MANSON CREEK RESOURCES LTD.
Unaudited Interim Financial Statements
March 31, 2009

In accordance with national instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim balance sheet as at March 31, 2009 nor the unaudited interim statements of net and comprehensive earnings (loss) and deficit and cash flows for the three and six month periods ended March 31, 2009 and March 31, 2008.

Manson Creek Resources Ltd.
Interim Balance Sheets

	March 31, 2009 (Unaudited)	September 30, 2008
Assets		
Current		
Cash and cash equivalents	**$ 41,313**	$ 196,492
Accounts receivable	**5,293**	10,015
Due from related parties Note 9	**1,482**	7,296
Prepaid expenses	**7,275**	15,202
	55,363	229,005
Other assets Note 3	**35,382**	35,382
Mineral properties and equipment Note 4	**2,398,768**	2,330,714
	$ 2,489,513	$ 2,595,101
Liabilities		
Current		
Accounts payable and accrued liabilities	**$ 10,142**	$ 53,960
Due to related parties Note 9	**14,786**	25,847
Asset retirement obligation Note 5	**9,977**	9,977
	34,905	89,784
Shareholders' Equity		
Capital Stock Note 6	**9,247,353**	9,255,478
Warrants Note 6	**305,000**	402,067
Contributed Surplus Note 6	**748,765**	651,698
Deficit	**(7,846,508)**	(7,803,926)
	2,454,610	2,505,317
	$ 2,489,515	$ 2,595,101

Going concern and nature of operations Note 1
Commitments Note 10

Approved by the Board

"R. Chernish" Director

"J.P. Jutras" Director

See accompanying notes to the financial statements.

Manson Creek Resources Ltd.

Interim Statements of Net and Comprehensive Earnings (Loss) and Deficit

(Unaudited – prepared by management)

	Three months ended March 31		Six months ended March 31	
	2009	2008	**2009**	2008
Expenses				
General and administrative Note 7	**$ 28,684**	$ 56,715	**$ 73,610**	$ 175,562
Professional fees	**1,017**	3,113	**1,943**	7,837
Reporting to shareholders	**-**	26,790	**-**	29,873
Stock exchange and transfer agent fees	**2,272**	3,499	**4,545**	5,462
Amortization of capital assets	**195**	335	**1,000**	669
	(32,168)	(90,452)	**(81,098)**	(219,403)
Other Income (Expense)				
Interest and other	**390**	4,742	**1,016**	11,567
Write-down of mineral properties Note 4	**-**	-	**-**	(1,715)
Loss before income taxes	**(31,778)**	(85,710)	**(80,082)**	(209,551)
Future income tax recovery Note 6(b)	**37,500**	172,000	**37,500**	172,000
Net and Comprehensive Earnings (Loss)	**5,722**	86,290	**(42,582)**	(37,551)
Deficit, beginning of period	**(7,852,230)**	(7,647,868)	**(7,803,926)**	(7,524,027)
Deficit, end of period	**$(7,846,508)**	$(7,561,578)	**$(7,846,508)**	$(7,561,578)
Net and comprehensive earnings (loss) per share:				
Basic and diluted	**$0.00**	$0.00	**$0.00**	$0.00
Weighted average number of shares outstanding:				
Basic and diluted	**44,139,986**	40,177,899	**43,746,167**	40,073,573

See accompanying notes to the financial statements.

Manson Creek Resources Ltd.
Interim Statements of Cash Flows
(Unaudited – prepared by management)

	Three months ended March 31		Six months ended March 31	
	2009	2008	**2009**	2008
Increase (decrease) in cash and cash equivalents				
Operating activities				
Interest and other income received	**$ 390**	$ 4,742	**$ 1,016**	$ 11,567
Cash operating expenses	**(32,124)**	(118,187)	**(94,037)**	(182,808)
	(31,734)	(113,445)	**(93,021)**	(171,241)
Investing activities				
Mineral property additions	**(10,764)**	(25,784)	**(62,158)**	(51,484)
Domain name purchase	**-**	(15,000)	**-**	(15,000)
	(10,764)	(40,784)	**(62,158)**	(66,484)
Decrease in cash and cash equivalents	**(42,498)**	(154,229)	**(155,179)**	(237,725)
Cash and cash equivalents,				
Beginning of period	**83,811**	569,525	**196,492**	653,021
End of period	**$ 41,313**	$ 415,296	**$ 41,313**	$ 415,296

Supplementary Information:
Interest and taxes

The Company expended $4,400 on Part XII.6 tax during the three and six months ended March 31, 2009, (2008 - $11,664). These amounts are included in cash operating expenses above. Apart from this tax, there were no expenditures on interest or taxes during the three and six month periods ended March 31, 2009 and 2008, respectively.

Non-cash transactions

Six months ended March 31, 2009

The Company issued 1,175,000 of its common shares, valued at $29,375, pursuant to option agreements to acquire interests in the Meridian, Gillman, Molygarchy and Black Lake mineral properties. The acquisition costs were valued using the closing share price on the transaction date.

Six months ended March 31, 2008

The Company issued 300,000 of its common shares, valued at $39,500, pursuant to option agreements to acquire interests in the Molygarchy, Meridian, Gillman and Black Lake mineral properties. The acquisition costs were valued using the closing share price on the transaction date.

The Company granted stock options to officers and directors and recorded a non-cash charge for stock-based compensation expense of $55,000 that is included in general and administrative expenses. (Note 7)

See accompanying notes to the financial statements.

1. Going concern and nature of operations

Manson Creek Resources Ltd. is engaged in the business of mineral exploration and development in Canada. Since inception, the efforts of the Company have been devoted to the acquisition, exploration and development of mineral properties. To date the Company has not received any revenue from mining operations and has not determined whether mineral properties contain ore reserves that are economically recoverable.

The carrying values of mineral properties represent costs incurred to date, net of recoveries, abandonments and write-downs, and do not necessarily reflect present or future values. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain necessary financing to complete the development of the properties, where necessary, and upon future profitable production; or, alternatively, upon the Company's ability to recover its costs through a disposition of its interests.

These financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. At March 31, 2009 the Company had a deficit of $7,846,508 and a loss of $42,582 for the six months then ended. Although it had positive working capital of $20,458 on this date, it does not have a significant source of income that would allow it to maintain positive working capital. The continuing operations of the Company are dependent upon its ability to obtain adequate financing. If the Company does not obtain adequate financing, the Company will be unable to meet its obligations as they come due and accordingly, there is significant doubt as to the appropriateness of the use of accounting principles applicable to a going concern. There is no assurance that management will be successful in its pursuit of financing. Therefore, there is a risk regarding the Company's ability to continue as a going concern. These financial statements do not give effect to adjustments to the carrying values and classifications of assets and liabilities that would be necessary if the Company were unable to continue as a going concern. Such adjustments could be material.

These interim financial statements, that were not subject to audit or review by the Company's external accountants, follow the same accounting policies and methods of computation as the audited financial statements for the year ended September 30, 2008 except for the adoption of amended Section 1400 of the CICA Handbook as described in note 2 below. These interim financial statements should be read in conjunction with the audited financial statements for the year ended September 30, 2008 as not all disclosures required by Generally Accepted Accounting Principles for annual financial statements are presented.

