Consolidated Financial Statements

(stated in Canadian dollars)

Three Months ended March 31, 2009

(Unaudited – Prepared by Management)

Notice to Readers of the Interim Unaudited Consolidated Financial Statements
For the Three Months Ended March 31, 2009

The interim unaudited consolidated financial statements of Caza Gold Resource Corp. (the "Company") for the three months ended March 31, 2009 ("Financial Statements") have been prepared by management and have not been reviewed by the Company's auditors. The Financial Statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2008 which are available at the SEDAR website at www.sedar.com. The Financial Statements are stated in terms of Canadian dollars, unless otherwise indicated, and are prepared in accordance with Canadian generally accepted accounting principles.

CAZA GOLD CORP.

(An Exploration Stage Company)
Consolidated Balance Sheets
(Unaudited – Prepared by Management)
(Stated in Canadian dollars)

	March 31, 2009	December 31, 2008
ASSETS		
Current Assets		
Cash	**$ 308,069**	$ 407,901
Receivables and prepaids	**122,204**	123,739
	430,273	531,640
Non-Current Assets		
Mineral property interests (Note 6)	**212,648**	206,008
Equipment (Note 7)	**2,555**	2,756
	215,203	208,764
	$ 645,476	$ 740,404
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 264,669**	$ 238,142
Shareholders' Equity		
Share capital (Note 8)	**1,882,692**	1,882,692
Deficit	**(1,501,885)**	(1,380,430)
	380,807	502,262
	$ 645,476	$ 740,404

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 6)
Subsequent events (Note 6(e))

Refer to the accompanying notes to the consolidated financial statements.

Approved by the Directors:

/s/ Bradford Cooke
Director

/s/ Philip Yee
Director

CAZA GOLD CORP.

(An Exploration Stage Company)

Consolidated Statements of Operations and Comprehensive Loss

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

	Three Months Ended March 31, 2009		2008
Expenses:			
Accounting and audit	**$**	**6,149**	$ -
Amortization		**201**	-
Employee remuneration (Note 9)		**80,749**	882
Legal (Note 9)		**3,121**	47,925
Office and sundry (Note 9)		**26,670**	5,679
Property investigation		**1,125**	14,595
Regulatory		**2,479**	-
Loss before the undernoted		**(120,494)**	(69,081)
Foreign exchange loss		**(1,092)**	(374)
Interest expense		**-**	(6,803)
Interest and other income		**131**	-
Net loss and comprehensive loss for the period	**$**	**(121,455)**	$ (76,258)
Basic and diluted loss per share	**$**	**(0.01)**	$ (762.58)
Weighted average number of common shares outstanding		**21,849,423**	100

Refer to the accompanying notes to the consolidated financial statements.

CAZA GOLD CORP.

(An Exploration Stage Company)
Consolidated Statements of Shareholders' Equity
(Unaudited – Prepared by Management)
(Stated in Canadian dollars)

	Three months ended March 31, 2009		Year ended December 31, 2008	
	Shares	**Amount**	Shares	Amount
Common shares:				
Balance, beginning of period	**21,849,423**	**$ 1,882,692**	100	$ 1
Issued:				
Incorporation shares	-	-	(100)	(1)
Plan of arrangement (Note 5)	-	-	14,346,627	448,138
Shares for debt	-	-	2,800,000	280,000
Private placement	-	-	4,620,000	1,133,855
Property acquisition (Note 6(a))	-	-	82,796	20,699
Balance, end of period	**21,849,423**	**1,882,692**	21,849,423	1,882,692
Deficit:				
Balance, beginning of period		**(1,380,430)**		(27,469)
Plan of arrangement (Note 5)		-		(454,993)
Loss for the period		**(121,455)**		(897,968)
Balance, end of period		**(1,501,885)**		(1,380,430)
Total Shareholders' Equity		**$ 380,807**		$ 502,262

Refer to the accompanying notes to the consolidated financial statements.

CAZA GOLD CORP.

(An Exploration Stage Company)
Consolidated Statements of Cash Flows
(Unaudited – Prepared by Management)
(Stated in Canadian dollars)

	Three Months Ended March 31,	
	2009	2008
Cash provided from (used for):		
Operations:		
Loss for the period	**$ (121,455)**	$ (76,258)
Items not involving cash:		
Accrued interest	**-**	6,803
Amortization	**201**	-
	(121,254)	(69,455)
Changes in non-cash working capital items:		
Receivables and prepaids	**1,535**	(1,040)
Accounts payable and accrued liabilities	**26,527**	5,986
	(93,192)	(64,509)
Investing:		
Mineral properties, net of recoveries	**(6,640)**	-
	(6,640)	-
Decrease in cash	**(99,832)**	(64,509)
Cash, beginning of period	**407,901**	299,810
Cash, end of period	**$ 308,069**	$ 235,301
Non-cash financing and investing activities:		
Interest paid	**$ -**	$ -
Income taxes paid	**-**	-

Refer to the accompanying notes to the consolidated financial statements.

CAZA GOLD CORP.

(An Exploration Stage Company)

Consolidated Statements of Mineral Property Expenditures

(Unaudited – Prepared by Management)

(Stated in Canadian dollars)

	March 31, 2009			
	Los Angeles	Santiago	Santiago Fraction	Total
Acquisition Costs:				
Balance, beginning of period	$ 66,710	$ 93,235	$ 29,977	$ 189,922
Additions	-	-	-	-
Balance, end of period	66,710	93,235	29,977	189,922
Deferred Exploration Expenditures:				
Balance, beginning of period	14,463	1,623	-	16,086
Geology and consultants	461	6,179	-	6,640
Balance, end of period	14,924	7,802	-	22,726
Mineral property interests, end of period	$ 81,634	$ 101,037	$ 29,977	$ 212,648

Refer to the accompanying notes to the consolidated financial statements.

1. Nature and Continuance of Operations

Caza Gold Corp. (the "Company") was incorporated on November 15, 2007 under the laws of British Columbia. The Company was previously a wholly-owned subsidiary of Canarc Resource Corp. ("Canarc") until the Plan of Arrangement (the "Arrangement") between the Company and Canarc became effective as of June 25, 2008.

