

# **Robex Resources Inc.**

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**Management's Discussion and Analysis  
for the first quarter ended March 31, 2009**

## **COMPANY PROFILE AND MISSION**

Robex Resources Inc. (“Robex” or “the Company”) is a Canadian mining exploration and development company focusing on Mali, West Africa. Mali is currently the fourth most important gold producing country in Africa. Robex’s permanent exploration office is located in Mali, and is operated by senior geologists with extensive experience in West African mining exploration. The team works on projects the Company already owns and is always on the lookout for new projects with favourable geology and a high potential for the discovery of world-class gold deposits. This permanent presence in Mali has allowed Robex to become one of the most active exploration and development companies in West Africa. In 2005, Robex was the third most important mining company operating in Mali in terms of investment in exploration. The Company’s shares are traded on the TSX Venture under the symbol **RBX**. Additional information is available by contacting the [www.sedar.com](http://www.sedar.com) web site, under the Company’s section “Sedar filing” and the Robex website: [www.robexgold.com](http://www.robexgold.com)

## **ACTIVITIES CARRIED OUT BY ROBEX RESOURCES DURING THE FIRST QUARTER OF 2009**

Robex’s activities during the first quarter of 2009 centered on promoting and developing the company and its most promising projects with an objective of obtaining financing and strategic partnerships. Confidentiality agreements were signed with other companies as well as the possibility of a merger with another mining junior. Nothing from the above has come to fruition for now as private financing and economic conditions remain difficult even though signs of a recovery are becoming more and more apparent. Expenses have been reduced in order to maintain our properties in good standing.

In February 2009, the Company issued 20,000,000 units for \$1,000,000.

### **Our best assets**

#### **Mininko Property, Nampala deposit**

The Mininko property holds the Nampala deposit. It is located between the Morila Mine, a deposit that has so far produced over 4 Moz of gold and still has a resource of 2.8 Moz and Syama, 6 Moz at an average grade of 3.0 g/t Au.

The Nampala deposit is one of Robex’ strongest assets. With inferred resources of 760 000 ounces of gold and a good geological potential, the deposit has room to grow. A 100m by 400m area, mineralized on surface, could be the target of definition drilling. Robex aims at completing exploration work quickly to produce a scoping study of Nampala.

#### **Wili-Wili Property, Fandou zone**

The Fandou zone located at the south-western extremity of Wili-Wili, is characterized by a strong gold anomaly measuring 2.8 km by 600 meters. At the center of this anomaly, in the northern section, pits samples returned strong gold grades. This discovery was followed by a drilling program (2007) that has clearly defined a mineralized zone stretching over 1 km from north to south. In hole WR-139, an average grade of 4.20 g/t Au was intersected over 22 metres. The hole was stopped in mineralization. Robex wants to capitalize on these results to carry out definition drilling around the area to define a potentially exploitable zone.

## **N'Golopene Property**

Because of its proximity to the Syama gold deposit, and of its geological potential, this project remains one of the most strategic and promising for the company. A few major companies have shown an interest for N'Golopène and are reviewing the data available. It is a long process that will not stop Robex from investigating the project further with a different geological perspective.

## **Diangounté Property**

The project features a large gold anomaly that has been the object of gold digging for centuries. The source of gold has never been located although our most recent drilling work has intersected a gold-bearing quartz vein that might have carried mineralization. Robex would like to better define this discovery to verify feasibility for gravimetric exploitation in that area.

## **Review of mining assets in Mali**

### **Caution - forward-looking statements**

This section contains budgeted amounts for exploration programs which are dependent upon Robex's ability to obtain the necessary financing. Even though Robex has been successful in obtaining support in the past, there is no guarantee that it will be able to do so in the future.

### **The Mininko Permit : Namapala gold deposit**

The Nampala gold deposit located on the Mininko permit (62 km<sup>2</sup>) is the most advanced project of all 9 permits now held by Robex in Mali. During 2007, the resource calculation completed by Australian mining consultant RSG (now Coffey Mining), outlined an inferred resource (NI 43-101 compliant) of **760,000 oz Au at a grade of 0,9 g/t Au** (cut-off grade of 0,5 g/t Au) comprised in 28,872 million tonnes of ore rocks. Furthermore, deep drilling completed by Robex during the same year confirmed the down-dip extension and higher grade of the mineralized body. Additional resources could also be developed along strike and to the west. The area of the Nampala deposit and the Mininko permit offer multiple targets to increase the gold resources on the permit.

