.

The net assets acquired on the acquisition of Sanu 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 (23,825,075 shares)	\$12,150,788
Fair value of options and warrants issued	302,275
Acquisition costs	<u>81,526</u>
	<u>\$12,534,589</u>

Net assets acquired

Cash	\$ 696,926
Accounts receivable and prepaid expenses	47,750
Mineral properties	12,145,572
Accounts payable and accrued liabilities	<u>(355,659)</u>
	<u>\$12,534,589</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 year ended December 31, 2009

Cash acquired on acquisition	\$ 696,926
Cash paid for transaction costs	<u>(81,526)</u>
Net cash received from the acquisition	<u>\$ 615,400</u>

5. INVESTMENTS

Investments are mainly comprised of the 9 million shares of Goldgroup Resources Inc., received as the consideration from the sale of subsidiaries (Note 7(b)), with a fair value of \$6.3 million (March 31, 2009-Nil) as at December 31, 2009.

6. FIXED ASSETS, NET

December 31, 2009

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Furniture and office equipment	\$ 558,900	\$ (432,627)	\$ 126,273
Vehicles	148,077	(46,411)	101,666
Field equipment	<u>472,556</u>	<u>(237,840)</u>	<u>234,716</u>
	<u>\$ 1,179,533</u>	<u>\$ (716,878)</u>	<u>\$ 462,655</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>

7. MINERAL PROPERTIES

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

	<u>December 31, 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
South America		
JoseMaria	10,782,396	-
Los Helados	2,713,261	-
Lirio	70,228	-
Africa		
Hambok	<u>12,145,572</u>	<u>-</u>
Total	<u>\$26,081,009</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 the Liard Mining Division of 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 (\$1.5 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

On November 23, 2009 the Company entered into a Share Purchase Agreement (“Goldgroup Agreement”) with Goldgroup Resources Inc. (“Goldgroup”) to sell its wholly owned Mexican subsidiary that held the option to acquire a 70% interest in the Caballo Blanco Project located in Mexico. Pursuant to the Goldgroup Agreement, Goldgroup agreed to pay the Company staged cash payments totaling \$6 million and 9 million shares of Goldgroup (“Consideration Shares”). The Consideration Shares and cash payments totalling \$1 million were received before December 31, 2009.

The balance of \$5 million was received subsequent to December 31, 2009 with the final payment of \$3 million received in the form of a promissory note due on May 31, 2010. The promissory note is secured by the shares of 0788598 BC Ltd, the parent company of the Mexican subsidiary. Goldgroup is seeking to complete a going public event (“Going Public Event”) which will result in a public listing of its shares. If the value of the Consideration Shares after Goldgroup’s Going Public Event is less than \$6.3 million, then Goldgroup shall issue additional shares such that the aggregate value of the Consideration Shares shall be equal to no less than \$6.3 million. In addition, the Company will receive a 1.5% net smelter return royalty and upon the project reaching commercial production shall receive a one time advance royalty payment in the amount of \$5 million. As a result of the sale of the subsidiaries which holds the option in the Caballo Blanco property, the Company realized a gain of \$9.2 million for the year ended December 31, 2009.

(c) SOUTH AMERICAN PROPERTIES

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

The Vicuna JEA covers a large land package located in Argentina and Chile (the “Vicuna Properties”) that is subject to a Joint Exploration Agreement with Japan Oil, Gas and Metals National Corporation (“Jogmec”) under which the Company holds a 60% participating interest and Jogmec holds a 40% participating interest. A portion of the Vicuna Properties is subject to underlying agreements:

- a) The Lirio Property-Vicuna Portion: The Lirio Property is divided between two separate agreements with Jogmec. The Lirio Property-Vicuna Portion is that part of the Lirio Property which forms part of the Vicuna JEA. The Company and Jogmec holds a 60% and 40% interest, respectively, subject to a 0.5% Net Smelter Return royalty and a further US\$2 million payment due within 6 months following the second complete year of mine operations both payable to the original owner.
- b) Vicuna Property: The Company holds a 45% participating interest, Jogmec holds a 30% participating interest and the underlying land owner holds a 25% participating interest subject to a dilution clause in the case of non-contribution. There is a payment of US\$1.1 million due to the underlying owner within 30 months after a mine goes into production on the Vicuna Property.
- c) La Chola Property: The La Chola Property is subject to an agreement whereby the Company and Jogmec can earn a 100% interest through payments in stages totaling US\$375,000 over 8 years subject to a 1 % NSR. As at December 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. If the interest is earned then the Company will hold a 60% interest and Jogmec will hold a 40% interest.