The Company is in the mineral exploration business and has not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of amounts capitalized for mineral properties is dependent upon the ability of the Company to arrange appropriate financing as needed, the discovery of economically recoverable reserves in its mineral properties, the development of its properties, confirmation of the Company's interest in the underlying properties (Note 6), the receipt of necessary permitting and upon future profitable production or proceeds from the disposition thereof.

The Company has incurred significant operating losses and has an accumulated deficit of approximately $1.5 million at March 31, 2009. Furthermore, the Company has working capital of $165,600 as at March 31, 2009, which is not sufficient to achieve the Company's planned business objectives. These consolidated financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity or debt financings and/or the attainment of profitable operations. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of presentation:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and are stated in Canadian dollars.

These consolidated financial statements include the accounts of the Company and its wholly-owned integrated subsidiary, Minera Canarc de Mexico S.A. de C.V.

All significant intercompany transactions and balances have been eliminated.

(b) Mineral property interests:

The Company capitalizes all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property acquisition or staking costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse.

2. Significant Accounting Policies (continued)

(b) Mineral properties: (continued)

All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, provision is made for the impairment in value.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the property interests are abandoned or the claims are allowed to lapse.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received. When the amount of recoveries exceeds the total amount of capitalized costs of the property, the amount in excess of costs is credited to income.

(c) Equipment:

Equipment is recorded at cost and, for that equipment subject to amortization, the Company uses the declining balance method at rates varying from 10% to 30% annually. Amortization on equipment used directly on exploration projects is included in mineral properties.

(d) Asset retirement obligations:

Any statutory, contractual or other legal obligations related to the retirement of tangible long-lived assets when such obligations are incurred, are recognized 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. The Company assessed its mineral properties, and based upon such assessments, there were no known material asset retirement obligations.

2. Significant Accounting Policies (continued)

(e) Earnings (loss) per share:

Basic earnings (loss) per share is computed by dividing the earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the period. For all periods presented, earnings available to common shareholders equals the reported earnings. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted loss per share presented is the same as basic loss per share as the effect of outstanding warrants would be anti-dilutive.

(f) Foreign currency translation:

The functional currency of the Company is the Canadian dollar. Amounts recorded in a foreign currency are translated into Canadian dollars as follows:

- monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;
- non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
- interest income and expenses (excluding amortization, which is translated at the same rate as the related asset), at the average rate of exchange.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss for the period.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates 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 relate to collectability of receivables, balances of accrued liabilities, impairment of mineral property interests, determination of reclamation obligations, and valuation allowances for future income tax assets. While management believes the estimates are reasonable, actual results could differ from those estimates, and could impact future results of operations and cash flows.

2. Significant Accounting Policies (continued)

(h) Financial instruments:

(i) CICA Handbook Section 3855 – Financial Instruments – Recognition and Measurement:

The standard addresses the classification, recognition and measurement of financial instruments in the financial statements. This standard requires all financial instruments within its scope, including derivatives, to be included in the Company's balance sheet and measured either at fair value on initial recognition or, in certain circumstances when fair value may not be considered most relevant, at cost or amortized cost. Changes in fair value are recognized in the statements of operations.

All financial assets and liabilities are recognized when the entity becomes a party to the contract creating the item. As such, any outstanding financial assets and liabilities at the effective date of adoption are recognized and measured in accordance with the new requirements as if these requirements had always been in effect. Any changes to the fair values of assets and liabilities prior to the adoption date are recognized by adjusting accumulated other comprehensive income.

All financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification:

- Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and losses due to impairment are included in current period net earnings;
- Available-for-sale financial assets are measured at fair value based on quoted market prices. Investment in equity instruments classified as available-for-sale that does not have a quoted market price in an active market is measured at cost. Revaluation gains and losses are included in other comprehensive income until the asset is removed from the balance sheet either by disposition or permanent impairment at which time the realized gain or loss is transferred to net earnings;
- Held-for-trading financial instruments are measured at fair value. All gains and losses are included in net earnings in the period in which they arise; and
- All derivative financial instruments are classified as held-for-trading financial instruments and are measured at fair value, even when they are part of a hedging relationship. All gains and losses are included in net earnings in the period in which they arise.

The Company had classified its cash as held-for-trading, accounts receivable as other receivables, and accounts payable and accrued liabilities as other financial liabilities.

2. Significant Accounting Policies (continued)

(h) Financial instruments: (continued)

(ii) CICA Handbook Section 3865 – Hedging:

This new standard specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company currently does not have any hedges.

(iii) CICA Handbook Section 1530 - Comprehensive Income:

Comprehensive income is the change in shareholders' equity during a period from transactions and other events from non-owner sources. This standard requires certain gains and losses that would otherwise be recorded as part of net earnings to be presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings. This standard requires the presentation of comprehensive income, and its components in a separate financial statement that is displayed with the same prominence as the other financial statements.

(iv) Financial instruments:

In February 2007, the CICA issued two new standards, Section 3862, "Financial Instruments Disclosures", and Section 3863, "Financial Instruments Presentation". These sections replace the existing Section 3861, "Financial Instruments Disclosure and Presentation". Section 3862 provides users with information to evaluate the significance of the financial instruments of the entity's financial position and performances, nature and extent of risks arising from financial instruments, and how the entity manages those risks. Section 3863 deals with the classification of financial instruments, related interests, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. Note 4 provides further details.

(i) Capital disclosures:

In February 2007, the CICA issued Handbook Section 1535, "Capital Disclosures", which requires the disclosure of both qualitative and quantitative information that provides users of financial statements with information to evaluate the entity's objectives, policies and procedures for managing capital. Note 3 provides further details.

(j) Going concern:

In June 2007, the CICA amended Handbook Section 1400, "General Standards of Financial Statement Presentation", which requires management to make an assessment of the Company's ability to continue as a going-concern. When financial statements are not prepared on a going-concern basis, that fact shall be disclosed together with the basis on which the financial statements are prepared and the reason why the Company is not considered a going-concern. The Company's accounting policies were already in accordance with the requirements of the amended section and there was no effect on the Company's financial statement disclosure, or on its consolidated financial position or its consolidated results of operations or cash flows.