During the month of February and March 2009, Robex carried-out a limited pitting and trenching program on various gold in soil anomalies located at various sites on the Mininko Permit. The objective of this program was to test the potential in the bedrock of the soil anomalies. A total of 52 pits and one trench were excavated. The average depth of the pits was about 6,0 m and the length of the trench was 50 m. The wall of the pits was sampled on regular intervals of 1,0 metre and in the trench samples were taken on 2,0 m intervals. Results of this survey will be presented in an upcoming press release when all analytical results have been compiled and analysed. For 2009, development proposed for the Nampala deposit includes the completion of

a prefeasibility study on an eventual mining operation. This program also proposes to complete an additional 7,300 m of combined RC and core drilling to upgrade the inferred resources comprised in the saprolitic portion of the deposit (0 to 65 m) to indicated and measured categories. This would be followed by metallurgical testing of the ore to define the best and most economical gold beneficiation extractive technique. Based on the results of this program, an environmental impact study along with a bankable feasibility study would be completed. A \$1.0 million budget has been earmarked for this program.

### **The Kamasso Permit**

The Kamasso Permit is located immediately to the South of the Mininko permit where it covers 220km<sup>2</sup> of prospective ground made-up of the same geological formation as the Mininko permit. In 2005, the permit was covered with a regional soil and termite mounds survey which outlined several promising targets that remain to be tested and developed with additional geochemical sampling, prospecting pitting and trenching to outline the best drilling targets. No fieldwork was completed on the permit during the first quarter of 2009. The proposed field activities for the current year comprises pitting, trenching and percussion drilling of the best gold in soil anomalies for a total budget of \$85,000.

### **The N'Golopene Permit: Strategically located nearby Syama Mine**

The N'Golopene permit covers 57 km<sup>2</sup> immediately adjoining to the North and East along the same geological sequence as the Syama mine (6,4Moz at 3.0 g/t Au) now operated by Resolute Mining Ltd of Perth, Australia. During 2006 and 2007 Robex carried out a regional soil sampling survey and a geophysical survey covering about half of the permit area. Results of these surveys combined with a structural interpretation pointed to 2 main targets which were subsequently tested with a 3,000 m of RC drilling. Unfortunately, drilling results were inconclusive.

Considering that there are significant past and present artisanal mining sites located on the permit, it is believed that a reinterpretation of the data available could lead to new and significant gold targets on the permit. These targets are believed to be parallel to the geological axis already tested. Drilling by Resolute, 2 km to the south of the permit, outlined significant gold mineralization in the same geological sequences. One drill hole returned **5.39 g/t Au over 13 m** (drill hole QVC-148). Furthermore, the Resolute- Etruscan Resources Finkolo joint venture project located to the south of the Syama permit straddles the same stratigraphy as the

N'Golopene permit. The joint partners are now developing the Tabakoroni gold deposit for eventual production.

No field activities were completed during the first quarter of 2009 on N'Golopene. A subsequent field program planned for 2009 would include pitting, trenching and about 1,500 m of RC drilling. The cost of this program is estimated at CAD145,000.

**The Wili-Wili and Wili-Wili West Permits: Very promising potential**

The two Wili-Wili permits represent a prime asset for the company. The permits are contiguous and together cover an area of 270 km<sup>2</sup> at the southern edge of the Kedougou-Kenieba window of Western Mali. In 2007, exploration efforts by Robex have exposed the Fandou zone along the North-South boundary between the 2 permits in the southern half of the permits area. Oriented N-S, this strong and pervasive gold in soil anomaly is 2,8km long by 600m wide. Geophysical and geochemical surveying followed by pitting, trenching and drilling (RC) returned significant mineralization over a strike length of 1,0 km. **The most significant results were outlined in Trench- 01: 2,3g/t Au over 13 m, and in pits P-4 and P-10 with 5,9g/t Au over 9,0 m and 3,29g/t Au over 9,0 m respectively.** The subsequent drilling program completed in early 2007, also returned significant values in almost every holes notably: **hole WR140 with 1,35g/t Au over 6,0 m; WR119 with 2,15g/t Au over 5,0 m; WR101 with 1,15g/t over 7,0 m; and the best intersection was obtained in hole WR139 where 4,2g/t Au over 22 m** was intersected between the depth of 92 and 114 m. It is believed that WR139 terminated in mineralization.