The remainder of the property, including the Los Helados, subject to the Vicuna JEA was acquired by staking and is held directly by the partners. The amount due to Jogmec at December 31, 2009 in respect of advance cash calls to fund ongoing exploration was US\$263,519.

(ii) Jose Maria Joint Exploration Agreement ("Josemaria JEA), Argentina

The Josemaria JEA is an agreement dated March 16, 2009 whereby Jogmec has the option to earn 40% of the Company's interest in the two properties (Lirio-Josemaria Portion and Batidero) that jointly comprise Josemaria. Jogmec can earn its interest by: paying the Company US\$1 million (paid) and making US\$6.13 million (US\$1.7 million spent to December 31, 2009) in exploration expenditures over three years. If Jogmec earns its interest, the partners will fund ongoing expenditure pro-rata to their ownership interest. The amount due to Jogmec at December 31, 2009 in respect of cash advances for exploration expenditures was US\$349,820. Josemaria is subject to two separate underlying agreements:

a) Lirio Property Agreement-Josemaria Portion is that portion of the Lirio property that hosts the Josemaria deposit. The Company holds a 100% interest subject to a 0.5% Net Smelter Return royalty and a further US\$2 million payment due to the underlying owner within 6 months following the second complete year of any mine operation on the Lirio Property.

b) the Batidero Property Agreement in which the Company holds a 75% participating interest and TNR has the remaining 25% participating interest. As at December 31, 2009, TNR owes the Company US\$15,513 for its share of expenditures.

(d) AFRICAN PROPERTIES

(i) Eritrean properties:

The Company holds two exploration licenses (Mogoraib and Kerkebeit) and two prospecting licenses (Shukula and Lelit) subject to yearly renewal and has made an application for several new licenses in NW Eritrea. The Hambok Deposit is on the Mogoraib license.

(ii) Burkina Faso properties:

On December 21st, 2009 the Company signed an agreement to sell its option to earn an interest in the Nyeime Project to Goldplat Plc for cash payments of \$50,000, \$500,000 in exploration expenditures and a 2% Net Smelter Return royalty. The Company is continuing efforts to divest its remaining 4 exploration licenses in Burkina Faso.

(iii) Congo-Brazzaville properties:

In late December, 2009 the Company received final approval of two exploration licenses in Congo-Brazzaville. The licenses cover 1,579 square kilometres of ground in the Boko Songo-Mindouli trend.

