HARTE GOLD CORP.

Management's Discussion and Analysis

For the three months ended February 28, 2009

This Management's Discussion and Analysis ("MD&A") is written as of April 27, 2009 and is management's assessment of the operations and the financial results together with future prospects of Harte Gold Corp. ("Harte", "Corporation", or the "Company"). This MD&A should be read in conjunction with our audited consolidated financial statements and related notes for the years ended November 30, 2008 and 2007, prepared in accordance with Canadian generally accepted accounting principles. All figures are in Canadian dollars unless stated otherwise. This discussion contains forward-looking statements that are not historical in nature and involve risks and uncertainties. Forward-looking statements are not guarantees as to Harte's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in the forward-looking statements. The Company has adopted National Instrument 51-102F1 as the guideline in presenting the MD&A. Additional information regarding the Company's activities can be found on SEDAR at www.sedar.com.

Cautionary Note Regarding Forward Looking Statements

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the mining industry, including operational risks in exploration, development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health, safety and environmental risks, the risk of commodity price and foreign exchange rate fluctuations, the ability of Harte to fund the capital and operating expenses necessary to achieve the business objectives of Harte, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves or resources described may be profitably produced in the future.

Readers are cautioned that the foregoing list of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this press release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.

Outlook

At the Special Meeting of Shareholders held January 30, 2009 shareholders of the Company elected a new Board of Directors which in turn appointed a new management team with considerable minerals exploration and development experience.

The Company currently holds interests in the Sugar Zone and Stoughton-Abitibi properties located in Ontario, Canada. The Sugar Zone contains an NI-43-101 compliant inferred resource of 904,400 tonnes at 9.75 grams per tonne of gold for 283,500 ounces of contained gold. Corona Gold Corporation is a 51% Joint Venture partner on the Sugar Zone and is the project operator.

Current initiatives include:

- A 2,000 metre diamond drill program to test geophysical anomalies related to extensions and offsets of the known resource at the Sugar Zone is currently underway
- Assessment of historical exploration work done on the Company's Stoughton-Abitibi Property is proceeding
- Financings to provide exploration funding and working capital to advance the Company's properties

Description of Business

Harte is involved primarily in the acquisition, exploration and development of mineral resource properties, with a current focus on gold properties located in the Provinces of Ontario and Quebec in Canada.

The Company was incorporated in Ontario on January 22, 1982 and is a reporting issuer in the Provinces of Ontario, Alberta and British Columbia. The common shares of the Company are listed for trading on the TSX Venture Exchange under the symbol "HRT" and on the Frankfurt Stock Exchange under the symbol "H4O".

The Company currently has an interest in two advanced exploration projects: the first is the Sugar Zone property, 60 km east of the Hemlo area gold mines, located on the north shore of Lake Superior in the Province of Ontario and the second property, Stoughton-Abitibi (formerly Stoughton-Porcupine), is located 110 km east of Timmins and 50 km north east of Kirkland Lake, Ontario with additional adjacent claims in the Province of Quebec.

Overall Performance

Three months ended February 28, 2009

The three months ended February 28, 2009 saw a change of management at the Company pursuant to a Special Meeting of Shareholders held January 30, 2009 (the "Meeting"). The Meeting was requisitioned by the Shareholders' Protection Committee of Harte (the "Committee") and resulted in a vote by shareholders to elect a new Board of Directors. New management of the Company was installed and a resolution regarding the issuance of shares for debt in the amount of $220,590 at $0.09 per share for expenses incurred in connection with the Special Meeting of Shareholders was approved by the shareholders.

Prior to the Meeting the former Board of Directors authorized the conversion of up to $400,000 in debt into 8 million shares at a deemed price of $0.05 per share, of which 7,575,000 shares were subsequently issued to management and insiders. By order of the Ontario Court it was determined that the common shares so issued were not eligible to be voted. These shares were subsequently cancelled as required by the TSX Venture Exchange.

During the period the Company raised $44,500 under a flow-through unit financing at $0.05/unit with each unit to consist of one (1) flow-through share and one-half (½) share purchase warrant exercisable at $0.10 through Dec 31, 2009. 890,000 units were issued under this financing. The Company paid a cash finders fee of $2,960 and 74,000 units.

For the period ended February 28, 2009 the Company's cash and cash equivalent position decreased by $1,066,849 to $10,929 from $1,077,778 at February 28, 2008. This decrease is principally due to a significant reduction in funds raised by the Company during the current reporting period in comparison to the year earlier period together with property payments, exploration expenditures and corporate expenses incurred by the Company during the balance of fiscal 2008.