2. Significant Accounting Policies (continued)

(k) Changes in accounting policies:

(i) Goodwill and intangible assets:

In February 2008, the CICA issued Handbook Section 3064, "Goodwill and intangible assets", replacing Section 3062, "Goodwill and other intangible assets" and Section 3450, "Research and development costs". This section establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The new section is effective for the Company on January 1, 2009. The Company has no goodwill or intangible assets as of March 31, 2009.

(ii) EIC-173, Credit Risk and the Fair value of Financial Assets and Financial Liabilities:

In January 2009 the Emerging Issues Committee ("EIC") of the CICA issued EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities", which clarifies 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 liabilities, including derivative instruments. EIC-173 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after the date of issuance of EIC- 173.

(iii) EIC-174, Mining Exploration Costs

In March 2009 the Emerging Issues Committee ("EIC") of the CICA issued EIC-174, "Mining exploration costs", which provides guidance on capitalization of exploration costs related to mining properties. It also provides guidance for development and exploration stage entities that cannot estimate future cash flows from its properties in assessing whether impairment in such properties is required. This EIC also provides additional discussion on recognition for long lived assets. EIC-174 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after the date of issuance of EIC- 174.

2. Significant Accounting Policies (continued)

(l) New accounting pronouncements:

International Financial Reporting Standards ("IFRS"):

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with IFRS over an expected five-year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. Management of Capital

The Company is an exploration stage company and this involves a high degree of risk. The Company has not determined whether its properties contain economically recoverable reserves of ore and currently has not earned any revenues from its mineral property interests and, therefore, does not generate cash flows from operations. The Company's primary sources of funds are from debt capital and the issuance of capital stock. The Company is not subject to any externally imposed capital requirements.

The Company defines its capital as capital stock. Capital requirements are driven by the Company's exploration activities on its mineral property interests. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget on all exploration projects and overhead to manage costs, commitments and exploration activities.

Management reviews the capital structure on a regular basis to ensure the above-noted objectives are met. There have been no changes to the Company's approach to capital management during the period.

Although the Company has been successful at raising funds in the past from debt capital and the issuance of capital stock, it is uncertain whether it will be able to continue this financing due to the current difficult economic conditions. The Company continues to rely on equity financings to continue exploration work on its mineral property interests and to meet its administrative overhead costs for the coming periods.

4. Management of Financial Risk

The Company is exposed in varying degrees to a variety of financial instrument related risks, including credit risk, liquidity risk, and market risk which includes commodity price risk, foreign exchange risk and interest rate risk. The types of risk exposure and the way in which such exposure is managed are provided as follows.

The fair values of the Company's cash, receivables and accounts payable and accrued liabilities approximate their carrying values due to their short terms to maturity.

(a) Credit risk:

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality Canadian financial institutions, and has no cash equivalents. The Company does not have financial assets that are invested in asset-backed commercial paper.

(b) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash, and its ability to raise debt and equity financings. The Company believes that these sources may be sufficient to cover the likely short-term cash requirements and commitments, if any.

Accounts payable and accrued liabilities are due within the current operating period.

(c) Market risk:

The significant market risk exposures to which the Company is exposed are commodity price risk, foreign exchange risk, and interest rate risk.

(i) Commodity price risk:

The value of the Company's mineral properties is dependent on the price of gold and the outlook for this precious mineral. The Company does not have any hedging or other commodity-based risks respecting its operations.

Market prices for this precious metal have historically fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk.

4. Management of Financial Risk (continued)

(c) Market risk: (continued)

(ii) Foreign exchange risk:

The Company's mineral properties and a portion of its operations are in Mexico, and would subject it to foreign currency fluctuations including currency transaction risk and currency translation risk. A certain portion of its operating expenses are incurred in Mexican pesos and a portion of its assets and liabilities are stated in Mexican pesos. Fluctuations in Mexican pesos would impact the earnings (losses) of the Company and the values of its assets and liabilities as its financial statements are stated in Canadian dollars. The Canadian dollar fluctuates and floats with the Mexican peso.

At March 31, 2009, the Company is exposed to currency risk for its Canadian dollar equivalent of financial assets and liabilities denominated in currencies other than Canadian dollars as follows:

	Held in Mexican Pesos (stated in Canadian dollars)
Cash	$ 2,440
Receivables and prepaids	114,178
Accounts payable and accrued liabilities	(172,604)
Net financial liabilities	$ (55,986)

Based upon the above net exposure as at March 31, 2009 and assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar relative to the Mexican pesos could result in a decrease/increase of $5,600 in the Company's net losses.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

(iii) Interest rate risk:

In respect of financial assets, the Company's policy is to invest cash at floating rates of interest in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return. Fluctuations in interest rates impact on the value of cash equivalents. Interest rate risk is not significant to the Company as it has no cash equivalents at period-end.

5. Plan of Arrangement

On June 25, 2008, the Company closed the Arrangement with Canarc whereby approximately 83% of Canarc's interest in the Company was distributed to the shareholders of Canarc. Under the Arrangement, Canarc transferred all its interest in its wholly-owned Mexican subsidiary, Minera Canarc de Mexico S.A. de C.V. ("Minera Canarc"), which holds all the rights to the Mexican gold exploration properties (Note 6), to the Company in return for 14,346,627 shares of the Company, of which Canarc distributed 11,950,577 shares of the Company by way of a dividend in kind to Canarc's shareholders on the basis of one share of the Company for every six shares of Canarc held by Canarc's shareholders as of the dividend record date. After the distribution, Canarc held 2,396,050 shares of the Company representing approximately a 17% interest in the Company at that time. The property rights which were transferred from Canarc to the Company included the Los Arrastres, Santiago and Santiago Fraction properties.

6. Mineral Property Interests

(a) Los Angeles:

In April 2008, the Company and Minera Canarc de Mexico SA de CV ("Minera Canarc"), a wholly-owned subsidiary of Canarc at that time, entered into an option agreement to acquire a 100% interest in the La Escondida / Los Angeles properties by making US$1 million in cash payments over a 4 year period and issuing US$50,000 in shares of the Company over a 12 month period. The vendors will retain a 3% NSR. An initial payment of US$15,000 was made upon the signing of the option agreement. In October 2008, the Company issued 82,796 shares to the vendors at a deemed value of $0.25 per share and also made a cash payment of US$25,000 to the vendors.

