

## **Management's Discussion and Analysis**



### **Gold Hawk Resources Inc.**

**For the Year Ended December 31, 2009**

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Gold Hawk Resources Inc.

For the year ended December 31, 2009

All figures reported in CAD, unless otherwise noted

## Management Discussion and Analysis

The following management's discussion and analysis of financial conditions and result of operations (the "MD&A"), has been prepared by management and provides a review of the activities, results of operations and financial condition of Gold Hawk Resources (the "Company" or "Gold Hawk"). This discussion dated April 30, 2010 complements and supplements the Company's audited annual consolidated Financial Statements and associated notes for the year ended December 31, 2009, and should be read in conjunction with the annual audited Financial Statements for the year ended December 31, 2008 and related MD&A. Please also refer to the cautionary statement of forward-looking information at the end of this document. The Company's consolidated Financial Statements are prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") as fully described in Note 2 of the December 31, 2009 audited consolidated financial statements, and reported in Canadian dollars unless otherwise noted.

### 1. COMPANY OVERVIEW

Gold Hawk Resources Inc. is a mining company incorporated under the Canadian Business Corporation Act, and a reporting issuer under the jurisdiction of British Columbia, and it is listed on the Toronto Venture Stock Exchange (TSX-V) under the trading symbol GHK. The Company is involved in the acquisition, exploration, development and exploitation of mineral resource projects. With a strong cash position, Gold Hawk is currently engaged in the identification and acquisition of advanced stage mineral projects. At the present time, the Company holds a 15% interest in its former Peruvian subsidiary, which owns and operates the Coricancha Mine.

On November 9, 2009, subsequent to a non-binding agreement signed during the quarter, a special shareholders meeting approved the sale of an 85% interest in the Peruvian subsidiary, for a total consideration of USD15 million. The transaction closed on November 12 and the proceeds of the sale were received on the same date. As a result of this transaction, the Company has a strong cash position, no long-term liabilities, and holds a 15% interest in its former Peruvian subsidiary.

Based on a strong working capital position, management is currently pursuing and evaluating various business opportunities with the purpose of enhancing shareholder value. Future financial needs will be determined by the outcome of these evaluations. Please refer to the Liquidity and Capital Resources section on page 6 of this MD&A.

### 2. 2009 HIGHLIGHTS

*Major highlights and developments during the year ended December 31, 2009 included:*

- Receiving USD2 million advance of new funds related to new USD13.0 million loan facility;
- Completing a \$1 million private placement financing in March;
- Updating mineral resources and reserve estimates for the re-start of the Coricancha Mine (43-101 compliant technical report).
- Receiving a value-added tax refund of approximately USD700,000 from the tax authorities in Peru.

- Completing a non-brokered private placement for 1,002,000 units at a price of \$1.25 per unit for proceeds of \$1,252,500 in June. Each unit is comprised of one common share and one 12-month share purchase warrant at \$1.75.
- Signing a new loan agreement with its lender regarding the Company USD13 million restructured loan facility.
- Entering into a share purchase agreement with Nyrstar, to sell an 85% interest of Compañía Minera San Juan, its Peruvian subsidiary.
- Completing a \$223,000 private placement in October.
- Receiving from the Peruvian Ministry of Energy and Mines final approval of the modification of its Environmental Impact Assessment (EIA) to include the new tailings handling area at Chinchán and the tailings transfer system;
- Completing a Shares for Debt settlement with one of its lenders by issuing 340,000 shares at a deemed price of \$1.25 per share in return for the elimination of a \$425,000 debt;
- Obtaining shareholders' approval to sell 85% of its Peruvian subsidiary to Nyrstar, closing the transaction on November 12 and receiving the proceeds of USD15 million on the same date.
- Obtaining shareholder approval for a 25-to-1 reverse stock split, and an amended roll-over stock option plan.
- Signing a \$12.5 million indicative term sheet for a standby credit facility with Renvest Mercantile Bancorp Inc. on December 10.