Results of Operations

Financial		**February 28, 2009**		February 29, 2008
Income / (Loss) before taxes	**$**	**(587,467)**	$	(246,911)
Net Income / (Loss)		**(587,467)**		(246,911)
Income / (Loss) per weighted average share – basic and fully diluted	**$**	**(0.01)**	$	(0.00)
Total Assets		**4,569,166**		4,900,163

Mineral Properties		**February 28, 2009**		February 29, 2008
Capitalized mineral properties and deferred expenditures	**$**	**4,439,641**	$	3,802,725
Corporate expenses		**587,467**		249,428

Corporate Expenses		**February 28, 2009**		February 29, 2008
Stock-based compensation	**$**	**229,460**	$	-
Office and general		**42,120**		77,546
Management and consulting		**32,800**		59,227
Directors fees		**800**		10,967
Professional fees		**78,600**		28,312
Promotion and travel		**17,772**		56,100
Shareholder information		**185,915**		17,276

The Company incurred a net loss of $587,467- or $0.01 per share for the three months ended February 28, 2009, compared with a net loss of $246,911 or $0.00 per share for the same period in 2008 which increase is attributable to the stock-based compensation calculation and the expenses incurred for the Special Shareholder Meeting held January 30, 2009.

The Company incurred $229,460 in stock-based compensation expense for the three months ended February 28, 2009 compared to nil for the same period in 2008.

For the three months ended February 28, 2009, management and consulting fees decreased by $26,427 to $32,800 from $59,227 in the same period in 2007 which decrease is largely attributable to lower costs incurred in connection with senior management subsequent to January 30, 2009.

Shareholder information costs increased in the three months ended February 28, 2009 by $168,639 to $185,915 from $17,276 in the same period in 2008 which increase is attributable to the Special Shareholder Meeting held January 30, 2009.

Promotion and travel expenses decreased for the three months ended February 28, 2009 by $38,328 to $17,772 compared to $56,100 in the same period in 2007. This amount is expected to increase in the future as the Company increases its efforts to secure new sources of financing.

Harte incurred $9,347 in deferred exploration costs during the three months ended February 28, 2009 compared to $89,580 in the same period in 2009 (see discussion under "Exploration Activities").

Summary of Quarterly Results

	2009	2008				2007		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total Revenue	$ -	$ -	$ 1,150	$ 7,492	$ 2,516	$ 12,867	$ -	$ -
Net Income / (Loss)	(587,467)	4,081	(89,262)	(221,487)	(118,993)	(133,837)	(83,840)	(174,572)
Income / (Loss) per Share - basic and fully diluted	(0.01)	0.004	(0.002)	(0.005)	(0.003)	(0.002)	(0.003)	(0.005)

The quarterly results as previously reported have been adjusted for the re-statements as discussed in *Factors effecting Comparability of Quarters* below.

Factors Effecting Comparability of Quarters

Results of operations can vary significantly by quarter, as a result of a number of factors. The Company's level of activity and expenditures during a specific quarter are influenced by the level of working capital, the availability of external financing, the time required to gather, analyze and report on geological data related to its properties and the nature of activity, and the number of personnel required to advance each project.

During the three months ended February 28, 2009 the Company incurred stock compensation expense and shareholder information expenses in the amount of $415,375 compared to $17,276 in the year earlier period. In addition, the granting of stock options in a particular quarter gives rise to stock-based compensation expense. During the quarter ended May 31, 2008 the Company incurred stock based compensation expense of $112,840 which amount has been applied to the Q2 reporting period for 2008 in the table above.

Future income tax recovery amounts of $127,918 incurred in 2008 pursuant to the renouncement of Canadian exploration expenditures to the holders of flow-through shares has been applied to the Q1 reporting periods of 2008.

Exploration Activities

Mineral properties		**Sugar Zone**		**Stoughton-Abitibi**		**Total**
Balance, beginning of the period	$	127,702	$	780,000	$	907,702
Acquisition		-		-		-
		127,702		780,000		907,702
Deferred exploration expenditures						
Balance, beginning of the period		1,548,559		1,974,033		3,522,592
Exploration costs		7,247		2,100		9,347
		1,555,806		1,976,133		3,531,939
Balance February 28, 2009	**$**	**1,683,508**	**$**	**2,756,133**	**$**	**4,439,641**

Sugar Zone Property, Hemlo Gold Area

The Sugar Zone Property (the "Property") is located in Ontario, approximately 60 km east of the Hemlo area gold mines, 25 km north of White River off the Trans-Canada Highway (#17). The Property is subject to a 3.5% net smelter royalty in favour of the original Vendors and held under a Joint Venture in which the Company owns a 49% interest and the remaining 51% is owned by Corona Gold Corporation ("Corona"). Corona is the operator of the Joint Venture.