**Most significant drill intercepts from early drilling on the Wili Wili permits**

Section	Meterage N-S		RChole n o .	Intersection	
	Relat.	Cumul.		g / t	m
1367300	0	0	WR-141	0.96	6.0
1367200	100	100	WR-119	1.09	32.0
			incl.	2.15	8.0
1367100	100	200	WR-140	1.35	6.0
1367004	96	296	WR-118	4.44	5.0
1366900	104	400	WR-139	4.20	22.0
1366808	92	492	WR-101	1.15	7.0
1366808			WR-102	2.50	8.0
			&	4.44	4.0
1366808			WR-103	1.19	6.0
1366695	113	605	WR-104	1.06	14.0
			incl.	1.98	5.0
1366610	85	690	WR-105	1.22	8.0
1366500	110	800	WR-106	1.34	3.0

1366500		800	WR-108	1.02	3.0
1366300	200	1 000	WR-110	1.18	3.0

During February 2008, an additional 14 shallow pits were excavated in the center of the zone, where previous drilling had returned significant values. The best results were outlined in pits P-4 (5,9 g/t Au over 9,0 m) and P-10 (3,23 g/t Au over 9,0 m). Compilation of the data available concluded that mineralization at the Fandou zone was vertical and continuous between the surface and the drilling intersections at depth and recommendations for 2009 are to plan infill drilling to begin resource definition in the center of the zone. To achieve this task, Robex is planning a first 3,000 m RC drilling program estimated at a cost of \$250,000 (CAD). No field work was completed on the permits during the first quarter of 2009.

### **The Sanoula Permit: Significant drill results of 2,32 g/t over 15 m**

The Sanoula permit covers 31,5 km<sup>2</sup> within a very favourable geological context. The geological sequences underlying the permit comprise carbonaceous sediments and tourmaline sandstones, known to host the Yatela and Sadiola mines operated by mining giant AngloGold-Ashanti and also the Loulo gold deposit to the South. Furthermore, the Senegalo-Malian shear zone crosses the entire permit from North to South. This deep seated regional structure is also related to gold mineralization at Sadiola and Loulo.

Drilling (RC) carried out in 2006 and 2007 by Robex, along the Senegalo-Malian shear zone within the Sanoula permit, yielded promising gold results in tourmaline rich meta-sedimentary sequences like the ones found at the Loulo Gold Mine.

The most significant results from the drilling are in hole SAR029 with **2.07 g/t Au across 10 m and in hole SAR061 with 3.60 g/t Au across 4,0 m**. Also six other mineralized intervals yielded grades of **0.74 g/t to 3.75 g/t Au across widths ranging between 2.0 and 5.0 m**. Mineralization is found in a shear zone related to the Senegalo-Malian structure, where the silicified sedimentary rock formations are injected with steeply dipping quartz veins.

**Table of past drilling results (interpreted composite samples)**

<b>Forage</b>	<b>Échantillon</b>	<b>De</b>	<b>A</b>	<b>m</b>	<b>g/t</b>
SAR021	300061	75	79	<b>4.0</b>	<b>2.08</b>
SAR022	300963	27	31	<b>4.0</b>	<b>1.13</b>
SAR029	300289	21	36	<b>15.0</b>	<b>2.31</b>
SAR030	300334	72	75	<b>3.0</b>	<b>1.76</b>
SAR059	304344	15	18	<b>3.0</b>	<b>5.97</b>
SAR060	304464	82	84	<b>2.0</b>	<b>1.48</b>
SAR061	304437	42	51	<b>9.0</b>	<b>2.80</b>

No field work was carried out during the first 3 months of 2009. The very favourable gold mineralization context recognized on the Sanoula permit combined with the promising results obtained from the drilling completed to date warrant that further field work be carried out along the major shear structure that crosses the permit. This program, proposed for 2009, would essentially comprise an additional 2000 m of RC drilling in 20 holes for an all inclusive cost for this program in the order of CAD\$175,000.

### **The Kolomba and Moussala Permits**

Located to the South of the Loulo Mine, the Kolomba and Moussala permits are contiguous and together they cover 198 km<sup>2</sup>. Between 2005 and 2007, Robex completed several exploration activities on the permits including the drilling of previously outlined geochemical gold in soil anomalies.