Subsequent to December 31, 2009, the Company:

- On January 18, 2010, announced a proposed business combination pursuant to a Letter of Intent agreement with Nuinsco Resources Limited. On January 29, the Board of Directors decided not to proceed with the combination process and terminated the Letter of Intent agreement.
- Subsequent to the year end, the Board of Directors granted stock options to directors, officers and employees of the Company. Options were granted to purchase 695,000 common shares in the capital of the Company, exercisable for a period of five years at a price of \$1.00 per share. The non-director share options vest one-third immediately upon the date of grant, one third will vest 12 months from the date of grant, and the final one-third of the options will vest 24 months from the date of grant. Share options granted to directors vest immediately.

### **3. MANAGEMENT AND DIRECTORS CHANGES**

On November 12, 2009, Rodney Lamond, Vice President Operations, took a permanent position with Nyrstar as General Manager for Compañía Minera San Juan, a former Gold Hawk subsidiary.

During the year ended December 31, 2009, the Board accepted the resignation of René Galipeau from the Board of Directors.

Following the departure of Mr. Galipeau, William Barnett, a long-standing Audit Committee member, assumed the role of acting Chairman of the Audit Committee.

As of December 31, 2009 there were five Directors on the Board of Gold Hawk.

## 4. RESULTS FROM OPERATIONS

### Selected Annual Information

<i>All figures in thousands of Canadian dollars except for per share amounts.</i>	2009	2008	2007
Sales	-	5,993	1,666
Net income (loss) before extraordinary items	10,253	(13,965)	(12,262)
<i>Per share:</i>	<i>0.87</i>	<i>(1.78)</i>	<i>(2.00)</i>
Extraordinary loss		(15,416)	
Net income (loss) for the period	10,253	(29,381)	(12,262)
<i>Per share:</i>	<i>0.87</i>	<i>(3.74)</i>	<i>(2.00)</i>
Total assets	15,436	43,730	46,025
Total long-term financial liabilities	-	21,498	11,385

The Company had no sales during 2009 due to the temporary suspension of operations reported in the second quarter of 2008. This measure was still in effect as at the date of the sale of an 85% interest of the operating subsidiary in November 2009. The 2009 net income of \$10.3 million compares to a net loss of \$14 million in the prior year. The \$24.3 million increase in net income was primarily driven by the gain on dilution of \$26.2 million derived from the sale of an 85% interest of our operating subsidiary. Other items included in net income are a foreign exchange loss of \$2.9 million and interest and financing charges of \$3.8 million. These losses were partially offset by decreases in care and maintenance and general and administrative expenses, and a non-realized gain on marketable securities held for sale.

As a result of the sale of an 85% interest of the Peruvian subsidiary, total assets were reduced by \$28.3 million and the Company has no long-term financial liabilities as at the end of 2009.

### Summary of Quarterly Results

The following table presents our quarterly results of operations for each of the last eight quarters. The Company's interim consolidated financial statements are prepared in accordance with Canadian GAAP.

<i>In thousands of Canadian Dollars except for per share amounts</i>	Dec 31, 2009	Sept 30, 2009	June 30, 2009	Mar 31, 2009	Dec 31, 2008	Sept 30, 2008	June 30, 2008*	Mar 31, 2008
Sales revenue		-	-	-	-	-	3,289	2,704
Interest income	4	1	1	-	2	5	4	11
Net income (loss) before extraordinary items	25,268	(4,649)	(8,263)	(2,103)	(599)	(1,792)	(7,843)	(3,731)
Basic and diluted income (loss) per share	2.37	(0.50)	(0.75)	(0.25)	-	(0.18)	(1.18)	(0.42)
Extraordinary gain (loss)	-	-	-	-	(4,002)	2,084	(13,498)	-
Basic and diluted extraordinary gain (loss) per share	-	-	-	-	(0.41)	0.35	(1.90)	-
Net income (loss) for the period	25,268	(4,649)	(8,263)	(2,103)	(4,601)	292	(21,340)	(3,731)
Basic and diluted income (loss) per share - \$	2.37	(0.50)	(0.75)	(0.25)	(0.41)	0.17	(3.08)	(0.42)

\*The allowance for value-added tax originally recorded as an extraordinary item on June 30, 2008, has been reclassified as an operating expense

During the year, the Company recorded a net income of \$10.3 million (\$0.87 basic and diluted gain per year), as compared with a net loss of \$14 million before extraordinary items (\$0.071 basic and diluted loss per share) in 2008. In addition to the items detailed below, the net income included a gain on dilution of \$26.2 million, resulted from the sale of an 85% interest of the Peruvian subsidiary. Expenses for the year included standby costs for care and maintenance of \$1.8 million (2008 \$3.1 million) and depreciation of \$1.5 million (2008 \$0.9 million). Care and maintenance costs included power, security,

community relations, water treatment and other environmental control activities at the mine site.