2. Accounting policies

Newly adopted

Effective October 1, 2008, the Company adopted amended Section 1400, General Standards of Financial Statement Presentation. This section includes requirements to assess and disclose the Company's ability to continue as a going concern. It indicates that financial statements shall be prepared on a going concern basis unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. (see note 1)

Future

In February, 2008, the Canadian Accounting Standards Board, (AcSB), announced that interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011 must be prepared in accordance with International Financial Reporting Standards, (IFRS). Accordingly the Company will be required to present their financial statements for the fiscal year ended September 30, 2012 in accordance with IFRS and will be required to restate the comparatives for the fiscal year ended September 30, 2011. While the Company has begun assessing the consequences of the adoption of IFRS, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. Other assets

	Mar. 31, 2009	Sept. 30, 2008
Long-term prepaid expense	**$ 3,382**	$ 3,382
Domain name	**15,000**	15,000
Mineral exploration deposits	**17,000**	17,000
	$ 35,382	$ 35,382

During the year ended September 30, 2008, the Company acquired the domain name "gold.ca" from a company related by virtue of one common officer. The terms of the transaction were agreed to by the non-related officers of the respective companies. The acquisition was measured at the exchange amount which is the amount of consideration established and agreed to by the related parties. The domain name is an intangible asset with an indefinite life, consequently it will not be amortized, but will be subject to an annual assessment to determine if there has been an impairment in value. Impairment in value will result in a write-down of the asset and a charge against earnings.

4. Mineral properties and equipment

The following schedules summarize mineral property transactions during the six months ended March 31, 2009 and March 31, 2008 respectively:

2009		**Yukon**	**Sask.**		**British Columbia**		
Exploration expenditures:	**Total**	**Molygarchy**	**Black Lake**		**Gillman**	**Meridian**	**CR**
Balance September 30, 2008	**$2,032,533**	**$97,333**	**$921,747**		**$63,287**	**$315,379**	**$634,787**
Geological consulting	24,945	6,054	-		6,951	9,321	2,619
Geochemical analysis	7,780	-	3,048		-	4,732	-
Field costs	1,402	-	-		-	1,363	39
Geophysical	1,393	1,393	-		-	-	-
Balance March 31, 2009	**2,068,053**	**104,780**	**924,795**		**70,238**	**330,795**	**637,445**
Property acquisition costs:							
Balance September 30, 2008	**294,835**	**11,592**	**38,525**		**43,260**	**63,232**	**138,226**
Costs incurred	33,535	10,000	725		13,435	9,375	-
Balance March 31, 2009	**328,370**	**21,592**	**39,250**		**56,695**	**72,607**	**138,226**
Total mineral properties March 31, 2009	**$2,396,423**	**$126,372**	**$964,045**		**$126,933**	**$403,402**	**$775,671**
Equipment	25,084						
Accumulated amortization	(22,738)						
Total mineral properties and equipment March 31, 2009	**$2,398,769**						

2008		**Yukon**		**Sask.**		**British Columbia**		
Exploration expenditures:	**Total**	**Cuprum**	**Moly-garchy**	**Black Lake**	**Other**	**Gillman**	**Meridian**	**CR**
Balance September 30, 2007	**$1,663,781**	**$50,690**	**$ -**	**$887,380**	**$ -**	**$33,893**	**$66,616**	**$625,202**
Geological consulting	18,454	748	1,870	10,162	312	249	3,803	1,310
Geochemical analysis	22,050	-	95	20,209	1,403	-	343	-
Geophysical	3,658	1,018	-	880	-	-	880	880
Field costs	2,370	309	198	1,464	-	-	236	163
Travel and accommodation	1,045	-	-	-	-	-	1,045	-
Air support	1,969	1,969	-	-	-	-	-	-
Write-down of mineral properties	(1,715)	-	-	-	(1,715)	-	-	-
Balance March 31, 2008	**1,711,612**	**54,734**	**2,163**	**920,095**	-	**34,142**	**72,923**	**627,555**
Property acquisition costs:								
Balance September 30, 2007	**210,865**	**41,468**	**-**	**18,400**	**-**	**20,369**	**29,565**	**101,063**
Costs incurred	86,602	-	11,592	20,125	-	21,385	33,500	-
Balance March 31, 2008	**297,467**	**41,468**	**11,592**	**38,525**	**-**	**41,754**	**63,065**	**101,063**
Total mineral properties March 31, 2008	**$2,009,079**	**$96,202**	**$13,755**	**$958,620**	**$ -**	**$75,896**	**$135,988**	**$728,618**
Equipment	25,084							
Accumulated amortization	(20,733)							
Total mineral properties and equipment March 31, 2008	**$2,013,430**							

5. Asset retirement obligation

	March 31 2009	September 30 2008
Balance, beginning of period	**$ 9,977**	$ 14,424
Reclamation work performed during the period	**-**	(4,447)
Balance, end of period	**$ 9,977**	$ 9,977

As at March 31, 2009 and September 30, 2008 the Company has included in liabilities an estimated current obligation of $9,977 for trench reclamation at its CR property in British Columbia and other miscellaneous clean-up. The legally obligated clean-up for its abandoned Yukon properties was completed during the summer of 2008. Management has estimated that discounted clean-up obligations for subsequent future periods are not significant.

The ultimate amount of future restoration costs is uncertain; circumstances could arise over the years that would require material revisions to these estimated obligations. Changes in assumptions could have a material effect on the fair value of asset retirement obligations.

6. Capital Stock, Warrants and Contributed Surplus

a) Authorized

i) an unlimited number of voting shares
ii) an unlimited number of Class A preferred shares issuable in series
iii) an unlimited number of Class B preferred shares issuable in series

b) Issued

	Number of Shares	Share Amount	Contributed Surplus	Number of Warrants	Warrants Amount
Balance Sept. 30, 2008	42,964,986	$9,255,478	$ 651,698	7,933,970	$402,067
Warrant expiry	-	-	97,067	(2,600,000)	(97,067)
Issued pursuant to property acquisitions	1,175,000	29,375	-	-	-
Tax effect of flow-through renunciation	-	(37,500)	-	-	-
Balance March 31, 2009	44,139,986	$9,247,353	$ 748,765	5,333,970	$305,000

During the six months ended March 31, 2009, the Company issued 1,175,000 shares in aggregate for the Gillman and Meridian, British Columbia; Black Lake, Saskatchewan and Molygarchy, Yukon mineral property acquisitions. The acquisition costs were valued using the market price of the Company's shares on the issue date.

During the three months ended March 31, 2009, the Company renounced, in aggregate, $150,000, (three months ended March 31, 2008 - $593,000), of flow-through share tax benefits that pertained to previous fiscal years' flow-through financings. The tax effect of $37,500, (2008 - $172,000), has been recorded as a reduction of capital stock. The deferred taxes that resulted from this transaction were completely offset through the utilization of previously unrecognized tax benefits. This resulted in a future income tax recovery in the current periods ended March 31, 2009 and March 31, 2008.