(b) Los Arrastres:

In February 2007, Minera Canarc entered into an option agreement to acquire a 100% interest in the Los Arrastres property by making US$2.5 million in cash payments and spending US$2 million on exploration over a 3 year period. The vendor will retain a 2% NSR and Canarc had the right to reduce the NSR to 1% by paying US$1 million at any time. Canarc made an initial payment of US$50,000 upon the signing of the option agreement and a further payment of US$75,000 in August 2007. In February 2008, Canarc made a cash payment of US$25,000. Pursuant to the Arrangement, the property was transferred to the Company (Note 5). As at December 31, 2008, Minera Canarc accrued an option payment of US$75,000 which it is committed to pay the vendor. The Company wrote-off the property in fiscal 2008.

(c) Santiago:

In May 2007, Minera Canarc entered into an option agreement to acquire a 100% interest in the Santiago gold property by making US$2 million in cash payments over a 5 year period and spending US$200,000 on exploration over a 2 year period. The vendor will retain a 2% NSR. Canarc made an initial payment of US$30,000 upon signing of the option agreement and a further payment of US$30,000 in November 2007. Then in May 2008, Canarc made a cash payment of US$60,000. Pursuant to the Arrangement, the property was transferred to the Company (Note 5).

6. Mineral Property Interests (continued)

(d) Santiago Fraction:

In September 2007, Minera Canarc entered into an option and joint venture agreement with Exmin Resources Inc. ("Exmin") to acquire up to a 75% interest in the Santiago Fraction property by issuing 15,000 common shares, paying US$25,000 in cash after 1 year, and spending up to US$1 million in exploration over a 5-year period. Canarc issued 15,000 common shares at a deemed value of $0.45 per share in 2007. Pursuant to the Arrangement, the property was transferred to the Company (Note 5). The Company made a cash payment of US$25,000 in September 2008.

(e) Other properties:

In April 2009, the Company entered into a Letter of Intent with Exmin to acquire two large gold exploration properties for 400,000 common shares and a 1% net smelter return.

In April 2009, the Company also entered into a Letter of Intent with Exmin to acquire Exmin's 30% interest in the Mexican company that owns the Moris gold mine for US$1.5 million. Hochschild Mining plc ("Hochschild") is the 70% owner and operator of the Moris gold mine. In May 2009, Hochschild exercised its right of first refusal to purchase Exmin's 30% interest.

(f) Expenditure options:

As at March 31, 2009, to maintain the Company's interest and to fully exercise the options under various property agreements covering its properties, the Company must incur exploration expenditures on the properties and/or make payments in the form of cash and/or shares to the optionors as follows:

	Option/Advance Royalty Payments (US dollars)	Expenditure Commitments (US dollars)	Value of Shares (US dollars)
Los Angeles (Note 6(a))	$ 960,000	$ -	$ 30,000
Santiago (Note 6(c))	1,880,000	147,065	-
Santiago Fraction (Note 6(d))	-	1,000,000	-
	$ 2,840,000	$ 1,147,065	$ 30,000

These amounts may be reduced in the future as the Company determines which properties to continue to explore and which to abandon.

6. Mineral Property Interests (continued)

(g) Mineral properties contingencies:

The Company has diligently investigated rights of ownership of all of its mineral properties/concessions and, to the best of its knowledge, all agreements relating to such ownership rights are in good standing. However, all properties/concessions may be subject to prior claims, agreements or transfers, and rights of ownership may be affected by undetected defects.

Mineral exploration and development is highly speculative and involves inherent risks. While rewards if a feasible ore body is discovered might be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that the current exploration programs by the Company will result in the discovery of economically viable quantities of ore.

(h) Realization:

The Company's investment in and expenditures on its mineral property interests comprise a significant portion of the Company's assets. Realization of the Company's investment in these assets is dependent on establishing legal ownership of the properties, on the attainment of successful commercial production or from the proceeds of their disposal. The recoverability of the amounts shown for mineral property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the properties, and upon future profitable production or proceeds from the disposition thereof.

(i) Environmental:

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation of the Company's operation may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous materials and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

(Stated in Canadian dollars)

7. Equipment

	March 31, 2009		
	Cost	Accumulated Amortization	Net Book Value
Equipment	$ 3,607	$ 1,052	$ 2,555

8. Share Capital

(a) Authorized and issued:

The authorized share capital of the Company is comprised of unlimited common shares without par value.

Common shares issued for consideration other than cash are recorded at a deemed value of the shares as of the agreement date.

(b) Warrants:

At March 31, 2009, the Company had outstanding warrants as follows:

Exercise Prices	Expiry Dates	Outstanding at December 31, 2008	Issued	Exercised	Expired	Outstanding at March 31, 2009
$0.12	January 31, 2010	1,400,000	-	-	-	1,400,000
$0.35	March 30, 2010	2,310,000	-	-	-	2,310,000
		3,710,000	-	-	-	3,710,000

9. Related Party Transactions

Related party transactions during the three month period ended March 31, 2009 include:

- $21,867 in salaries paid to the directors of the Company;
- $4,133 in legal fees to a law firm in which a senior officer of the Company is a partner; and
- $124,682 in office and sundry, rent and salary allocations from companies with one common director.

Details of the Arrangement between the Company and Canarc are provided in Note 5.

10. Segment Disclosures

The Company has one operating segment, being mineral exploration, and substantially all assets of the Company are located in Canada except for mineral properties as disclosed in Note 6.