Geological studies conclude that the Sugar Zone contains an NI-43-101 compliant inferred resource of 904,400 tonnes at 9.75 grams per tonne gold for 283,500 ounces of contained gold. The exploration and geological report January 7, 2005 from the Sugar Zone property was prepared by David S. Hunt, P. Geo. and reviewed by Matthew Blecha, PhD., P. Eng., both of whom are qualified persons within the meaning of National Instrument 43-101.

In the first quarter of 2008 a DIGHEM airborne geophysical survey was flown over the entire Sugar Zone Property by Fugro Airborne Surveys Corp. The survey consisted of 1,917 km of survey coverage. Interpretation of the survey results highlighted 1,067 electromagnetic (EM) anomalies, of which 180 distinct anomalies warranted additional evaluation. In addition 887 conductive "apparent resistivity" anomalies were defined. Interpretation of the survey results in conjunction with previous exploration work completed in the area has highlighted five zones that warrant drill testing. The five zones are adjacent to or along strike from the current Sugar Zone resource and are considered to have the potential to host additional gold mineralization and extend the strike length of gold mineralization. All zones have geochemical signatures similar to that of the Sugar Zone and have co-incident gold mineralization detected in surface sampling.

As of the date hereof a ten (10) hole diamond drill program is underway and should be completed prior to the end of May 2009. Previously identified geophysical anomalies related to extensions of and/or offsets to the known resource on the Sugar Zone are the target of the upcoming drill program. The total budget for the work is approximately $700,000 of which Harte's portion is roughly $350,000.

Stoughton-Abitibi Property, Timmins Porcupine Gold Area

The Stoughton-Abitibi Property (formerly known as Stoughton-Porcupine property), is located along the Destor-Porcupine Fault, 110 km east of the Timmins, 50 km north-east of Kirkland Lake, Ontario and 10 km due east of the Holloway-Holt gold mine and mill. The property covers a 4 km strike length of the Destor-Porcupine Fault with an overall length of more than 11 km along the upper portions of the property, lying adjacent to and along strike with the Holloway-Holt gold mine, a 2.5 million oz. gold producer.

During the year ended November 30, 2008 the Company increased its interest in certain claims and acquired additional claims. The property currently consists of a 90% interest in nine claims and a 100% in 26 claims in the Larder Lake Mining Division, Ontario and a 100% interest in 86 claims in the Province of Quebec. To maintain the Quebec claims the Company must incur approximately $107,500 in exploration expenditures prior to January 22, 2010. Certain of the claims in the Larder Lake Mining Division are subject to a 3.5% NSR.

The Company initiated a drill program in early spring 2008 that consisted of ten drill holes over a 2.5 kilometer west to east strike length. Originally announced as a 4,200 meter program, the Company completed 2,800 meters under the 2008 program. Assay results did not include any significant zones of mineralization. However, the mineralization that was encountered was located towards the western end of the strike length and associated with quartz/carbonate veining and fine-grained disseminated sulphides within a breciated mafic flow.

Management is currently in the process of evaluating available data associated with the Stoughton-Abitibi property in order to assess the scope of future exploration programs.

Liquidity and Capital Resources

The Company had working capital deficiency of $34,639 at February 28, 2009 (2008 – working capital of $72,076). The Company utilized $94,523 in cash for operations during the three months ended February 28, 2009 (2008 - $157,178) to cover overhead costs and working capital changes. During the three months ended February 28, 2009, $9,347 was incurred in connection with deferred exploration expenditures (2008 - $89,580).

In April, 2009, the Company has received orders for $410,000 and $210,000 under current flow-through unit and non flow-through unit private placements of $750,000 and $250,000 respectively. Flow through units are priced at $0.12 and consist of one common share and one-half common share purchase warrant exercisable at $0.20 for 12 months from closing and at $0.24 for the second 12 months from closing. Units are priced at $0.10 and consist of one common share and one-half common share purchase warrant exercisable at $0.20 for 12 months from closing and at $0.24 for the second 12 months from closing.

Proceeds realized under the financings referenced above will be used to fund further exploration of the Company's properties, corporate expenses and working capital purposes.