Subsequent to period-end, on April 30, 2009, the Company closed a private placement of 2,530,000 units at $.025 per unit for gross proceeds of $63,250. Each unit was comprised of one common share and ½ of one common share purchase warrant. Each whole common share purchase warrant may be exercised to acquire one common share at $0.10 per share to April 30, 2011. Officers, directors, or their immediate family acquired, in aggregate, 730,000 of the units.

6. Capital Stock, Warrants and Contributed Surplus (continued)

c) Outstanding options

The following summarizes options outstanding at March 31, 2009 that may be exercised to purchase the number of common shares indicated. During the six months ended March 31, 2009, no options were granted or exercised, and none expired.

Expiry Date	Number of Shares	Price
December 20, 2012	1,025,000	$0.10
April 26, 2011	100,000	$0.14
May 12, 2010	675,000	$0.16
	1,800,000	

The Company has an option plan, (the plan), under which up to 10% of the issued and outstanding common shares are reserved for issuance. Under the Plan, the options that have been granted expire at the earlier of five years from the grant date, the date at which the Directors determine, or 60 days from the date from which the optionee ceases to be a director, officer, employee or consultant. The exercise price of the options granted under the Plan will not be less than that from time to time permitted under the rules of the stock exchange or exchanges on which the shares are then listed, which price reflects trading values at that time. All of the above options vested immediately upon granting.

d) Warrants

The expiry of 2,600,000 warrants, exercisable at $0.13 to December 28, 2008, comprised the only warrant transactions occurring during the six months ended March 31, 2009. Warrants outstanding at March 31, 2009 are summarized below:

Description	Number of Warrants March 31, 2009	Exercise Price	Expiry
Warrants	1,500,000	$0.15	June 12,2010
Brokers' warrants	7,500	$0.13	June 12,2010
Series B warrants	926,470	$0.40	July 31, 2009
Series C warrants	2,900,000	$0.50	July 31, 2009
	5,333,970		

Each warrant can be exercised to acquire one common share at the price indicated in the table above.

Subsequent to period end, pursuant to the private placement discussed in 6 b) above, the Company issued 1,265,000 warrants, each of which may be exercised to acquire one common share at $0.10 per share to April 30, 2011.

7. Stock-based compensation

Included in general and administrative expenses, for the six months ended March 31, 2008, is stock based compensation in the amount of $55,000. The fair value of the compensation was determined using the Black Scholes option-pricing model assuming 99% volatility, 3.9% risk-free interest rate and an expected option life of 2 years for the 1,025,000 options granted at an exercise price of $0.10 per share.

8. Financial instruments

The following summarizes the carrying values of the various financial instrument categories:

Category	Carrying value March 31, 2009	Carrying value September 30, 2008
Held for trading (Cash and cash equivalents)	$ 41,313	$ 196,492
Loans and receivables (Accounts receivable & Due from related parties)	$ 6,775	$ 17,311
Other financial liabilities (Accounts payable and accrued liabilities & Due to related parties)	$ 24,928	$ 79,807

8. Financial instruments (continued)

Loans and receivables and other financial liabilities are carried at amortized cost which approximates fair value and cost due to the short-term nature of the instruments. Held for trading investments are carried at fair value which approximates cost due to their short-term nature. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

9. Related party transactions

During the comparative period a company related by virtue of common officers and/or directors, billed the Company for its share of general and administrative costs and allocated secretarial salaries. The total billed for the six months ended March 31, 2008 was $7,000. Officers and directors of the Company billed for their consulting services at hourly or daily rates, either personally or through their corporate employers. The aggregate billed for the six months ended March 31, 2009 was $45,000, (2008 - $70,000). Related party payables at March 31, 2009 and September 30, 2008 related to unpaid consultants' billings and general and administrative and secretarial billings.

The Company sublet office space to companies related by virtue of certain common officers and directors and incurred certain administrative expenditures on their behalf. The aggregate base rent, operating and administrative costs charged to the related companies was $20,000 during the six months ended March 31, 2009, (2008-$64,000). Amounts due from related parties pertain to administrative charges unpaid at period-end. See also note 3.

Related party transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties

10. Commitments

The Company rents office space pursuant to a lease agreement that extends to December 31, 2011. The Company's remaining base lease commitments by fiscal year are as follows:

2009	$49,800	2011	$99,500
2010	$99,500	2012	$24,900

Pursuant to sublease agreements, a company, related by virtue of common officers and/or directors, is committed to pay 20% and a non-related company is committed to pay 56% of the above-noted rent pursuant to sublease agreements.

Pursuant to mineral property acquisition agreements, the Company is committed to make payments in cash and shares of its common stock. Should the Company decide to terminate the option agreements at any time, it is not liable for future cash and share issuances. Assuming that the Company does not terminate any of the agreements in place at March 31, 2009, the Company is committed to the following cash and share issuance payments as at March 31, 2009:

Fiscal Year payment is due	Cash Commitment		Share Issuance Commitment
Remainder of 2009	$ 65,000	*	150,000
2010	$ 80,000		125,000
2011	$ 30,000		-
	$175,000		275,000

* Of the total commitment for the remainder of 2009, $45,000 has been temporarily suspended, in agreement with the property vendors, until the consummation of a significant financing.

11. Capital

The Company's objective when managing capital is to continue as a going concern so that it can provide value to shareholders by acquiring and conducting exploration on mineral exploration properties with the ultimate objective of finding commercial quantities of base and/or precious metals. Capital is defined as Capital Stock, Warrants and Contributed Surplus. The Company has traditionally financed through equity issues rather than debt and does not anticipate using debt to finance its continuing grass roots exploration. Should the Company evolve to the point where it is developing or operating a mine, debt options would be investigated.

The Company will raise equity as cash flow requirements dictate and will attempt, when able, to time financings with more favorable market conditions. The Company can scale back exploration, and to a certain extent, discretionary administrative costs during tighter equity markets. The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments such as Bankers' Acceptances or in interest-bearing bank and brokerage accounts.

The externally imposed capital requirement to which the Company will from time-to-time be exposed relates to flow-through shares. The Company had expended all flow-through proceeds to December 31, 2008 on qualifying exploration expenditures and consequently had no restrictions related thereto at March 31, 2009.

12. Financial Risk Management

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of related party receivables, GST input tax credits and cash held in bankers' acceptances. The Company considers credit risk to be low on these instruments as at March 31, 2009.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is currently investigating financing options as additional financing is required for the Company to carry on operations beyond the end of fiscal 2009. Liquidity risk is high at March 31, 2009 due to the general stock market conditions that have resulted in depressed stock prices and a loss of investor confidence and consequently difficulty in raising funds through equity financing. Refer also to note 1 – Going concern.

c) Market risk

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits. All of the Company's transactions are denominated in Canadian dollars. Consequently, the Company is not exposed to foreign currency exchange risk at this time. The Company has not yet developed commercial producing mineral interests, therefore it is not exposed to commodity price risk at this time. As the Company has no debt facility and does not have significant interest earnings, it is not exposed to interest rate risk at this time.