Kolomba: Drilling completed on the MM-2, MM-3 and Bilali Santos anomalies outlined low grade but consistent gold content. The best values were obtained in trenches excavated on a 40 x 50m gold in soil anomaly:

Tr5: 34m @ 1,03g/t Au

Tr6: 16m @ 1,92g/t Au

Tr7 : 34m @ 1,26g/t Au.

Moussala: In 2007, a program of geological mapping and two 100 m long trenches was completed on the property. They were centered over an anomalous gold zone located at the crossing of two structures identified on Kolomba, to the North.

A North-South trending 660 m wide gold in soil anomaly has been outlined with the geochemical soil survey. One of three zones identified appears to be the strike extension of the Balili and MM-5A anomalies identified on the Kolomba permit. Two active artisanal mining sites have been visited in the Northeast quadrant of the permit.

The geology of the Southern half of the permit differs from that of the Northern half and could be more prospective for gold mineralization with five high grade geochemical anomalies distributed within a 1,5 km wide corridor. These targets of interest could rapidly be set for drilling.

No field activities was conducted on these permits during the first quarter of the year but Robex proposes, for 2009, to complete on the Moussala permit a ground magnetic and induce polarisation survey combined with prospecting, geological mapping, pitting and trenching for a total budget of about \$75,000. Based on the results of this program, additional exploration could be carried out on the Kolomba permit.

### **The Diangounté Permit**

The Diangounté permit covers 52.14 km<sup>2</sup> of prospective Birimian volcano-sedimentary stratigraphy. The project area is known for its extensive gold in soil anomaly (Klöckner 1989) outlining the La Corne alluvial gold deposit where 1,78M<sup>3</sup> of alluvial and eluvial gravels at a grade of 3,22g/m<sup>3</sup> have been outlined. This regional anomaly is similar as the original gold in soil anomaly that lead to the discovery of the Sadiola orebody, located some 30 km to the Northeast. Interpretation of the geophysical survey data is rendered difficult due to the relative narrowness of the mineralized veins and structures. In addition, the absence, in the soils, of arsenic as a gold tracer limits the signature of the anomalies on the permit.

In 2006, Robex, completed 2,079 m of RC drilling in 24 holes (2,079 m) to test the source rocks of the alluvial gold. Narrow but significant mineralization was encountered in several of the holes with the best one in **DIR097 with 24,8g/t Au across 6.0 m** between 27 and 33 m.

The mineralization observed in the artisan excavations was confirmed at depth with the RC drilling. The free and often coarse gold is hosted in quartz veins associated with narrow, S-E trending, sub-vertical shears. The shear zones and related silicification affects the mafic to ultramafic intrusive and volcanic sequence and the hornblende bearing granite-granodiorite-tonalite bodies. Additionnal prospecting is recommended on the permit in an attempt to locate a more substantial gold concentration in the identified shear zone and possible parallel structures. No work was carried out on the permit during the first 3 months of the year. For 2009, a two phase exploration program recommended would comprise geological mapping, additional geophysical and geochemical prospecting, pitting and trenching followed by a 1,000 RC drilling program. The cost of the two phase program would be in the order of \$125,000 (CAD).

## Summary of financial activities

Working capital increased by \$804,622 during the first quarter of 2009. From a negative working capital of \$491,988 as at December, 2008 it increased to \$312,634.

Unrestricted cash totaled \$384,886 as at March 31, 2009 compared to \$65,777 as at December 31, 2008.

Net loss for the quarter totals \$109,677 compared to a loss of \$171,825 for the same period ended March 31, 2008. Variations are as follows :

- During the first three months of 2009, a loss on disposals of investment was realized for \$21,703. During 2008, there was no disposal of long-term investment.
- The cost of stock based compensation was \$26,784 in 2008 and \$219 in 2009.
- Administration expenses were reduced from \$43,101 as at March 31, 2008 to \$10,410 as at March 31, 2009 and professional fees were reduced from \$68,639 in 2008 to \$28,921 in 2009.