8. EXPLORATION AND PROJECT INVESTIGATION

	GJ, Kinaskan and Zymo Canada	Caballo Blanco Mexico	South America	Africa	Other	Total
Exploration Expenditures for the Nine months ended December 31, 2009						
Assaying	\$ 34,421	\$ 513	\$ -	\$ 24,382	\$ -	\$ 59,316
Camp costs	26,279	53,978	-	64,066	-	144,323
Drilling	147,428	-	70,387	42,242	-	260,057
Environmental & community relation	-	6,560	72,930	-	-	79,490
Expediting and project supervision	-	-	-	189,941	-	189,941
Field supplies and equipment	13,815	6,238	-	56,407	-	76,460
Field salaries and contract labour	-	283,128	133,639	101,556	-	518,323
Consulting	13,065	-	-	79,882	16,901	109,848
Geological, geophysical & geochemical	104,360	14,945	216,441	30,899	-	366,645
Roadwork	-	37,280	183,220	-	-	220,500
Helicopter	86,078	-	-	-	-	86,078
Maps and reports	1,200	62,371	-	1,172	-	64,743
Office miscellaneous	-	43,001	169,192	85,411	-	297,604
Licenses , fees and access rights	4,070	16,136	265,491	20,275	-	305,972
Professional	-	62,503	448,383	12,780	-	523,666
Stock based compensation	-	5,393	-	-	-	5,393
Survey	-	-	-	-	-	-
Vehicles, transport and travel	18,820	49,567	117,864	132,589	-	318,840
Value Added Tax	-	-	141,212	-	-	141,212
Total for the period	\$ 449,535	\$ 641,613	\$ 1,818,759	\$ 841,602	\$ 16,901	\$ 3,768,410
Exploration Expenditures for the year ended March 31, 2009						
Assaying	48,595	328,494	-	-	1,776	378,865
Camp costs	89,970	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	95,034	91,805	-	-	-	186,839
Field salaries and contract labour	-	475,097	-	-	-	475,097
Fuel	-	147,114	-	-	-	147,114
Consulting	20,501	163,158	-	-	-	183,659
Geological, geophysical & geochemical	380,825	152,296	-	-	-	533,121
Roadwork	-	-	-	-	-	-
Helicopter	250,232	67,936	-	-	-	318,168
Maps, staking and reports	8,574	156,626	-	-	-	165,200
Office miscellaneous	724	219,715	-	-	-	220,439
Licenses, fees and access rights	34,855	246,940	-	-	-	281,795
Professional	12,444	69,319	-	-	-	81,763
Stock based compensation	26,338	-	-	-	-	26,338
Survey	-	-	-	-	-	-
Transport and travel	42,185	148,234	-	-	-	190,419
Total for the period	\$ 1,227,703	\$ 4,611,875	\$ -	\$ -	\$ 1,776	\$ 5,841,354

9. 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, 2008	53,992,786	\$105,824,379	\$ 1,964,571
Mineral property (Note 7 (a) (ii))	50,000	58,000	-
Private placement, net (i)	4,065,500	8,043,769	-
Tax costs recognized on issuance of flow-through shares	-	(403,202)	-
Stock based compensation	-	-	<u>609,932</u>
Balance, March 31, 2009	58,108,286	113,522,946	2,574,503
Issued for 100% of Suramina shares (Note 3)	52,227,705	17,235,143	-
Issued for 100% of Sanu shares (Note 4)	23,825,075	12,150,788	-
Stock options exercised	269,075	142,610	-
Transfer of contributed surplus	-	23,267	(23,267)
Stock based compensation	-	-	132,584
Sanu replacement options	-	-	302,274
Private placement, net (ii)	<u>12,428,571</u>	<u>8,406,000</u>	-
Balance, December 31, 2009	<u>146,858,712</u>	<u>\$151,480,754</u>	<u>\$ 2,986,094</u>

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

(ii) In December, 2009, the Company completed a private placement of 12.4 million common shares of the Company at a price of \$0.70 per share for gross proceeds of \$8.7 million. Finder's fees totalling \$294,000 were paid on a portion of the private placement.

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

The Company has a rolling stock option plan, approved by shareholders on September 15, 2008, reserving an aggregate of 10% of the issued and outstanding shares of the Company for issuance upon the exercise of options granted. 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, 2008	1,294,000	\$2.01
Granted	1,293,000	\$1.19
Forfeited/Expired	<u>(33,000)</u>	\$1.35
Outstanding at March 31, 2009	2,554,000	\$1.60
Granted	6,317,899	\$0.98
Exercised	(269,075)	\$0.53
Forfeited/Expired	<u>(1,281,535)</u>	\$1.53
Outstanding at December 31, 2009	<u>7,321,289</u>	\$1.12
Exercisable at December 31, 2009	<u>4,263,789</u>	\$1.43

The Company uses the Black-Scholes option pricing model in calculating the fair value of stock options. The fair value of the stock options granted with the following assumptions:

	Year ended December 31, 2009	Year ended March 31, 2009
Dividend Yield	0%	0%
Average risk free interest rate	1.82%	2.63%
Expected volatility	82.74%	63%
Expected life of option	3.3 years	3 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. At December 31, 2009, there was \$1.3 million (March 31, 2009 - \$50,792) of stock based compensation expenses relating to unvested stock options expected to be recognized in future periods.