13. Seasonality or cyclicality

The Company incurs substantially all of its mineral property exploration expenditures during the months of March through October.

MANSON CREEK RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE SIX MONTHS ENDED MARCH 31, 2009

The information included in this document should be read in conjunction with the unaudited financial statements for the six months ended March 31, 2009 and related notes thereto. The financial information in this Management Discussion and Analysis, (MD&A), is derived from the Company's financial statements prepared in accordance with Canadian Generally Accepted Accounting Principles. The effective date of this MD&A is May 26, 2009. All dollar amounts are in Canadian Dollars unless otherwise stated.

Statements and/or financial forecasts that are unaudited and not historical, including exploration and administrative budgets, are to be regarded as forward-looking statements that are subject to risks and uncertainties that can cause actual results to differ materially from those anticipated. Such risks and uncertainties include risks related to the Company's business including, but not limited to: general market and economic conditions, limited operating history, continued industry and public acceptance, regulatory compliance, potential liability claims, additional capital requirements and uncertainty of obtaining additional financing and dependence on key personnel. Actual exploration and administrative expenditures can differ from budget due to unforeseen circumstances, changes in the market place that will cause suppliers' prices to change, and additional findings that will dictate that the exploration plan be altered to result in more or less work.

All forward-looking information is stated as of the effective date of this document, and is subject to change after this date. There can be no assurance that forward-looking information will prove to be accurate and future events and actual results could differ materially from those anticipated.

1) Principal Business of the Company

Manson Creek Resources Ltd., (the Company), trading as MCK on the TSX.V, is engaged exclusively in the business of mineral exploration and development and, as the Company has no mining operations, is considered to be in the development stage. The Company's philosophy is to acquire projects at the grass roots level and advance them to a point where partners can be brought in to further the properties to the stage where a mine is commercially feasible or the property can be sold outright.

The recoverability of the amounts comprising mineral properties is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain financing to complete the development of the properties where necessary and upon future profitable production; or, alternatively, upon the Company's ability to recover its costs through a disposition of its interests.

The Company has no operating income and no earnings; exploration and operating activities are financed by the sale of common shares and warrants. None of the Company's properties are in production. Consequently, the Company's net income is a less meaningful indicator of its performance or potential.

2) Six months ended March 31, 2009 Highlights

a) Completed a private placement subsequent to March 31, 2009 for gross proceeds of $63,250 which will be used to fund the planned exploration program on the Meridian gold/silver project in British Columbia and to fund working capital needs.

b) Announced complete sample results for the diamond drill program on the Meridian property. The drill campaign successfully intersected widespread gold mineralization adjacent to the historic Eva Mine. Drill samples ranged from .33 grams per tonne (g/t) gold and .23 g/t silver to 5.94 g/t gold and 1.7 g/t silver over 23 meter and 1 meter widths respectively. Grab samples included 194 g/t gold and 48.1 g/t silver.

c) Announced results for new discoveries on the Gillman silver/lead/zinc project in British Columbia. Samples taken on five recently discovered strongly developed gossans returned highly anomalous assays of silver, lead, zinc, nickel, copper and molybdenum. The five samples collected in the five zones averaged 0.6 g/t silver, 48 parts per million (ppm) lead, 812 ppm zinc, 268 ppm nickel, 182.6 ppm copper, 24 ppm molybdenum and 10 parts per billion gold.

3. Mineral Properties

Yukon

Molygarchy

During the year ended September 30, 2008, the Company entered into an acquisition agreement to acquire a 100% interest in this prospective molybdenum property. The Company paid $5,000 and issued 50,000 of its common shares upon regulatory approval of the transaction and issued 400,000 of its common shares on November 30, 2008. It is further obligated to pay $40,000 in cash over two years ending November 30, 2009 as well as being obligated to expend a minimum of $300,000 on the project over two years in order to acquire the 100% interest subject to a 2.5% net smelter royalty that is retained by the vendor. The Company may purchase, at its election, a 1.5% net smelter royalty from the vendor for $1,500,000.

The 732 hectare Molygarchy property, located proximal to infrastructure and roads, hosts disseminated fine to coarse crystalline molybdenum mineralization in a strongly altered granitic intrusive. Sampling conducted by a previous explorer included 72 rock samples with the highest reported assay being 0.440% molybdenum, (Mo). Nine samples returned values greater than 0.100% Mo and thirty-six samples returned assays of greater than 0.010% Mo. The two discovery showings are located 360 meters apart with abundant mineralized float occurring in the intervening overburden-covered area. The main showing has mineralization exposed for over 50 meters. Ground magnetic surveys conducted over the mineralized trend have defined an open-ended magnetic low in association with the mineralization.

Management completed a geophysical and geological program on the property during June/July, 2008. The program delineated a magnetic low anomaly in excess of 1,500 meters coincident with mineralization observed to date at surface. The expanded magnetic anomaly extends along strike to the northwest of the previously known mineralization. A detailed soil sampling program also covered the anomaly to evaluate the potential of the expanded zone. Regional and focused geological mapping and sampling was completed in the course of the program, with twenty-nine rock samples collected from new and existing mineralized outcrop and float. The geological data obtained from the soil sampling program delineated a strongly anomalous, (55 – 157 parts per million), molybdenum zone approximately 500 meters long and sub-parallel to the main zone. Much of the soil anomaly remains untested and will be examined in detail during the next round of exploration. Thirteen grab samples were also taken that ranged from 0.005% to 0.067% molybdenum with samples averaging 0.024% molybdenum. Planning is underway for a follow-up to this new discovery.

British Columbia

a) CR

The Company entered into an agreement in February, 2004 to acquire a 100% interest in the CR property located in the Omineca Mining District of British Columbia. In order to earn a 100% interest, the Company must make cash payments aggregating $92,500, (paid $72,500 to date), and issue 575,000 common shares, (issued 425,000 to date), over five years. The vendor will retain a 1.5% net smelter return, 1.0% of which, (two thirds of the vendor's interest), may be purchased by the Company for $1,000,000.

The property consists of 2 recorded claims totaling approximately 1,300 hectares. The CR property has excellent road access and a power line cutting through the western property boundary. Two priority exploration targets have been identified; the South Porphyry Zone, and the North Porphyry-Breccia Zone. The surface exploration program in fiscal 2004 confirmed the presence of a large zone of low-grade porphyry copper-molybdenum-gold mineralization at the South Porphyry Zone, expanded targets at the North Porphyry Zone, and identified a new high priority exploration target.

The 2005 drilling program tested historical intercepts to attempt to extend known mineralization. The work completed to the end of fiscal 2005; mapping, trenching and diamond drilling, outlined a mineralized porphyry system that is 975 meters in strike length by 100 to 180 meters in width.