## Details of administrative expenses

Description	First quarter ended March 31,	
	2009	2008
	\$	\$
<b>Professional fees</b>	<b>28,921</b>	68,639
<b>Stock based compensation</b>	<b>219</b>	26,784
<b>Administration</b>	<b>10,410</b>	43,101
<b>Financial reporting and stock exchange fees</b>	<b>13,150</b>	8,082
<b>Financing solutions</b>	<b>17,000</b>	1,828
<b>Banking fees and interests</b>	<b>5,067</b>	7,733
<b>Advertising and promotion</b>	<b>17,886</b>	9,174
<b>Realized loss on disposal of investments available for sale</b>	<b>27,703</b>	---
<b>Others</b>	<b>2,130</b>	2,335
	<b>116,486</b>	167,676

During the first quarter of 2009:

- Expenses reduction or increase:
  - o Professional fees: Decrease in 2009 of \$39,718 because of the decrease of auditor's fees and the absence of administration's fees.
  - o Administration: Decreased of \$32,691 compared to 2008 because the officer based in Mali is no longer with the Company.
  - o Stock based compensation: represents the fair value at the grant time and the related compensation costs are recorded using the gradual vesting approach. During the quarter, all the options are acquired.
  - o During the first three months of 2009, a loss on disposals of investment was realized for \$21,703. On 2008, there is no disposal of long-term investment.
  - o Financing solutions: Increase in 2009 of \$15,172 because the objective of the company to obtain financing and strategic partnerships

- o Advertising and promotion: Increase of \$8,712, results of the direction's effort to increase the visibility of Robex with investors.

## SUMMARY OF QUARTERLY RESULTS

	2009	2008				2007		
(000\$ except loss/share)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Income	0	3	25	1	2	13	4	25
Net loss	(110)	(465)	(158)	(159)	(172)	(215)	(206)	(202)
Net loss per share	(0,001)	(0,007)	(0,002)	(0,002)	(0,002)	(0,003)	(0,003)	(0,003)

Variations in quarterly loss can be explained by the following:

**2009-Q1** The net loss of \$109,677 is explained by a realized loss on disposal of investments available for sale. On 2008, there is no disposal of long-term investment. Administration reduced to \$43,101 in 2008 to \$10,410 because the officer based in Mali is no longer with the Company. The stock-based compensation expense reduced to \$26,784 in 2008 to \$219 in 2009 because all the options are acquired and no one was granted on the first quarter of 2009. The professional fees reduced to \$68,639 in 2008 to \$28,921 in 2009 because of the absence of administration's fees. Finally, the financing solutions increased in 2009 of \$15,172 because the objective of the company to obtain financing and strategic partnerships and the advertising and promotion increased of \$8,712, results of the direction's effort to increase the visibility of Robex with investors.

**2008-Q4** The net loss occurred in fourth quarter were \$ 465K and included a write-off in mining rights and titles for \$ 862,112 and an exceptionnel gain on debts bared by statute of \$ 538,398. The stock-based compensation was reduced to \$ 477 compared to \$ 57,896 in 2007. Advertizing and promotion expenses were reduced to \$ 643 against \$ 4,963 in 2007. Some losses on sale of mining rights and titles totalling \$ 30,717 were accounted for in 2008, none were staled in 2007. An amount of \$ 37,076 was established as loss on investments during the fourth quarter of 2008 compared to a gain of \$ 7,819 in 2007.

**2008-Q3** Net loss during the third quarter of 2008 is \$ 157,863 compared to \$ 206,486 in 2007. Revenues increased of \$ 19,869 coming from a gain on investments. Cost of stock based compensation were reduced by \$ 28,495 and advertizing and promotion were down of \$ 13,032. Only administration jumped by a \$ 25,790 mainly by a transfer from exploration cost to operations.

- 2008-Q2** Net loss during the second quarter of 2008 is \$ 158,632 compared to \$ 219,176 in 2007. Income diminished from \$ 30,185 in 2007 to \$ 730 in 2008 is due to a reduction in interest earned and in sale of mining assets and investments. Cost of stock based compensation is \$ 10,961 in 2008 compared to \$62,409 in 2007 and advertising and promotion reduced to \$ 2,510 in 2008 from \$ 28,096 in 2007. Administration increased of \$ 11,605 being part of salary of the officer based in Mali charged to operations instead of exploration.
- 2008-Q1** Net loss during the first quarter of 2008 is \$ 171,825 compare to \$ 187,362 in 2007. Revenue decreased from \$ 38,450 in 2007 to \$ 2,190 in 2008 following a decrease in earned interest and sale of mining rights and titles. The cost of stock based compensation decreased from \$ 75,308 in 2007 to \$ 26,784 in 2008.
- 2007-Q4** Net loss in fourth quarter of 2007 were dramatically reduced from \$ 1,09 M in 2006 to 215 K in 2007. A write-off of mining rights and titles of \$ 429,056 and a reinstatement of debt in the last quarter of 2006 for an amount of \$ 479,173 explain the large discrepancy.
- 2007-Q3** Earned interest and gain on disposal of long term investments diminished from \$ 92,700 in 2006 to \$ 4,625 in 2007. Expenses were reduced from \$ 304,224 to \$ 202,923 essentially by stock based compensation passing from \$ 178,496 in 2006 to \$ 35,586 in 2007.
- 2007-Q2** A gain of \$ 23,540 was realized on sale of marketable securities. Cost of stock option based compensation raised from \$ 27,612 in 2006 to \$ 62,409 as at June 30, 2007. Publicity and promotion expenses raised from \$ 14,843 in 2006 to \$ 28,096 for the first six months in 2007 because the Company hired an Investors Relations firm in February 2007. During the second quarter of 2006 a gain of \$ 464,757 was realized on debts barred by statute based on a legal opinion, reversed at year end by the same lawyers.