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DIRECTORS	Bradford Cooke Philip Yee
OFFICERS	Bradford Cooke ~ Chairman and Chief Executive Officer James Moors ~ Vice-President, Exploration Philip Yee ~ Chief Financial Officer Stewart Lockwood ~ Secretary
REGISTRAR AND TRANSFER AGENT	Computershare Investor Services Inc. 3rd Floor, 510 Burrard Street Vancouver, BC, Canada, V6C 3B9
AUDITORS	Smythe Ratcliffe LLP 7th Floor, 355 Burrard Street Vancouver, BC, Canada, V6C 2G8
SOLICITORS	Vector Corporate Finance Lawyers #1040 – 999 West Hastings Street Vancouver, BC, Canada, V6C 2W2

Management Discussion and Analysis

(stated in Canadian dollars)

Three months ended March 31, 2009

CAZA GOLD CORP.
(the "**Company**")

Management's Discussion and Analysis
For the Three Months Ended March 31, 2009

CAUTION – FORWARD LOOKING STATEMENTS

Certain statements contained herein regarding the Company and its operations constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. All statements that are not historical facts, including without limitation statements regarding future estimates, plans, objectives, assumptions or expectations of future performance, are "forward-looking statements". We caution you that such "forward looking statements" involve known and unknown risks and uncertainties that could cause actual results and future events to differ materially from those anticipated in such statements. Such risks and uncertainties include fluctuations in precious metal prices, unpredictable results of exploration activities, uncertainties inherent in the estimation of mineral reserves and resources, fluctuations in the costs of goods and services, problems associated with exploration and mining operations, changes in legal, social or political conditions in the jurisdictions where the Company operates, lack of appropriate funding and other risk factors, as discussed in the Company's filings with Canadian securities regulatory agencies. The Company expressly disclaims any obligation to update any forward-looking statements.

1.0 Preliminary Information

The following Management's Discussion and Analysis ("MD&A") of Caza Gold Corp. (the "Company") should be read in conjunction with the accompanying unaudited consolidated financial statements for the three months ended March 31, 2009 and the audited consolidated financial statements for the year ended December 31, 2008 and for the period from November 15, 2007 to December 31, 2007, which are available at the SEDAR website at www.sedar.com.

All financial information in this MD&A is prepared in accordance with Canadian generally accepted accounting principles ("CAD GAAP"), and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

All information contained in the MD&A is as of May 28, 2009 unless otherwise indicated.

1.1 Background

The Company was incorporated on November 15, 2007 under the laws of British Columbia and is engaged in the acquisition, exploration, development and exploitation of precious metal properties in Mexico. The Company currently owns or holds, directly or indirectly, interests in precious metal properties, known as La Escondida / Los Angeles, Santiago and Santiago Fraction, in Mexico, which were acquired pursuant to the Plan of Arrangement (the "Arrangement") between the Company and its previous parent company, Canarc Resource Corp. ("Canarc"). The Plan of Arrangement closed on June 25, 2008.

Plan of Arrangement:

On June 25, 2008, the Company closed the Arrangement with Canarc whereby approximately 83% of Canarc's interest in the Company was distributed to the shareholders of Canarc. Under the Arrangement, Canarc transferred all its interest in its wholly-owned Mexican subsidiary, Minera Canarc de Mexico S.A. de C.V. ("Minera Canarc"), which holds all the rights to the Mexican gold exploration properties to the Company in return for 14,346,627 shares of the Company, of which Canarc distributed 11,950,577 shares of the Company by way of a dividend in kind to Canarc's shareholders on the basis of one share of the Company for every six shares of Canarc held by Canarc's shareholders as of the dividend record date. Canarc continues to hold 2,396,050 shares of the Company, representing approximately an 11% interest in the Company as at March 31, 2009.

1.2 Overall Performance

As the Company is focused on its exploration activities, there is no production, sales or inventory in the conventional sense. The recoverability of costs capitalized to mineral properties and the Company's future financial success will be dependent upon the extent to which it can discover mineralization and determine the economic viability of developing such properties. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine with any certainty at this time. Many of the key factors are outside of the Company's control. The sales value of any mineralization discovered and developed by the Company is largely dependent upon factors beyond the Company's control such as the market prices of the metals produced. As the carrying value and amortization of mineral properties and capital assets are, in part, related to the Company's mineral reserves and resources, if any, the estimation of such reserves and resources is significant to the Company's position and results of operations.

Gold prices continued to show strength as the cumulative annual average increased from $603 in fiscal 2006 to $695 in fiscal 2007 and $872 in fiscal 2008, closing at $968 on May 28, 2009. Gold prices achieved new highs in each of the past several years. In May 2006, prices reached a high of $725, and $841 in November 2007 before reaching a high of $1,011 in March 2008.

Los Angeles property

In April 2008, the Company and Minera Canarc entered into an option agreement to acquire a 100% interest in the La Escondida / Los Angeles properties by making US$1 million in cash payments over a 4 year period and issuing US$50,000 in shares of the Company over a 12 month period. The vendors will retain a 3% NSR. An initial payment of US$15,000 was made upon the signing of the option agreement. In October 2008, the Company issued 82,796 shares to the vendors at a deemed value of $0.25 per share and also made a cash payment of US$25,000 to the vendors.

Los Arrastres property

In February 2007, Minera Canarc entered into an option agreement to acquire a 100% interest in the Los Arrastres property by making US$2.5 million in cash payments and spending US$2 million on exploration over a 3 year period. The vendor will retain a 2% NSR and Canarc had the right to reduce the NSR to 1% by paying US$1 million at any time. Canarc made an initial payment of US$50,000 upon the signing of the option agreement and a further payment of US$75,000 in August 2007. Then in February 2008, Canarc made a cash payment of US$25,000. Pursuant to the Arrangement, the property was transferred to the Company. As at December 31, 2008, Minera Canarc accrued an option payment of US$75,000 which it is committed to pay the vendor. The Company wrote-off the property in the third quarter of fiscal 2008.

Santiago property

In May 2007, Minera Canarc entered into an option agreement to acquire a 100% interest in the Santiago gold property by making US$2 million in cash payments over a 5 year period and spending US$200,000 on exploration over a 2 year period. The vendor will retain a 2% NSR. Canarc made an initial payment of US$30,000 upon the signing of the option agreement and a further payment of US$30,000 in November 2007. Then in May 2008, Canarc made a cash payment of US$60,000. Pursuant to the Arrangement, the property was transferred to the Company.

Santiago Fraction property

In September 2007, Minera Canarc entered into an option and joint venture agreement with Exmin Resources Inc. ("Exmin") to acquire up to a 75% interest in the Santiago Fraction property by issuing 15,000 common shares, paying US$25,000 in cash after 1 year, and spending up to US$1 million in exploration over a 5-year period. Canarc issued 15,000 common shares at a deemed value of $0.45 per share in 2007. Pursuant to the Arrangement, the property was transferred to the Company. The Company made a cash payment of US$25,000 in September 2008.

In April 2009, the Company entered into a Letter of Intent with Exmin to acquire two large gold exploration properties for 400,000 common shares and a 1% net smelter return.