3) Mineral Properties (continued)

British Columbia

a) CR

The 2006 IP geophysical survey identified a 325 meter by up to 200 meter chargeability anomaly. The anomaly corresponds to the western portion of the drill-defined mineralized porphyry and it continues along strike to the west of the known porphyry for an additional 150 meters. This could represent a further extension of the known 975 meters long, (100 – 180 meter wide), mineralized porphyry that is open along strike and depth.

The Company completed 1,988 meters of diamond drilling in May, 2007 as a follow-up to the 2005 diamond drilling and the 2006 IP geophysical survey. The seven-hole drill program further defined near surface high grade mineralization including 28.5 meters of 0.607% copper, as well as outlining higher grade molybdenum zones through the complex including 41 meters of 0.036% molybdenum and 0.334% copper.

There is one remaining option payment of $20,000 and 150,000 shares due on June 30, 2009 required to acquire 100% of the CR property. Management is currently negotiating to defer all or a portion of the cash payment due. The Company is examining various options for advancing the CR property including finding an interested joint venture partner.

b) Meridian

During the year ended September 30, 2006 the Company entered into an agreement to acquire 100% of the Meridian property, subject to a 2.0% net smelter interest three quarters of which may be purchased by the Company for $1,500,000, by making staged payments over five years aggregating $87,500, (paid $40,000 to date), and issuing 475,000 of the Company's common shares, all of which have been issued to date.

A number of samples were taken during a due diligence visit, including grab samples from dumps proximal to historic mine workings and chip and composite samples taken from within a number of the historical underground workings. Mine dump samples ranged from 0.53 to 90.6 grams per tonne gold and 0.20 to 563 grams per tonne silver. A composite sample along the length of a 2 meter wide quartz vein in one of the adits assayed 46.6 grams per tonne gold and 24.7 grams per tonne silver over a length of 10 meters. Excessive rainfall in the prior year limited access to the property during 2007. A seven hole, 1,141 meter drill program, budgeted at $265,000, was completed in early July, 2008. Actual costs for this program aggregated $249,000. The program tested a number of prospective zones proximal to the workings of the historical Eva Mine. All of the drill holes intersected shear zones and the associated quartz veins along strike and to depth of the historical workings.

Significant drill results ranged from 0.33 grams per tonne, (g/t), gold and 0.23 g/t silver over 23 meters on hole 1 to 5.94 g/t gold and 1.7 g/t silver over 1 meter on hole 2. Surface sampling conducted at the time of drilling further demonstrated the widespread mineralization. One grab sample assayed 194.00 g/t gold and 48.1 g/t silver. The sample was collected from an outcrop of sheeted quartz veins within a carbonate altered sediment host located along strike of the Camborne Fault and between drill setups for hole 2 and 3. Further, sampling from a 3.0 meter exposure of the cross fault between drill setups for hole 4 and 5 returned 4.42 g/t gold and 1.4 g/t silver on a 1.0 meter continuous chip sample and a grab sample returned 10.6 g/t gold and 4.4 g/t silver from the same location.

The planned summer 2009 exploration program will include underground mapping and sampling of historical workings with an estimated budget of $10,000. Detailed maps of as many of the major underground workings as possible will be created with prospective zones extensively chip/panel sampled. In addition, a number of structural trends will be prospected on surface.

3) Mineral Properties (continued)

c) Gillman

During the year ended September 30, 2006 the Company entered into an agreement to acquire 100% of the Gillman property, subject to a 2.0% net smelter interest three quarters of which may be purchased by the Company for $1,500,000, by making staged payments over five years aggregating $95,000, (paid $27,500 to date), and issuing 475,000, of the Company's common shares, all of which have been issued to date.

The property consists of contiguous mineral tenures aggregating 1,179 hectares. The claim group envelopes 7.4 kilometers of the mineralized Camborne fault structure that hosts the majority of the mineral occurrences in the district. This new claim group, along with the adjacent Meridian property, gives the Company exposure to over 1,800 hectares of very favorable stratigraphy in the prolific Beaton-Camborne Camp. The Beaton-Camborne camp hosts 86 mineral deposits of which 18 are past producers having a reported combined production of more than 60 million grams of silver and significant amounts of gold, lead and zinc.

The Company completed a prospecting program in May, 2006 resulting in the discovery of the "Allison" silver/lead/zinc showing. This new mineral occurrence is located on a fault structure parallel to the dominant north trending Camborne regional fault. This fault is intimately tied to the mineralization of the area. Prospecting and geological mapping, focusing on the Gillman and Silver dollar mineral occurrence areas, was completed in July, 2006 in conjunction with the drill road construction on the nearby Meridian claim group. A program of additional geological mapping and sampling on the Gillman/Silver Dollar property was completed in August, 2006. The Company has identified five distinct precious and base metal zones to date. The five zones, each comprised of a number of mineralized showings, occur within a several hundred meter wide zone of locally sheared and silicified metasedimentary rocks paralleling the prominent Camborne Fault. Assay results from the August sampling indicated gold in the range of 0.08 to 25.2 grams per tonne and silver in the range of 1.9 grams per tonne to 1,265 grams per tonne.

In late July, 2008 the Company commenced an exploration program, with a budget of $40,000 and actual costs approximating $30,000, consisting of geological mapping, prospecting and sampling to extend and outline mineralized zones identified to date. Five discrete areas of developed gossans were found to occur along strike of the known mineralized occurrences on the claim block. Samples taken of the five gossans returned highly anomalous assays of silver, lead, zinc, nickel, copper and molybdenum. The five samples collected averaged 0.6 grams per tonne (g/t) silver, 48 parts per million (ppm) lead, 812 ppm zinc, 268 ppm nickel, 182.6 ppm copper, 24 ppm molybdenum and 10 parts per billion gold. The Company acquired three new claims to incorporate several of the new zones as well as additional prospective geology along the mineralized Camborne fault zone. One to two days will be spent examining prospective trends on the property this summer, 2009.

Saskatchewan

Black Lake

During the year ended September 30, 2007, the Company entered into an acquisition agreement to acquire 100% of 7 mineral claims, subject to a 1.5% net smelter interest, by making staged payments over three years aggregating $20,000, (paid $20,000 to date), and issuing 400,000, of the Company's common shares, (issued 275,000 to date). The Company has the option to purchase two thirds of the vendor's net smelter interest, (a 1.0% interest), for $1,500,000.

The claims, comprising approximately 5,484 hectares, are approximately 30 kilometers east of Stony Rapids in northern Saskatchewan. The claims host known uranium occurrences, and are located within, or near, major regional trends believed to be active during the mineralizing processes. Areas of the Black Lake property have seen varying levels of historic exploration including limited diamond drilling.

3) **Mineral Properties** (continued)

Black Lake, Saskatchewan

During fiscal 2007, the Company completed a two phase exploration program on the property. The first phase of exploration involved examining two significant target zones; the A Zone and Charlebois Lake. The A Zone, located near Black Lake, is a 200 meter by 250 meter zone containing significant volumes of radioactive pegmatite. Five grab samples collected from the outcropping pegmatites returned values ranging from 0.108% to 0.589% U_3O_8. The pegmatites within the A Zone locally contained abundant molybdenum with assay values ranging from 0.077% to 0.302%. The Charlebois Lake Zone encompasses a radiometric anomaly with a strike length in excess of two kilometers. Thirty-seven grab or continuous chip samples, collected from areas of discontinuous outcrop during the May, 2007 sampling program, returned values from 0.001% to 0.090% U_3O_8. The assay results from the first phase supported the Company's exploration concept of a bulk tonnage deposit model.