Additional expenses included stock-based compensation expense of \$301,576 (2008 \$376,890); interest and financing charges of \$3.8 million (2008 \$2 million) inclusive of expenses related to the re-structure of the loan payable in February 2008; administration expenses of \$3.2 million (2008 \$4.1 million), and a foreign exchange loss of \$3 million (2008 \$3.6 million), mainly caused for the strengthening of the CND/USD exchange rate.

### **Extraordinary Loss**

For information regarding the Company's extraordinary loss recorded during the year ended December 31, 2008 please refer to Note 19 of the December 31, 2009 consolidated financial statements.

## **5. OUTLOOK**

Early in 2009, two important events occurred that laid the groundwork for what would become a transformation of Gold Hawk by year's end. First, management was successful in re-structuring the Company's long-term debt, which provided the time necessary to develop a path to re-start the Coricancha Mine in Peru. Second, the government of Peru approved the final permit for the construction of a new permanent tailings facility at Chinchán. With the debt re-structured and permits in-hand, management focusing on obtaining the necessary funding to return the Coricancha Mine to production.

Management held discussions with numerous parties throughout the first half of 2009 in an attempt to find a total financial solution that would finance the re-start of the Mine. In August, management succeeded in finding the financing necessary when it entered into a head-of-agreement with Nyrstar, whereby Nyrstar would acquire an 85% interest in CMSJ, Gold Hawk' Peruvian subsidiary, for US\$15 million. Nyrstar's all-cash offer and financing package for CMSJ was a compelling opportunity and following signing of a share purchase agreement in September, shareholders approved the transaction at a special meeting in November. Although it would have been management's preference to re-start the Coricancha Mine within Gold Hawk, the financial crisis of 2008 made it impossible for a junior company like Gold Hawk to raise the necessary capital. Consequently, to preserve shareholder value it was necessary to take the steps as outlined above.

Today, Gold Hawk is debt free, continues to hold 15% of the Coricancha Mine through its 15% ownership interest in CMSJ, and has in excess of \$15.4 million in cash and securities.

Looking to the future, it is expected that after resumption of operations at the Coricancha Mine, Gold Hawk can expect to begin receiving its proportionate share of available for distribution cash flow in the coming years. In addition, with Gold Hawk's enviable cash position, it is seeking opportunities in the resource, as well as in other sectors and is in active discussions with several potential parties to acquire, merge or purchase assets that would provide the opportunity to enhance shareholder value.

## **6. RISKS AND UNCERTAINTIES**

### **Continuing operations**

During 2009, the Company recorded a gain on dilution of approximately \$26.2 million as a result of the sale of an 85% interest in its Peruvian mining property and as at December 31, 2009 has a working capital of \$14.9 million, and no long-term debt. Based on a strong working capital position, management

is currently evaluating various business opportunities with the purpose of enhancing shareholder value. Future financial needs and the continuity of the entity as a going concern will be dependent on the Company making strategic investments and achieving profitable operations.

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates include the determination of asset retirement obligations, future income taxes, recoverability of mineral properties, plant and equipment, guarantees and contingencies, and the fair values of net assets acquired in business combinations. Actual results could differ from those estimates.

### **Industry and economic factors affecting the Company's performance**

#### *a) Exploration and mining risks*

The business of exploration and development for minerals and mining involves a high degree of risk. Few exploration properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides, and the inability to obtain suitable or adequate machinery, equipment, or labour are other risks involved in the conduct of exploration programs. The Company from time to time augments its internal exploration and operating expertise with advice from consultants and others as required. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined, and fluctuations in the price of any minerals produced.

#### *b) Titles to property*

While the Company has diligently investigated title to the various properties in which it has an interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer or native or government land claims, and title may be affected by undetected defects.

#### *c) Permits and licenses*

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development, and mining operations at its projects.