In April 2009, the Company also entered into a Letter of Intent with Exmin to acquire Exmin's 30% interest in the Mexican company that owns the 25,000 oz per year Moris gold mine for US$1.5 million. Hochschild Mining plc ("Hochschild") is the 70% owner and operator of the Moris gold mine. In May 2009, Hochschild exercised its right of first refusal to purchase Exmin's 30% interest.

1.3 Selected Annual Information

All financial information is prepared in accordance with CAD GAAP, and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

	Year ended December 31, 2008		From November 15, 2007 to December 31, 2007	
Total revenues	$	-	$	-
Loss before discontinued operations and extraordinary items:				
(i) Total	$	(897,968)	$	(27,469)
(ii) Basic per share	$	(0.09)	$	(274.69)
(iii) Fully diluted per share	$	(0.09)	$	(274.69)
Net loss:				
(i) Total	$	(897,968)	$	(27,469)
(ii) Basic per share	$	(0.09)	$	(274.69)
(iii) Fully diluted per share	$	(0.09)	$	(274.69)
Total assets	$	740,404	$	300,234
Total long-term liabilities	$	-	$	-
Dividends per share	$	-	$	-

1.4 Results of Operations

First Quarter of Fiscal 2009 – Three months ended March 31, 2009 compared with March 31, 2008

The Company incurred a net loss of approximately $121,500 for the three months ended March 31, 2009 which is significantly higher than the net loss of $76,300 for the same period in fiscal 2008. In the first quarter of fiscal 2008, the Company was still a wholly-owned subsidiary of Canarc. Operating expenses for employees, office and sundry and regulatory were higher in 2009 than in 2008 as the Company become a reporting issuer subsequent to the Arrangement in June 2008. Employee remuneration in 2009 was related to the general administration of the Company and to ongoing endeavours to acquire properties of merit and to expand its portfolio of projects in Mexico and which culminated in two letters of intent. Property investigation costs are for corporate development which reflects active due diligence and property evaluations in Mexico for acquisitions and to identify properties of merit for possible acquisitions. These were nominal as the Company needed to preserve its cash and working capital due to the tumultuous financial markets in the latter half of 2008 which continued into 2009. Regulatory expenses are attributable to the Company's status as a reporting issuer subsequent to the Arrangement. Expenses of $47,900 were incurred in the first quarter of fiscal 2008 for legal services, part of which were rendered for the Arrangement. Such expenses were shared between the Company and Canarc. Interest expense in 2008 was incurred for the demand loans which bore an interest rate of 9% per annum.

The Company has no sources of operating revenues.

As at March 31, 2009, the Company has mineral property interests which are comprised of the following:

		Los Angeles		Santiago		Santiago Fraction		Total
Acquisition Costs:								
Balance, beginning of period	$	66,710	$	93,235	$	29,977	$	189,922
Additions		-		-		-		-
Balance, end of period		66,710		93,235		29,977		189,922
Deferred Exploration Expenditures:								
Balance, beginning of period		14,463		1,623		-		16,086
Geology and consultants		461		6,179		-		6,640
Balance, end of period		14,924		7,802		-		22,726
Mineral property interests, end of period	$	81,634	$	101,037	$	29,977	$	212,648

As at March 31, 2009, to maintain the Company's interest and to fully exercise the options under various property agreements covering its properties, the Company must incur exploration expenditures on the properties and/or make payments in the form of cash and/or shares to the optionors as follows:

		Option/Advance Royalty Payments (US dollars)		Expenditure Commitments (US dollars)		Value of Shares (US dollars)
Los Angeles	$	960,000	$	-	$	30,000
Santiago		1,880,000		147,065		-
Santiago Fraction		-		1,000,000		-
	$	2,840,000	$	1,147,065	$	30,000

These amounts may be reduced in the future as the Company determines which properties to continue to explore and which to abandon.

1.5 Summary of Quarterly Results

All financial information is prepared in accordance with CAD GAAP, and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The following table provides selected financial information of the Company for each of the quarters for the period from November 15, 2007 to the most recently completed quarter, March 31, 2009:

	2009	2008				From Nov 15, 2007
	Mar 31	Dec 31	Sept 30	June 30	Mar 31	to Dec 31, 2007
Total revenues	$ -	$ -	$ -	$ -	$ -	$ -
Income (loss) before discontinued discontinued operations and extraordinary items:						
(i) Total	$ (121,455)	$ 148,617	$ (909,532)	$ (60,949)	$ (76,104)	$ (27,469)
(ii) Basic per share	$ (0.01)	$ 0.01	$ (0.06)	$ (0.08)	$ (761.04)	$ (274.69)
(iii) Fully diluted per share	$ (0.01)	$ 0.01	$ (0.06)	$ (0.08)	$ (761.04)	$ (274.69)
Net income (loss):						
(i) Total	$ (121,455)	$ 148,617	$ (909,532)	$ (60,949)	$ (76,104)	$ (27,469)
(ii) Basic per share	$ (0.01)	$ 0.01	$ (0.06)	$ (0.08)	$ (761.04)	$ (274.69)
(iii) Fully diluted per share	$ (0.01)	$ 0.01	$ (0.06)	$ (0.08)	$ (761.04)	$ (274.69)
Total assets	$ 645,476	$ 740,404	$ 932,467	$ 1,316,769	$ 235,302	$ 300,234
Total long-term liabilities	$ -	$ -	$ -	$ -	$ -	$ -
Dividends per share	$ -	$ -	$ -	$ -	$ -	$ -

At incorporation on November 15, 2007, the Company issued 100 shares at $0.01 per share to Canarc. Pursuant to the Arrangement, the Company issued 14,346,627 shares to Canarc to acquire the Mexican properties. The effect of the equity distribution is reflective in the significant change in the quarterly loss per share in the second quarter of fiscal 2008.