The second phase 782.03 meter, helicopter-supported diamond drill program was designed to test the two significant anomalous areas; the A zone and the Charlebois Lake Zone. Three drill holes, aggregating 716.54 meters, tested the A Zone.

The drilling successfully intersected significant volumes of pegmatite-hosted uranium mineralization along the multi-kilometer radiometric anomaly at Charlebois Lake. Intervals of 0.179% U_3O_8 over 2.51 meters and 0.118% U_3O_8 over 1.97 meters were drilled 480 meters apart along the strike of the Charlebois Lake Zone. Each of these intervals was hosted within broader, moderately mineralized, areas of 0.080% U_3O_8 over 6.52 meters and 0.040% U_3O_8 over 11.86 meters respectively. The preliminary results of the drilling continue to support the Company's belief that the region has the potential to host a "Rossing" style uranium deposit. (The Rossing uranium deposit is a bedrock-hosted, bulk-tonnage style model located in Namibia. The mine at Rossing has been in production over 30 years at grades of 0.2% to 0.3% U_3O_8).

The three drill holes that tested the A Zone also intersected significant volumes of mineralized granite/pegmatite. Significant intercepts included 0.010% U_3O_8 over 1.5 meters, 0.012% U_3O_8 over 0.85 meters, and 0.012% U_3O_8 over 0.71 meters. It is likely that near-surface oxidative weathering processes were responsible for leaching uranium from primary igneous minerals and re-concentrating it in secondary uranium minerals such as the uranophane observed during geological mapping. The Company is currently investigating possible joint venture or option opportunities for this property.

4) Operating Results

Six months ended March 31, 2009 compared to six months ended March 31, 2008

A summarized statement of operations appears below to assist in the discussion that follows:

Six months ended March 31	**2009**	**2008**	**Variance (negative) positive**
General and administrative	**$ (73,610)**	$ (175,562)	$ 101,952
Reporting to shareholders	**-**	(29,873)	29,873
Professional fees	**(1,943)**	(7,837)	5,894
Other	**(5,545)**	(6,131)	586
Write-down of mineral properties	**-**	(1,715)	1,715
Future income tax recovery	**37,500**	172,000	(134,500)
Interest and other income	**1,016**	11,567	(10,551)
Net and comprehensive loss	**$ (42,582)**	$ (37,551)	$ (5,031)

4) Operating Results (continued)

The timing of incurring reporting to shareholder costs can vary. The Company is deferring their annual meeting in order to conserve cash, consequently no reporting to shareholder costs were incurred in the current period. The decrease in interest income is a function of both decreasing average cash balances and a decrease in interest rates. The comparative period write-down of mineral properties pertained to prospective properties that the Company decided not to pursue. Future income tax recoveries pertained to the tax effect of flow-through share renunciations. The tax effect was recognized in the period in which the tax benefits were renounced to the shareholders. Since the Company had unrecognized tax benefits, a tax recovery was recorded to offset the future tax liability that would have been recorded in conjunction with the reduction in capital stock. The future income tax recovery is a function of the amount of flow-through expenditures renounced and the tax rate, each of which can vary in any given year.

General and administrative costs decreased approximately $102,000 from the comparative period. The following summarizes the major expense categories comprising general and administrative expenses for the respective periods:

Six months ended March 31,	**2009**	**2008**
Administrative consulting fees	**$ 22,693**	$ 49,909
Stock-based compensation	**-**	55,000
Travel and promotion	**3,746**	22,062
Occupancy costs	**20,979**	24,556
Office, secretarial and supplies	**6,673**	7,571
Insurance	**10,450**	10,500
Investor relations	**7,125**	3,200
Miscellaneous	**519**	1,523
Networking/website	**1,425**	1,241
Total	**$ 73,610**	$ 175,562

The most significant contributor to the higher general and administrative expenses in the comparative period was stock-based compensation of $55,000 that was recorded during the six months ended March 31, 2008. This is a non-cash charge that estimates the value of stock options granted in the period. No stock options were granted in the current period.

Administrative consulting fees decreased approximately $27,000 and travel and promotion decreased $18,000 from the comparative period. These decreases were a function of a conscious effort to reduce costs including a reduction in conferences attended in the current period. Occupancy costs decreased $5,000 due to the fact that a greater portion of the Company's office space was subleased in the current period. Investor relations costs increased $4,000 from the comparative period. The investor relations cost in the current period reflected one of a series of payments made to a firm for the preparation of a research report and investment analysis of the Company. The prior period investor relations costs related to an investor email campaign

The following summarizes the components of professional fees included in the statement of earnings:

Six months ended March 31	**2009**	**2008**
Legal and filing fees	**$ 2,943**	$ 7,992
Audit fees	**(1,000)**	(155)
Total	**$ 1,943**	$ 7,837

The adjustment to audit fees in the current period represented the excess of the audit accrual at year end over actual billings received for the year-end audit. The higher legal fees in the comparative period pertained to tax work performed as it pertained to flow-through share issues.

4) Operating Results (continued)

Three months ended March 31, 2009 compared to three months ended March 31, 2008

The Company recorded earnings of $5,722 for the three months ended March 31, 2009 and earnings of $86,290 for the three months ended March 31, 2008. The significant variances quarter to quarter that resulted in a decrease in earnings of approximately $80,000 were as follows:

Three months ended March 31	**2009**	**2008**	**Variance**
Interest and other income	**$ 390**	$ 4,742	$(4,352)
General and administrative expenses	**(28,684)**	(56,715)	28,031
Reporting to shareholders	**-**	(26,790)	26,790
Future income tax recovery	**37,500**	172,000	(134,500)
Other	**(3,484)**	(6,947)	3,463
Net and comprehensive earnings	**$ 5,722**	$ 86,290	$(80,568)

The decline in interest and other income is due to a combination of lower average cash balances and lower interest rates. The decrease in reporting to shareholders costs is attributable to the Company postponing calling a meeting in the current year in order to temporarily preserve cash by deferring annual meeting costs and printing costs among other related expenses. The future income tax recoveries will vary with changes in the amount of expenditures renounced and changes in tax rates.

General and administrative costs decreased approximately $28,000 from the comparative period. The following summarizes the major expense categories comprising general and administrative expenses for the respective periods:

Three months ended March 31,	**2009**	**2008**
Administrative consulting fees	**$ 7,684**	$ 23,064
Travel and promotion	**1,155**	8,859
Occupancy costs	**11,139**	13,429
Office, secretarial and supplies	**2,912**	4,136
Insurance	**5,187**	5,288
Miscellaneous	**607**	1,939
Total	**$ 28,684**	$ 56,715

Refer to six month comparative for a discussion of significant variances.