The Company will require substantial additional funds to further explore and, if warranted, develop one or more of its exploration properties. The Company has limited financial resources and no current source of recurring revenue, and there is no assurance that additional funding will be available to the Company to carry out the completion of its planned exploration activities, for additional exploration or for the substantial capital that is typically required in order to place a property into commercial production.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and property development. The terms of any additional financing obtained by the Company could result in substantial dilution to the shareholders of the Company.

Various factors including the Company's exploration results could cause significant fluctuations in the price and volume of trading in the common shares of the Company.

Related-Party Transactions

Certain corporate entities that are related to the Company's former officers and directors provided consulting services to Harte. These expenditures are summarized as follows:

For the three months ended	**February 28, 2009**	February 29, 2008
Management and consulting fees	**$36,000**	$59,227

Previous management had indicated these transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. As of the date hereof there are no related party transactions or arrangements.

Outstanding Share Data - as of April 27, 2009

Issued and outstanding common shares	51,292,668
Share purchase warrants	3,011,500
Options	4,150,000
Fully diluted shares	58,454,168

Contingencies

Further to the Special Shareholders' Meeting held January 30, 2009 at which the former Board of Directors was replaced and a new management team appointed, the Company will follow up on preliminary forensic audit work done in 2008 in connection with historical cash disbursements and property acquisitions. At this time management does not know what the outcome will be and has not made any adjustments in the financial statements. Two former officers and directors of the Company have filed claims against the Company in the amount of $610,000 in the aggregate relating to unpaid services. Management is of the position that the claims are without merit and has advised the claimants accordingly. Management intends to defend its position vigorously. No amounts have been accrued in these financial statements for these claims because settlement amounts, if any, are undeterminable.

Management is currently reviewing the Company's transactions and filings with respect to flow through shares and has identified issues that require the Company to re-file certain documents with CRA. As a result, the Company will incur penalties associated with re-filing these forms and may incur other costs that are undeterminable at this time. A provision has been made in these financial statements to reflect the penalties that are likely and quantifiable at this time.

Accounting Policies and Critical Accounting Estimates

The Company prepares its consolidated financial statements in conformity with generally accepted accounting principles in Canada. The preparation of the Company's consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. The Company lists its significant accounting policies in Note 2 of its audited financial statements for the year ended November 30, 2008.

Handbook Section 3862 and 3863 replaces Handbook Section 3861, Financial Instruments Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risk arising from financial instruments and how the entity manages those risks.

All financial instruments are classified into one of the following five categories: held-for-trading assets or liabilities, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. Held-for-trading financial instruments are measured at fair value and all gains and losses are included in net income in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in accumulated other comprehensive income until the instruments are derecognized or impaired. Loans and receivables, investments held-to-maturity and other financial liabilities are measured at amortized cost using the effective interest method.

The Company has made the following classifications:

Cash	Held for trading
Marketable securities	Held for trading
GST receivable	Other receivables
Accounts payable and accrued liabilities	Other liabilities

Transaction costs are expensed as incurred for financial instruments classified as held-for-trading. For other financial instruments, transaction costs are expensed on initial recognition. The Company has included the disclosures recommended by the new Handbook Sections in Note 3 to the financial statements.

Goodwill and Intangible Assets

In February 2008, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3064, Goodwill and Intangible Assets, replacing Section 3062, "Goodwill and Other Intangible Assets" and Section 3450, "Research and Development Costs". Various changes have been made to other sections of the CICA Handbook for consistency purposes. The new Section is applicable to financial statements relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company adopted the new standards for its fiscal year commencing December 1, 2008. It establishes guidance on the recognition, measurement and disclosure requirements for goodwill and other intangible assets. The Company has determined that this new standard does not have a material impact on its financial statements at the present time.

Future Accounting Changes

International Financial Reporting Standards ("IFRS")

Effective January 1, 2011, the Canadian Accounting Standards Board (AcSB) has confirmed that the use of the International Financial Reporting Standards ("IFRS") will be required in 2011 for publicly accountable profit-oriented enterprises. IFRS will replace Canada's current GAAP for those enterprises. These include listed companies and other profit-oriented enterprises that are responsible to large or diverse groups of shareholders. The official changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide comparative IFRS information for the previous fiscal year. The Company is currently evaluating the impact of adopting IFRS.

Capital Disclosures

Handbook Section 1535 specifies the disclosures of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the identification and development of precious metals deposits within Canada.

The Company manages its capital structure in a manner that provides sufficient funding for operational activities. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner. The Company manages its capital to ensure that it will be able to continue as a going concern while attempting to maximize the return to shareholders through the optimization of a reasonable debt and equity balance commensurate with current operating requirements. The current capital structure consists of cash and shareholders' equity excluding accumulated other comprehensive income (loss). The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure.