1.6 Liquidity and Capital Resources

The Company is in the development stage and has not yet determined whether its mineral properties contain reserves that are economically recoverable. The recoverability of amounts capitalized for mineral properties is entirely dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production. The Company knows of no trends, demands, commitments, events or uncertainties that may result in the Company's liquidity either materially increasing or decreasing at the present time or in the foreseeable future. Material increases or decreases in the Company's liquidity are substantially determined by the success or failure of the Company's exploration programs and overall market conditions for smaller mineral exploration companies. Since its incorporation in 2007, the Company has endeavored to secure mineral properties that in due course could be brought into production to provide the Company with cash flow which would be used to undertake work programs on other projects. To that end, the Company has expended its funds on mineral properties that it believes have the potential to achieve cash flow within a reasonable time frame. As a result, the Company has incurred losses during each of its fiscal periods since incorporation. This result is typical of smaller exploration companies and will continue unless positive cash flow is achieved.

The following table contains selected financial information of the Company's liquidity:

	March 31,	December 31,	
	2009	2008	2007
Cash and cash equivalents	$ 308,069	$ 407,901	$ 299,810
Working capital (deficiency)	$ 165,604	$ 293,498	$ (27,468)

Ongoing operating expenses continue to reduce the Company's cash resources and working capital.

The Company has a number of option agreements for mineral properties that involve payments in the form of cash and/or shares of the Company as well as minimum exploration expenditure requirements. Under Item 1.4, further details of contractual obligations are provided as at March 31, 2009. The Company will continue to rely upon equity financing as its principal source of financing its projects.

1.7 Capital Resources

Item 1.6 provides further details.

1.8 Off-Balance Sheet Arrangements

There are no known off-balance sheet arrangements which have not been disclosed.

1.9 Transactions with Related Parties

Related party transactions during the three months ended March 31, 2009 include:

- $21,867 in salaries paid to the directors of the Company;
- $4,133 in legal fees to a law firm in which a senior officer of the Company is a partner; and
- $124,682 in office and sundry, rent and salary allocations from companies with one common director.

Details of the Arrangement between the Company and Canarc are provided in Item 1.1.

1.10 First Quarter

Items 1.4, 1.5 and 1.6 provide further details for the first quarter of fiscal 2009.

1.11 Proposed Transactions

There are no proposed material asset or business acquisitions or dispositions, other than those in the ordinary course and other than those already disclosed in this MD&A, before the board of directors for consideration, and other than those already disclosed in its regulatory and public filings.

1.12 Critical Accounting Estimates

The preparation of financial statements requires the Company to make estimates 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 estimates relate to collectability of receivables, balances of accrued liabilities, impairment of mineral property interests, determination of reclamation obligations, and valuation allowances for future income tax assets. Actual results could differ from those estimates.

Acquisition costs of mineral properties and exploration and development expenditures incurred thereto are capitalized and deferred. The costs related to a property from which there is production will be amortized using the unit-of-production method. Capitalized costs are written down to their estimated recoverable amount if the property is subsequently determined to be uneconomic. The amounts shown for mineral properties represent costs incurred to date, less recoveries and write-downs, and do not reflect present or future values.

1.13 Changes in Accounting Policies Including Initial Adoption

New accounting pronouncements which came into effect for fiscal 2009 as issued by the Canadian Institute of Chartered Accountants ("CICA") are as follows:

(i) Goodwill and intangible assets:

In February 2008, the CICA issued Handbook Section 3064, "Goodwill and intangible assets", replacing Section 3062, "Goodwill and other intangible assets" and Section 3450, "Research and development costs". This section establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The new section is effective for the Company on January 1, 2009. The Company has no goodwill or intangible assets as of March 31, 2009.

(ii) EIC-173, Credit Risk and the Fair value of Financial Assets and Financial Liabilities:

In January 2009 the Emerging Issues Committee ("EIC") of the CICA issued EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities", which clarifies 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 liabilities, including derivative instruments. EIC-173 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after the date of issuance of EIC- 173.

(iii) EIC-174, Mining Exploration Costs

In March 2009 the Emerging Issues Committee ("EIC") of the CICA issued EIC-174, "Mining exploration costs", which provides guidance on capitalization of exploration costs related to mining properties. It also provides guidance for development and exploration stage entities that cannot estimate future cash flows from its properties in assessing whether impairment in such properties is required. This EIC also provides additional discussion on recognition for long lived assets. EIC-174 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after the date of issuance of EIC- 174.

(iv) International Financial Reporting Standards ("IFRS"):

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with IFRS over an expected five-year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

1.14 Financial Instruments and Other Instruments

The Company's financial instruments approximate their carrying values.

The Company classifies its financial instruments as follows:

- cash and cash equivalents as held-for-trading,
- accounts receivable as other receivables, and
- accounts payable and accrued liabilities as other liabilities.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality Canadian financial institutions. The Company does not have financial assets that are invested in asset-backed commercial paper. In respect of financial assets, the Company's policy is to invest cash at floating rates of interest in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return. Fluctuations in interest rates impact on the value of cash equivalents.

Items 1.13 provide further details of financial instruments.

1.15 Other MD&A Requirements

1.15.1 Other MD&A Requirements

Additional information relating to the Company are as follows:

(a) may be found on SEDAR at www.sedar.com; and

(b) is also provided in the Company's unaudited consolidated financial statements for the three months ended March 31, 2009 and its audited consolidated financial statements for the year ended December 31, 2008.

1.15.2 Outstanding Share Data

The Company's authorized share capital consists of unlimited common shares without par value.

Changes in the Company's share capital for the three months ended March 31, 2009 are as follows:

	Number of Shares	Amount
Balance at December 31, 2008	21,849,423	$ 1,882,692
Issued	-	-
Balance at March 31, 2009	21,849,423	$ 1,882,692

At May 28, 2009, there were 21,849,423 common shares issued and outstanding.

At March 31, 2009, the Company had outstanding warrants to purchase an aggregate of 3,710,000 common shares as follows:

Exercise Prices	Expiry Dates	Outstanding at December 31, 2008	Issued	Exercised	Expired	Outstanding at March 31, 2009
$0.12	January 31, 2010	1,400,000	-	-	-	1,400,000
$0.35	March 30, 2010	2,310,000	-	-	-	2,310,000
		3,710,000	-	-	-	3,710,000

At May 28, 2009, warrants for 3,710,000 common shares remain outstanding.

At March 31, 2009 and May 28, 2009, the Company has not granted any stock options.