5) Liquidity and Capital Resources

The Company's working capital position at March 31, 2009 was $20,000, (September 30, 2008 - $139,000). The Company expended $62,000 cash on mineral property additions during the six months ended March 31, 2009, (2008 - $51,000). Cash operating expenses in excess of interest income aggregated $93,000 during the six months ended March 31, 2009, (2008 - $171,000).

Financing is required in order for the Company to fund mineral property acquisition cash commitments and administrative costs beyond fiscal 2009. Management is investigating potential equity financings. Current depressed equity markets and limited availability of capital, is making it difficult to find financing. Although management is reducing discretionary expenses to the extent possible, should a financing not be arranged, there is considerable doubt about the Company's ability to carry on as a going concern beyond the fiscal 2009. (Refer to note 1 to financial statements)

6) Contractual Obligations

Effective January 1, 2007, the Company's office lease was extended for five years. The following summarizes annual base lease commitments as at March 31, 2009 for the ensuing five fiscal years:

Remainder of 2009 $49,800 **2010** $99,500 **2011** $99,500 **2012** $24,900
2013 $Nil

Pursuant to sublease agreements, other companies will be responsible for 76% of the aforementioned payments.

6) Contractual Obligations (continued)

As at March 31, 2009, aggregate unpaid mineral property cash payments and share issuances, by fiscal year required to complete the acquisitions of the CR, Meridian, Gillman, Molygarchy and Black Lake properties are as follows:

Fiscal year of payment	Cash	Common Shares
Remainder of 2009	$ 65,000	150,000
2010	$ 80,000	125,000
2011	$ 30,000	-
Total	$175,000	275,000

The Company can choose to terminate any of these agreements at any time without a requirement for further cash and share payments. During the six months ended March 31, 2009, the Company negotiated a temporary suspension of $45,000 of the fiscal 2009 cash commitments that were to have been due on November 30, 2008. In return, the Company agreed to issue shares due in each of 2009, 2010, and 2011 and agreed to pay $5,000 of the committed cash amount due in fiscal 2009, all on November 30, 2008. The Company further committed to pay the 2008 deferred cash amount of $45,000 upon completion of a significant financing. The $45,000 deferred cash amount is included in the 2009 committed amount, although it will not become payable until a significant financing is completed.

7) Financing

Subsequent to period-end, on April 30, 2009, the Company closed a private placement financing of 2,530,000 units at $0.025 per unit for gross proceeds of $63,250. Each unit was comprised of one common share and ½ of one common share purchase warrant. Each whole common share purchase warrant may be exercised to acquire one common share at $0.10 per share to April 30, 2011. The proceeds will be utilized to finance the planned summer, 2009 exploration program on Meridian and working capital requirements.

In fiscal 2008 the Company closed a non-brokered private placement consisting of 1,500,000 common units, (Units) at a price of $0.10 per Unit and 1,153,845 flow-through common shares at a price of $0.13 per share. Each Unit was comprised of one common share and one share purchase warrant. Each warrant entitles the holder to purchase an additional common share at a price of $0.15 per share to June 12, 2010. A cash finders' fee of $1,125 and 7,500 Brokers' Warrants exercisable into one common share at a price of $0.13 per share to June 12, 2010 were issued to registered dealers. The proceeds from the private placement were used to fund administrative costs and exploration programs. By December 31, 2008 all of the $150,000 flow-through proceeds had been expended on qualifying expenditures.

8) Off-Balance Sheet Transactions

The Company has no off-balance sheet transactions to report.

9) Selected Annual Financial Information

The following selected financial data has been extracted from the audited financial statements, prepared in accordance with Canadian Generally Accepted Accounting Principles, for the fiscal years indicated and should be read in conjunction with those audited financial statements.

For the years ended or as at September 30,	**2008**	**2007**	**2006**
Financial Results			
Interest and other income	$ 17,099	$ 34,950	$ 18,441
Net and Comprehensive Loss	$ (279,899)	$ (149,620)	$ (436,035)
Basic and diluted loss per share	$(0.01)	$0.00	$(0.02)
Financial Position			
Working capital	$ 139,221	$ 655,146	$ 609,464
Total assets	$ 2,595,101	$ 2,621,528	$ 1,368,462
Capital Stock	$ 9,255,478	$ 9,146,456	$ 8,133,464
Warrants	$ 402,067	$ 433,902	$ 318,529
Contributed Surplus	$ 651,698	$ 500,863	$ 227,334
Deficit	$(7,803,926)	$(7,524,027)	$(7,374,407)

9) Selected Annual Financial Information (continued)

Write-off of mineral properties, stock-based compensation and future tax recoveries all contributed to variances in the recorded losses from year to year. Mineral property write-offs aggregated $113,000 in 2008, (2007 - $94,000, 2006 - $263,000). Stock based compensation aggregated $55,000 during fiscal 2008, (2007 - $Nil, 2006 - $6,000). Future income tax recoveries aggregated $172,000 during fiscal 2008, (2007 - $210,000, 2006 - $51,000).

10) Selected Quarterly Financial Information

The following selected financial data has been extracted from the unaudited financial statements, prepared in accordance with Canadian Generally Accepted Accounting Principles, for the fiscal periods indicated and should be read in conjunction with those unaudited financial statements.

Three months ended:	Mar. 31 2009	Dec. 31 2008	Sept 30 2008	June 30 2008	March 31 2008	Dec 31 2007	Sept 30 2007	June 30 2007
Interest & Other	$ 1,016	$ 626	$ 1,976	$ 3,556	$ 4,742	$ 6,825	$ 9,083	$ 8,639
Loss before mineral property write-offs and income tax recoveries	(31,778)	(48,304)	(71,532)	(59,888)	(85,710)	(122,126)	(74,491)	(65,143)
Mineral property write-offs	-	-	(110,508)	(420)	-	(1,715)	(12,148)	(1,168)
Loss before income taxes	(31,778)	(48,304)	(182,040)	(60,308)	(85,710)	(123,841)	(86,639)	(66,311)
Future income tax recovery	37,500	-	-	-	172,000	-	-	-
Net and Comprehensive Earnings (Loss)	$5,722	$(48,304)	$(182,040)	$(60,308)	$ 86,290	$(123,841)	$(86,639)	$(66,311)
Basic and diluted earnings (loss) per share	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

The most significant influence on net income/loss is the amount of mineral property write-offs and stock-based compensation expenses as well as tax recoveries associated with tax-effecting flow-through shares. Future income tax recoveries pertain to the application of unrecognized future tax benefits to reduce the future tax liability that is recorded when tax benefits are renounced to flow-through share investors.

Stock-based compensation cost of $55,000 contributed to the relatively higher loss in the three months ended December 31, 2007. Interest revenue varies with the amount of invested cash and interest rates. General and administrative expenses are generally higher in the quarter ended March 31 as annual report and other annual mailings as well as annual meeting costs tend to be incurred almost exclusively in this period. The result has traditionally been a higher net loss before mineral property write-offs in these periods. During the quarter ended March 31, 2009, however, this was not the case as the Company deferred calling a meeting in order to temporarily preserve cash.