The Company invests all capital that is surplus to its immediate operational needs in short term, liquid and highly rated financial instruments, such as cash, and short term guaranteed deposits, all held with major Canadian financial institutions.

RISKS AND UNCERTAINTIES

Risks inherent in the nature of mineral exploration and development:

Mineral exploration and development involves several risks which experience, knowledge and careful evaluation may not be sufficient to overcome. Large capital expenditures are required in advance of anticipated revenues from operations. Many exploration programs do not result in the discovery of mineralization; moreover, mineralization discovered may not be of sufficient quantity or quality to be profitably mined. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in the conduct of exploration programs and the operation of mines. The commercial viability of exploiting any precious metal deposit is dependent on a number of factors including infrastructure and governmental regulations, in particular those respecting the environment, price, taxes, and royalties. No assurance can be given that minerals of sufficient quantity, quality, size and grade will be discovered on any of the Company's properties to justify commercial operation.

Uncertainty of reserve and resource estimates:

The mining and exploration business relies upon the accuracy of determinations as to whether a given deposit has significant mineral reserves and resources. This reliance is important in that reported mineral reserves and resources are only estimates and do not represent with certainty that estimated mineral reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling, and inherently carry the uncertainty that samples may not be representative of actual results.

Political Risk

The properties are located in Canada. Accordingly, the Company is subject to risks normally associated with exploration for and development of mineral properties in this country.

The Company's ability to conduct future exploration and development activities is subject to changes in government regulations and shifts in political attitudes over which Harte has no control.

Business Risk

There are numerous business risks involved in the mineral exploration industry, some of which are outlined below.

The Company's current or future operations, including development activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether.

The success of the operations and activities is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of the outside contractors, experts and other advisors. The company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect Harte's operations and financial performance.

Commodity Price Risk

The price of the common shares in the capital the Company, its financial results, exploration and development activities have been, or may in the future be, adversely affected by declines in the price of gold and/or other metals. Gold prices fluctuate widely and are affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from mining and sale of precious metals or interests related thereto. The effect of these factors on the price of precious metals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Funding Risk

There can be no assurance that any funding required by the Company will become available, and if so, that it will be offered on reasonable terms, or that the Company will be able to secure such funding through third party financing or cost sharing arrangements. Furthermore, there is no assurance that the Company will be able to secure new mineral properties or projects, or that they can be secured on competitive terms.

Additional Capital

The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and development of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favorable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Environmental and Permitting

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Acquisition

The Company uses its best judgment to acquire mining properties for exploration and development in pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and development, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favorable terms, or that any acquisition completed will ultimately benefit the Company.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Management's Responsibility for Financial Information

Management is responsible for all information contained in this report. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the audited financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the audited financial statements and this management discussion and analysis with management. The Board of Directors has approved the audited financial statements on the recommendation of the Audit Committee.

Subsequent Events

In April, 2009 the Company has raised $410,000 and $210,000 under flow through unit and non flow-through unit private placements respectively. Flow through units are priced at $0.12 and consist of one common share and one-half common share purchase warrant exercisable at $0.20 for 12 months from closing and at $0.24 for the second 12 months from closing. Non flow-through units are priced at $0.10 and consist of one common share and one-half common share purchase warrant exercisable at $0.20 for 12 months from closing and at $0.24 for the second 12 months from closing. Common Share purchase warrants issued pursuant to the above are subject to an acceleration clause whereby should the Common Shares of the Company trade at or above $0.20 for a period of twenty (20) consecutive trading days the Company will have the right to require exercise of the warrants within 15 days of giving notice. The closings referenced above are part of current initiatives to raise up to $750,000 in flow through funds and $250,000 in hard dollar funds. Finders fees equal to 8 – 10% cash and 10% units are applicable.

The Company issued 2,405,998 Common Shares under the Shares for Debt Settlement approved by Shareholders at the Special Shareholders Meeting held January 30, 2009.

The Company announced a ten hole diamond drill program on the Sugar Zone Property which program is currently underway and should be completed prior to the end of May 2009.The program is designed to test near surface targets along the 3.5 km strike length away from the main zone (NI 43-101 compliant inferred resource of 904,400t @ 9.75g/t Au for 283,500 ounces of contained gold) as well as sub-parallel zones defined in the airborne magnetics survey completed in 2008 or in previous IP surveys conducted over the zone.

April 27, 2009

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Rein A. Lehari, CA
Chief Financial Officer

"Stephen G. Roman"
Stephen G. Roman
President and CEO