## **CASH FLOW SITUATION AND FINANCING**

The Company is considered to be in the exploration stage, thus it is dependent on obtaining regular financing in order to continue exploration. Despite previous success in raising sufficient financing, there is no guarantee of obtaining any future financing.

The working capital increased from a deficit of \$491,988 as at December 31, 2008 to a surplus of \$312,634 on March 31, 2009. Cash on hand, as of March 31, 2009, was \$384,886 compared to \$65,777 as at December 31, 2008. The Company plans to use those funds during the next quarters of 2009 for general expenses and will have to raise some more financing to continue its exploration programs. During the month of February 2009, the Company issued 20,000,000 units at a price of \$0.05 each. Each of these units is comprised of one common share and of one warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.10 for the first year and for \$0.15 until February, 2011.

Accounts payable total \$90,422 and are principally due to creditors, auditors and lawyers.

As at the date of this report (May 27, 2009) :

- 91,661,205 common shares were outstanding (December 31, 2008 : 71,661,205)
- 1,620,000 options were granted and can be exercised at a price between 0.10 ¢ and 0.65 ¢ between 2009 and 2012. Each option allows their holders to buy one common share of the Company. During the first quarter of 2009, 3,520,000 options either expired or were cancelled. During April, 2009, 1,500,000 options were granted to suppliers and can be exercised at price between 0.10 ¢ and 0.30 ¢.
- 23,739,814 warrants were issued, entitling their holders to subscribe the same amount of common shares at prices between 0.10 ¢ and 0.37 ¢ with expire dates between June 2009 and February 2011. During the first quarter of 2009, 20,000,000 warrants were granted, entitling their holders to subscribe the same amount of common shares at a price of \$0.10 for the first year and for \$0.15 until February, 2011.

Variations in share capital as at May 27, 2009 are the following :

<b>Description</b>	<b>Number of shares</b>	<b>Amount \$</b>
<b>As at December 31, 2008</b>	71,661,205	22,429,755
<b>Issued during February 2009</b>	<u>20,000,000</u>	<u>783,000</u>
<b>As at May 27, 2009</b>	<u>91,661,205</u>	<u>23,212,755</u>

## Options

Variations in outstanding options as at May 27, 2009 is the following :

<b>Date</b>	<b>Number of options</b>	<b>Average exercise price \$</b>
<b>As at December 31, 2008</b>	3,640,000	0,32

<b>Granted during February 2009</b>	1,500,000	0,15
<b>Cancelled or expired</b>	<u>3,520,000</u>	0,32
<b>As at May 27, 2009</b>	<u>1,620,000</u>	0,17
<b>Exercisable</b>	<u>1,620,000</u>	0,17

Options granted and exercisable as at May 27, 2009 to directors, officers, employees and suppliers :

Number of options	Price (\$)	Expiry date
5,000	0,55	August 10, 2009
300,000	0,20	October 21, 2009
200,000	0,30	October 21, 2009
1,000,000	0,10	April 23, 2010
25,000	0,65	May 23, 2010
35,000	0,30	November 7, 2010
10,000	0,30	June 12, 2011
25,000	0,37	January 13, 2012
10,000	0,40	February 5, 2012
10,000	0,25	September 4, 2012

The fair value of these options was estimated using the Black Scholes stock option evaluation model with the following assumptions : estimated weighted average duration of 3 to 5 years for these options, risk free interest rate of 3.5 % to 4.5 %, variable volatility and no forecasted dividend.