11) Directors and Officers

Regan Chernish *Director and President*
Jean Pierre Jutras *Director and Vice-President*
Doug Porter *Director*
Shane Ebert *Director*
Doug Bryan *Director*
Shari Difley *Chief Financial Officer*
Barbara O'Neill *Corporate Secretary*

12) Related Party Transactions

The following non-arm's length transactions, (amounts rounded to nearest $1,000), occurred during the six months ended March 31, 2009:

i) received or accrued $10,000, (2008 - $32,000), from corporations related by virtue of common officers and directors for rent of shared office space and $10,000, (2008 - $32,000), for lease operating and certain administrative expenses.

ii) paid or accrued $45,000, (2008 - $70,000), for consulting fees charged by officers and directors or their companies on a per diem basis for geological, (geological billings for work specifically related to a mineral property is capitalized to that property), accounting and administrative services provided.

iii) paid or accrued to a company related by virtue of certain common officers and/or directors $7,000 for allocated office and secretarial expenses during the comparative six months ended March 31, 2008.

iv) paid $15,000 to a Company, related by virtue of one common officer, for the purchase of the gold.ca domain name during the comparative six months ended March 31, 2008.

v) officers, directors or their immediate family acquired in aggregate 730,000 of the 2,530,000 units issued pursuant to the April, 2009 private placement discussed in "7) Financing," above.

The purpose of related company office and rent charges is to realize certain economies associated with sharing office space and administrative services. Related party transactions were in the normal course of operations and were measured at the "exchange amount," which is the amount of consideration established and agreed to by the related parties.

13) Exploration Expenditures

Refer to note 4 to the financial statements for the schedule of expenditures incurred on the various properties during the periods ended March 31, 2009 and March 31, 2008 respectively.

14) Capital Stock, Warrants, Options

a) Capital Stock and Warrants Issued and outstanding

Refer to note 6 to the financial statements for details of issued and outstanding common shares as at March 31, 2009 and transactions during the six months then ended. The following summarizes changes to capital stock and warrants subsequent to period-end, to May 26, 2009:

	Number of Shares	Share Amount	Number of Warrants	Warrants Amount
Balance March 31, 2009	44,139,986	$9,247,353	5,333,970	$305,000
Issued pursuant to private placement	2,530,000	56,250	1,265,000	7,000
Balance May 26, 2009	46,669,986	$9,303,603	6,598,970	$312,000

Warrants were valued using the Black Scholes option-pricing model assuming 88% volatility, 0.98% risk-free interest rate and an expected warrant life of 2 years. The warrants that were issued with an exercise price of $0.10 per share expire April 30, 2011.

b) Stock Options

No options were granted, exercised or cancelled, and none expired during the period from March 31, 2009 to May 26, 2009.

15) Outlook

The Company's primary objective is to discover mineral resources in economic quantities capable of supporting an operating mine. As the Company does not have expertise in operating a mine, should it discover such a promising property, it will attempt to ally with a more senior mining company that might option-in on the property or purchase the property outright. The Company is pleased with the exploration success they experienced during the fiscal 2008 exploration season, advancing the Meridian and Gillman, British Columbia properties, as well as acquiring and advancing the Molygarchy, Yukon property. While management of the Company successfully arranged a private placement in April 30, 2009, that will finance planned exploration on Meridian this summer, it will require additional financing to ensure that the Company can maintain its current properties and conduct further exploration programs in the future. As discussed under Liquidity and Capital resources above, the financial markets are depressed and capital is tight. If financing cannot be obtained there is considerable doubt about whether the Company can continue to support working capital requirements past the end of fiscal 2009. While the Company has been successful raising equity funds in the past, there are no assurances it can continue to do so.

16) Risks

The success of the Company's business is subject to a number of factors including, but not limited to:

a) Substantial expenditures are required to explore for mineral reserves and the chances of identifying economical reserves are extremely small.
b) The junior resource market, where the Company raises funds, is extremely volatile and there is no guarantee that the Company will be able to raise funds as it requires. The Company may be forced to raise funds at a low share price resulting in increased dilution for current shareholders.
c) Although the Company has taken steps to verify title to the mineral properties in which it has an interest or in which it is earning an interest, there is no guarantee that the property will not be subject to title disputes or undetected defects.
d) The Company is subject to laws and regulations relating to environmental matters, including provisions relating to reclamation, discharge of hazardous materials, and other matters. The Company conducts its exploration activities in compliance with applicable environmental protection legislation and is not aware of any existing environmental problems that may result in a material liability for the Company, however changes to legislation could result in the Company being offside at some point in the future.
e) The Company is in competition with exploration companies with greater financial resources. This can hamper its ability to acquire certain exploration properties, attract joint venture parties and attract equity financing. Further, the Company must compete with these other companies to acquire contractors to perform certain exploration such as drilling. These contractors will often favor a larger project, making it more difficult for the Company to obtain their services.
f) The price of base and precious metals is highly volatile. Changes in these prices can alter the desirability of an exploration property, and feasibility of spending exploration dollars on it. Further, changes in commodity prices can affect the stock price of the Company.
g) The Company is dependent upon certain key personnel. Loss of any of these people could have a material adverse effect on the Company and its business.
h) The Company has a history of losses due to its status as an exploration company, with no production from mineral properties. Its ultimate success will depend on its ability to generate cash flow from producing properties at some point in the future, or alternatively from a disposition of its interests.

17) Critical Accounting Estimates

The most significant accounting estimate for the Company relates to the carrying value of its mineral property assets. Mineral properties consist of exploration and mining concessions. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sales or abandonments. The estimated values of all properties are assessed by management on a quarterly basis by reference to project economics, including the timing of the exploration and/or development work, the work programs and exploration results experienced by the Company and others, and the extent to which optionees have committed, or are expected to commit to, exploration on the property. When it becomes apparent that the carrying value of a specific property exceeds its estimated net recoverable amount based on the foregoing criteria, an impairment provision is made for the decline in value.

Another significant accounting estimate relates to accounting for stock-based compensation. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted and vested during the year.

The Company's estimate for asset retirement obligations is based on existing laws, contracts or other policies. The value of the obligation is based on estimated future costs for abandonments and reclamations. By their nature, these estimates are subject to measurement uncertainty.

18) New Accounting Policies

Newly adopted

Effective October 1, 2008, the Company adopted amended Section 1400, General Standards of Financial Statement Presentation. This section includes requirements to assess and disclose the Company's ability to continue as a going concern. It indicates that financial statements shall be prepared on a going concern basis unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. (see note 1 to the financial statements)

Future

In February, 2008, the Canadian Accounting Standards Board, (AcSB), announced that interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011 must be prepared in accordance with International Financial Reporting Standards, (IFRS). Accordingly the Company will be required to present their financial statements for the fiscal year ended September 30, 2012 in accordance with IFRS and will be required to restate the comparatives for the fiscal year ended September 30, 2011. While the Company has begun assessing the consequences of the adoption of IFRS, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

19) Other

Additional information relating to the Company may be found on SEDAR at www.sedar.com.