The following summarized the stock options outstanding as at December 31, 2009:

Range of Exercise Prices (CDN\$)	Outstanding Options			Exercisable Options		
	Number of Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number of Options Exercisable	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price
\$0.53 - \$1.00	3,750,223	4.34	\$ 0.67	692,723	1.77	\$ 0.53
\$1.01 - \$1.30	2,136,187	0.91	1.25	2,136,187	0.91	1.25
\$1.31 - \$2.80	1,434,879	1.31	2.12	1,434,879	1.31	2.12
	<u>7,321,289</u>	2.75	\$ 1.12	<u>4,263,789</u>	1.19	\$ 1.43

(d) Share purchase warrants:

As at December 31, 2009 the following warrants were outstanding:

Exercise Price	Expiry date	Number of Warrants
CDN\$ 1.66	Jun 24, 2010	14,312
CDN\$ 1.44	Oct 20, 2010	<u>14,312</u>
		<u>28,614</u>

10. RELATED PARTY TRANSACTIONS

During the nine months ended December 31, 2009 and the year ended March 31, 2009, the Company incurred:

- (a) management fees of \$434,226 (March 31, 2009 - \$336,000) to a company controlled by a director pursuant to an agreement for services and office facilities, which is due for renewal on August 1, 2011. At December 31, 2009, \$3,395 (March 31, 2009 - \$7,076) was due to this company and included in amounts due to related parties.
- (b) legal fees of \$89,280 (March 31, 2009 - \$99,028) to a law firm of which a partner is a director of the Company. At December 31, 2009, \$56,760 (March 31, 2009 - \$27,362) was due to this law firm.
- (c) a donation of \$87,000 (March 31, 2009 - \$83,007) to Lundin for Africa Foundation, a charitable organization with two directors in common. At December 31, 2009, \$87,000 (March 31, 2009 - \$nil) was due to this Foundation and included in amounts due to 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.

11. INCOME TAXES

	Nine Months Ended December 31, <u>2009</u>	Year Ended March 31, <u>2009</u>
Combined Canadian Federal and Provincial statutory income tax rate	30.00%	31.00%
Expected income tax provision (recovery)	\$ 1,085,952	\$ (2,190,079)
Permanent differences	(332,768)	416,402
Change in valuation allowance	(2,082,232)	1,160,047
Difference between Canadian and foreign tax rate	(740,846)	146,240
Change in tax rates	448,875	42,344
Other	(206,793)	(49,005)
Change in foreign exchange rate	1,702,417	-

Losses expiring	<u>125,395</u>	<u>70,849</u>
Future income tax expense (recovery) for the year	<u>\$ -</u>	<u>\$ (403,202)</u>
Future income tax assets		
Tax loss carry forwards	\$ 5,868,484	\$ 2,884,312
Mining properties and related expenditures	11,564,029	2,002,568
Equipment	11,731	12,200
Other	<u>305,284</u>	<u>214,557</u>
	17,749,528	5,113,637
Valuation allowance	<u>(17,749,528)</u>	<u>(5,113,637)</u>
Net future income tax assets	<u>\$ -</u>	<u>\$ -</u>
Future income tax liabilities		
Net future income liabilities	<u>\$ -</u>	<u>\$ (875,000)</u>

The Company has Canadian tax losses of approximately \$9.0 million expiring between 2010 and 2029, Argentinean income tax losses of approximately Argentinean pesos 30.0 million, expiring between 2010 and 2014 and Chilean income tax losses of approximately Chilean pesos 1,134.1 million with no expiry date, which are available for deduction against future income.

12. SEGMENTED INFORMATION

The Company's only business activity is the exploration for and development of mineral reserves in North and South America and Africa. Segmented information about mineral properties is disclosed elsewhere in these consolidated financial statements (Note 8). The Company's fixed assets are primarily located in Argentina.

13. CONTINGENCY

The Company's Argentine 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 by approximately US\$63,000 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. 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.

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.

15. 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 South America and Africa 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 December 31, 2009, the Company is exposed to currency risk relating to funds held in US dollars of \$910,000, Argentine pesos of \$2.2 million and Chilean pesos of \$6.1 million. Based on this exposure, a 10% change in the Canadian/US dollar and Canadian/Argentine pesos exchange rate would give rise to an increase/decrease of approximately \$159,000 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.

16. SUBSEQUENT EVENT

Subsequent to year end, the Company sold its right to acquire an exploration concession in Sudan for consideration of US\$100,000.