## Warrants

Variations in outstanding warrants since the beginning of year is as follows :

Date	Number of warrants	Average exercise price \$
<b>As at December 31, 2008</b>	3,739,814	0,28
<b>Issued during February 2009</b>	<u>20,000,000</u>	0,10 / 0,15
<b>As at May 27, 2009</b>	<u>23,739,814</u>	0,13

Warrants characteristics as at May 27, 2009 are the following :

<b>Number</b>	<b>Exercise price \$</b>	<b>Expiry date</b>
925,925	0,37	June 2009
500,000	0,15	August 2009
2,313,889	0,28	November 2009
20,000,000	0,10	Until February 2010
	0,15	From February 2010 until February 2011
<u>23,739,814</u>		

## **RELATED PARTY TRANSACTIONS**

The statements of loss and share issue expenses include an amount of \$3,405 (\$74,369 in 2008) incurred directly with directors and officers or with companies controlled by them. These transactions occurred in the normal course of business and are measured at the exchange amount, which is the amount of the consideration established by the related parties.

## **FINANCING**

On February, the Company issued 20,000,000 units at a price of \$0.05 each. Each of these units is comprised of one common share and of one warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of \$0.10 for the first year and for \$0.15 until February, 2011

## **CAPITAL DISCLOSURES**

The Company's objective when managing capital is to maintain adequate cash resources to support planned activities. The Company includes shareholders equity and cash equivalents in the definition of capital.

The Company's objectives when managing capital are to maintain financial flexibility in order to preserve its ability to meet financial obligations. The Company monitors capital in the light of its monthly burn rate and short-term obligations linked to its financial liabilities.

## **FINANCIAL INSTRUMENTS**

### **Fair value of financial instruments**

The Company has and assumes financial assets and liabilities such as cash, accounts receivable, investments and accounts payable. The fair value of cash, accounts receivable and accounts payable approximate their carrying value due to their short-term maturities.

The fair value of investments varies based on the price of the share held by the Company, and the impact of the change is recorded in the statements of comprehensive loss when the loss or gain has not been realized and in the statement of loss when it is realized.

### **Market risk**

The Company is exposed to market fluctuations in the price of gold, the U.S. currency and CFA francs with respect to the Canadian currency. The Company is not managing its exposure to these risks by using derivative financial instruments and forward sales contracts. The risks and managing these risks has remained unchanged over previous years.

### **Currency risk**

As at March 31, 2009, the Company holds cash in CFA francs totalling 4,660,582 CFA francs (CDN \$11,077).

### **Credit risk**

The financial instruments that expose the Company to concentrations of credit risk comprise accounts receivable. The Company assesses, on an ongoing basis, probable losses and maintains an allowance for losses based on their estimated realized value.

### **Liquidity risk**

The purpose of managing liquidity risk is to maintain a sufficient amount of cash to ensure that the Company has available funds to meet its obligations.

Account payable and accrued liabilities are due over the next fiscal year.

## **CHANGES IN ACCOUNTING POLICIES**

On January 1, 2009, the Company adopted the new recommendations of the CICA Section 3064, "Goodwill and Intangible Assets". This Section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets by profit-oriented enterprises. This recommendations had no impact on the financial statements.

## **SUBSEQUENT EVENT**

On April 2009, the Company amended its stock option plan where the 18-month vesting requirement are removed and the common shares resulting from an option exercise will no longer be subject to a four month minimum hold period (except if the exercise price of the stock option is based on a discounted price). The Company has not increased the number of options available. Finally, it will be possible for the Company to fix the exercise price at a discounted price.

## **OTHER INFORMATION**

This discussion and analysis of the financial position and results of operation as at May 27, 2009 should be read in conjunction with the unaudited financial statements for the quarter ended March 31, 2009 and the audited financial statements for the year ended December 31, 2008. The unaudited financial statements for the quarter ended March 31, 2009 were not reviewed by external auditors. Additional information of the Company can be obtained at the website [www.sedar.com](http://www.sedar.com) under SEDAR filings.

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

The Company's financial statements are the responsibility of the company's management, and have been approved by the Board of Directors. The financial statements were prepared by the company's management in accordance with generally accepted Canadian accounting principles. The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the interim financial statements are presented fairly in all material respects.

(signed) André Gagné, president      (signed) Claude Goulet, treasurer

Quebec, May 27, 2009