#### *d) Metal prices*

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect the marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities, and worldwide production levels. The effect of these factors cannot be accurately predicted.

#### *e) Competition*

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

*f) Environmental regulations*

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving toward stricter standards in which enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

*g) Conflicts of interest*

Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matters. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

*h) Stage of development*

The Company does not have a history of earnings or the provision of return on investment, and in the future there is no assurance that it will produce revenue, operate profitably, or provide a return on investment.

*i) Industry conditions*

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls, or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

*j) Uninsured hazards*

Hazards, such as unusual geological conditions, are involved in exploring for and developing mineral deposits. The Company may become subject to liability for pollution or other hazards, which cannot be insured against, or against which the Company may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Company assets or the insolvency of the Company.

*k) Future financing*

Completion of future programs may require additional financing, which may dilute the interests of existing shareholders.

*l) Key employees*

Management of the Company rests on a few key officers, the loss of any of whom could have a detrimental effect on its operations.



## 7. LIQUIDITY AND CAPITAL RESOURCES

The Company's financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") applicable to a going concern. The Company's future liquidity will depend upon its ability to develop and finance future profitable business opportunities. As at the end of 2009, the Company has a working capital of \$14.9 million, compared to a working capital deficiency of \$21.1 as at the end of 2008. The increase in working capital was due to the sale of an 85% interest of our former Peruvian subsidiary.

<i>In thousands of CND</i>	As at			
	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007	Dec 31, 2006
Cash and cash equivalents	\$ 13,485	\$ 86	\$ 2,263	\$ 12,441
Restricted cash	-	58	145	49
Working Capital	14,886	(21,502)	(329)	9,112

Cash and cash equivalents as at December 31, 2009 were \$13,485,010 compared to \$85,718 as at December 31, 2008. The increase in cash on hand was mainly due to the funds received for the sale of 85% interest of our former Peruvian subsidiary.

Working capital was \$14.9 million as at December 31, 2009, as compared to a working capital deficiency of \$21.5 million as at December 31, 2008. The increase in working capital is mainly due to the proceeds of the abovementioned disposition and the implied transfer of the outstanding loan to the purchaser.

Cash on hand as at April 30, 2010 and expected cash flows for the next 12 months are sufficient to fund the Company's ongoing operational needs.

### Investing activities

During the year ended December 31, 2009, the Company acquired shares and warrants which are designated as held for trading and had a fair value of \$1.9 million as at December 31, 2009.

### Commitments

As at December 31, 2009 the Company commitments including office and equipment lease agreements, with minimum future payments as follows:

<i>In thousands of CAD</i>	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Accounts payable and accrued liabilities	\$ 524	\$ 524	-	-	-
Other lease commitments	66	66	-	-	-
<b>Total*</b>	<b>\$ 589</b>	<b>\$ 589</b>	-	-	-

### Off-Balance Sheet Arrangements

The Company's only off-balance sheet arrangements include the commitments described elsewhere in this MD&A and guarantees and contingencies as described in Note 18 of the financial statements.

### Financial Instruments and Other Instruments

The Company's financial instruments consist of cash, accounts receivable, deposits, marketable

securities, its retained 15% interest in Compañía Minera San Juan<sup>1</sup>, accounts payable and accrued liabilities, various commitments including capital lease obligations, and debt facility. In management's opinion, the Company is not exposed to significant interest rate or credit risk arising from these financial instruments, with the exception of deposits denominated in US dollars, on which the Company could be exposed to a foreign exchange risk. The Company also has cash and certain liabilities denominated in US dollars. As a result, the Company is subject to foreign exchange risk from fluctuations in foreign exchange rates.

### **Transaction with Related Parties**

During the year ended December 31, 2009 the Company repaid a total of \$197,254 related to short-term loans due to a director of the Company.

### **Share Capital Transactions**

On December 17, 2009, the Company effected a 25:1 share consolidation of the issued and outstanding common stock. All share amounts have been retroactively adjusted for all periods presented.

On January 7, 2009, the Company issued 132,911 shares as compensation for an amount outstanding to a third party. As a result of this issuance, \$262,500 was transferred from current liabilities to share capital.