1.16 Outlook

Although it currently has sufficient capital to satisfy existing operating and administrative expenses in the short term, the Company will continue to depend upon equity capital to finance its existing projects. There are no assurances that capital requirements will be met by this means of financing as inherent risks are attached therein including commodity prices, financial market conditions, and general economic factors. The Company does not expect to realize any operating revenues from its properties in the foreseeable future.

1.17 Risk Factors

The following is a brief discussion of those distinctive or special characteristics of the Company's operations and industry that may have a material impact on, or constitute risk factors in respect of, the Company's future financial performance.

Exploration and Development Risks

There is no assurance given by the Company that its exploration and development programs and properties will result in the discovery, development or production of a commercially viable ore body.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any discoveries of bodies of commercial ore. The economics of developing gold and other mineral properties are affected by many factors including capital and operating costs, variations of the grades and tonnages of ore mined, fluctuating mineral market prices, costs of mining and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Substantial expenditures are required to establish reserves through drilling and other work, to develop metallurgical processes to extract metal from ore, and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that funds required for development can be obtained on a timely basis. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be accurately foreseen or predicted, such as market fluctuations, the global marketing conditions for precious and base metals, the proximity and capacity of milling and smelting facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection. In order to commence exploitation of certain properties presently held under exploration concessions, it is necessary for the Company to apply for exploitation concessions. There can be no guarantee that such concessions will be granted.

Financing Risks

There is no assurance given by the Company that it will be able to secure the financing necessary to explore, develop and produce its mineral properties.

The Company does not presently have sufficient financial resources or operating cash-flow to undertake by itself all of its planned exploration and development programs. The development of the Company's properties may therefore depend on the Company's joint venture partners and on the Company's ability to obtain additional required financing. There is no assurance the Company will be successful in obtaining the required financing, the lack of which could result in the loss or substantial dilution of its interests (as existing or as proposed to be acquired) in its properties as disclosed herein. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity capital financings, the attainment of profitable operations, external financings, and further share issuance to satisfy working capital and operating needs.

Estimates of Mineral Deposits

There is no assurance given by the Company that any estimates of mineral deposits herein will not change.

No assurance can be given that any identified mineralized deposit will ever qualify as a commercially viable mineable ore body that can be legally and economically exploited. Estimates regarding mineralized deposits can also be affected by many factors such as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grades and tonnages of ore ultimately mined may differ from that indicated by drilling results and other work. There can be no assurance that gold recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions. Material changes in mineralized tonnages, grades, dilution and stripping ratios or recovery rates may affect the economic viability of projects. The existence of mineralized deposits should not be interpreted as assurances of the future delineation of ore reserves or the profitability of future operations.

Mineral Prices

There is no assurance given by the Company that mineral prices will not change.

The mining industry is competitive and mineral prices fluctuate so that there is no assurance, even if commercial quantities of a mineral resource are discovered, that a profitable market will exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of precious and base metals fluctuate on a daily basis, have experienced volatile and significant price movements over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations (specifically, the U.S. dollar relative to other currencies), interest rates, central bank transactions, world supply for precious and base metals, international investments, monetary systems, and global or regional consumption patterns (such as the development of gold coin programs), speculative activities and increased production due to improved mining and production methods. The supply of and demand for gold are affected by various factors, including political events, economic conditions and production costs in major gold producing regions, and governmental policies with respect to gold holdings by a nation or its citizens. The exact effect of these factors cannot be accurately predicted, and the combination of these factors may result in the Company not receiving adequate returns on invested capital or the investments retaining their respective values. There is no assurance that the prices of gold and other precious and base metals will be such that the Company's properties can be mined at a profit.

Conflicts of Interest

There is no assurance given by the Company that its directors and officers will not have conflicts of interest from time to time.

The Company's directors and officers may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The interests of these companies may differ from time to time. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against any resolution involving any such conflict. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of the Province of British Columbia, Canada, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in any particular exploration or mining project at any given time, the directors will primarily consider the upside potential for the project to be accretive to shareholders, the degree of risk to which the Company may be exposed and its financial position at that time.

Uninsured Risks

There is no assurance given by the Company that it is adequately insured against all risks.

The Company may become subject to liability for cave-ins, pollution or other hazards against which it cannot insure or against which it has elected not to insure because of high premium costs or other reasons. The payment of such liabilities would reduce the funds available for exploration and mining activities.

Environmental and Other Regulatory Requirements

There is no assurance given by the Company that it has met all environmental or regulatory requirements.

The current or future operations of the Company, including exploration and development activities and commencement of production on its properties, require permits from various foreign, federal, state and local governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required in order for the Company to commence production on its various properties will be obtained. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, are necessary prior to operation of the other properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. New laws or regulations or amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation of current laws, regulations or permits, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Reclamation

There is a risk that monies allotted for land reclamation may not be sufficient to cover all risks, due to changes in the nature of the waste rock or tailings and/or revisions to government regulations. Therefore additional funds, or reclamation bonds or other forms of financial assurance may be required over the tenure of the project to cover potential risks. These additional costs may have material adverse impact on the financial condition and results of the Company.

Foreign Countries and Regulatory Requirements

Certain of the Company's properties are located in countries outside of Canada, and mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political attitudes may vary from country to country and are beyond the control of the Company and may adversely affect its business. Such changes have, in the past, included nationalization of foreign owned businesses and properties. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income and other taxes and duties, expropriation of property, environmental legislation and mine safety. These uncertainties may make it more difficult for the Company and its joint venture partners to obtain any required production financing for its mineral properties.

Currency Fluctuation and Foreign Exchange Controls

The Company maintains a portion of its funds in U.S. dollar denominated accounts. Certain of the Company's property and related contracts are denominated in U.S. dollars. The Company's operations in countries other than Canada are normally carried out in the currency of that country and make the Company subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. In addition future contracts may not be denominated in U.S. dollars and may expose the Company to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position and results. In addition, the Company is or may become subject to foreign exchange restrictions which may severely limit or restrict its ability to repatriate capital or profits from its properties outside of Canada to Canada. Such restrictions have existed in the past in countries in which the Company holds property interests and future impositions of such restrictions could have a materially adverse effect on the Company's future profitability or ability to pay dividends.

Third Party Reliance

The Company's rights to acquire interests in certain mineral properties have been granted by third parties who themselves hold only an option to acquire such properties. As a result, the Company may have no direct contractual relationship with the underlying property holder.