On March 8, 2009, the Company completed a non-brokered private placement of 2,000,000 Units at a price of \$0.50 per Unit for aggregate proceeds of \$1,000,000. Each Unit is comprised of one common share and one 12-month share purchase warrant at \$1.25. Fees associated with the closing of the private placement include \$5,250 in Finder's Fees and \$10,479 in other legal and regulatory expenses. Net proceeds of the private placement were used to finance expenditures related to its Coricancha Mine, including moving old tailings to the long-term Chinchán facility, and for general corporate purposes.

On May 8, 2009, the Company issued 319,403 shares in connection with the restructured loan facility.

On June 3, 2009, the Company completed a non-brokered private placement of 1,002,000 Units at a price of \$1.25 per Unit for aggregate proceeds of \$1,252,500. Each Unit is comprised of one common share and one 12-month share purchase warrant at \$1.75. Fees associated with the closing of the private placement include \$11,000 in Finder's Fees and \$6,591 in other legal and regulatory expenses. Net proceeds of the private placement were used to finance expenditures related to its Coricancha Mine and for general corporate purposes.

On October 9, 2009, the Company issued 340,000 shares at deemed price of \$1.25 per share to extinguish a debt of \$425,000.

On October 19, 2009, the Company completed a non-brokered private placement of 178,192 common shares at a price of \$1.25 per share for aggregate proceeds of \$222,740. The funds raised through the Offering were used to support ongoing activities at the Company until the proposed transaction with Nyrstar was completed and for general corporate purposes.

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<sup>1</sup> Based on the purchase of the 85% interest as described in note 4 of the financial statements, management estimates the value of the retained 15% interest in its former subsidiary at not less than \$2.8 million.

## Capitalization

As at December 31, 2009, the Company had the following issued and outstanding common shares and unexercised stock options and warrants:

	<b>Shares and Potential Shares</b>
Common shares outstanding	13,016,970
Stock options (average exercise price \$5.47)	516,400
Warrants (average exercise price \$1.39)	3,802,000
Total common shares and potential common shares	17,335,370

## 8. INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations and may not prevent or detect misstatements. Therefore, even those systems determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2009 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

## 9. CRITICAL ACCOUNTING POLICIES AND ESTIMATES

These audited consolidated financial statements are prepared in accordance with Canadian GAAP. Certain of our accounting policies are recognized as critical because they require management to make subjective or complex judgments about matters that are inherently uncertain. Our critical accounting policies and estimates relate to:

- Recoverability of long-lived assets including mineral properties and deferred exploration expenditures;
- Environmental and post-closure obligations;
- Depreciation and depletion of mineral properties, plant and equipment;
- Stock based compensation and other stock-based payments
- Future income taxes; and,
- Accrued and contingent liabilities.

For a summary of significant accounting policies, please refer to Note 2 of the financial statements.

Management believes it has made estimates that best reflect the facts and circumstances, however, actual results may differ from estimates.

## **10. CHANGES IN ACCOUNTING POLICIES**

### ***International Financial Reporting Standards***

The Canadian Accounting Standards Board recently confirmed that International Financial Reporting Standards ("IFRS") will replace Canadian standards and interpretations on January 1, 2011. The process of changing from current Canadian GAAP to IFRS will be a significant undertaking that may materially affect reported financial position and results of operations, and also affect certain business functions.

The Company has not yet completed a full evaluation of the adoption of IFRS and its impact on its financial position and results of operations. The full evaluation and an implementation plan will be completed during 2010. The evaluation and implementation plan will address the impact of IFRS on:

- Accounting policies, including choices among policies permitted under IFRS and implementation decisions such as whether changes will be applied on a retrospective or a prospective basis;
- Information technology and data systems;
- Internal control over financial reporting;
- Disclosure controls and procedures, including investor relations and external communications plans;
- Financial reporting expertise, training requirements and the need for assistance from outside expertise;
- Post implementation monitoring to access any future developments of IFRS.

### ***Accounting policies changes***

For new accounting pronouncements adopted and future, please refer to Notes 2 and 3 to the consolidated financial statements.

## **11. FORWARD-LOOKING INFORMATION**

This document may contain "forward-looking statements" within the meaning of Canadian securities legislation. These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements. Forward-looking statements relate to future events or future performance and reflect management of the Company's expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in

project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.