



BRALORNE GOLD MINES LTD.

(an exploration stage company)

Interim Financial Statements

For the three months ended April 30, 2009

Notice to Readers

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management and approved by the Board of Directors of the Company. These interim financial statements have not been reviewed by the Company's independent auditor.

BRALORNE GOLD MINES LTD.
(an exploration stage company)
Interim Balance Sheet
(Unaudited)

	April 30, 2009	January 31, 2009
ASSETS		
Current		
Cash and cash equivalents	\$ 768,918	\$ 972,687
Amounts receivable and prepaid expenses	19,765	19,684
Interest receivable	1,645	4,882
GST receivable	14,705	22,609
	805,033	1,019,862
Due from related parties <i>(Note 9(b))</i>	3,411	3,411
Mineral property <i>(Notes 6 and 9)</i>	21,373,700	21,059,537
Equipment <i>(Note 7)</i>	28,494	30,082
Restricted cash <i>(Note 5)</i>	125,000	125,000
	\$ 22,335,638	\$ 22,237,892
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 220,943	\$ 175,565
Due to related parties <i>(Note 9(c))</i>	65,741	43,261
	286,684	218,826
Site restoration obligation	98,000	98,000
	384,684	316,826
Shareholders' equity		
Share capital <i>(Note 8)</i>	29,079,672	28,959,672
Contributed surplus	4,448,465	4,440,977
Deficit	(11,577,183)	(11,479,583)
	21,950,954	21,921,066
	\$ 22,335,638	\$ 22,237,892

Nature of operations and going concern (Note 1)
Commitment (Note 10)
Subsequent Events (Note 12)

Approved by the Directors on behalf of the Board:

<u>"Louis Wolfin"</u> Louis Wolfin	Director	<u>"William Kocken"</u> William Kocken	Director
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The accompanying notes are an integral part of these interim financial statements

BRALORNE GOLD MINES LTD.
(an exploration stage company)
Interim Statements of Operations
(Unaudited)

	Three months ended April 30,	
	2009	2008
		(Note 11)
General and administrative expenses		
Administration services <i>(Note 9(a)(i))</i>	\$ 1,127	\$ 1,242
Amortization	1,588	1,138
Automobile	3,111	7,176
Consulting <i>(Note 9(a)(ii))</i>	15,115	22,573
Directors fees <i>(Note 9(a)(iv))</i>	9,000	-
Listing and filing fees	6,046	10,366
Office, occupancy and miscellaneous	13,917	14,472
Professional fees	(327)	5,840
Salaries and benefits	35,938	35,510
Shareholder information	2,579	24,430
Stock-based compensation <i>(Note 8(e))</i>	7,488	-
Travel and accommodation	6,324	7,577
Loss before other items and future income tax recovery	(101,906)	(130,324)
Other items		
Interest income	4,306	14,867
Write-down of receivables	-	-
	4,306	14,867
Loss before future income tax recovery	(97,600)	(115,457)
Future income tax recovery	-	-
Loss and comprehensive loss for the period	\$ (97,600)	\$ (115,457)
Loss per share, basic and diluted	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	16,466,059	13,712,168

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BRALORNE GOLD MINES LTD.
(an exploration stage company)
Interim Statements of Shareholders' Equity
(Unaudited)

	Number of Common Shares	Share Capital	Contributed Surplus	Deficit	Total Shareholders' Equity
Balance, January 31, 2008	14,607,160	\$27,286,153	\$3,744,181	\$(10,631,735)	\$20,398,599
Common shares issued for cash:					
Private placement <i>(Note 8(b))</i>	812,630	837,256	142,269	-	979,525
Share issue costs	25,631	(41,450)	3,441	-	(38,009)
Exercise of stock options	24,000	18,000	-	-	18,000
Exercise of warrants	995,290	995,290	-	-	995,290
Transfer of contributed surplus to share capital on exercise of stock options	-	10,020	(10,020)	-	-
Stock-based compensation	-	-	561,106	-	561,106
Income tax effect of flow-through share renunciation	-	(145,597)	-	-	(145,597)
Loss for the year	-	-	-	(847,848)	(847,848)
Balance January 31, 2009	16,464,711	28,959,672	4,440,977	(11,479,583)	21,921,066
Common shares issued for cash:					
Exercise of warrants	120,000	120,000	-	-	120,000
Stock-based compensation	-	-	7,488	-	7,488
Loss for the period	-	-	-	(97,600)	(97,600)
Balance April 30, 2009	16,584,711	\$29,079,672	\$4,448,465	\$(11,577,183)	\$21,950,954

The accompanying notes are an integral part of these interim financial statements

BRALORNE GOLD MINES LTD.
(an exploration stage company)
Interim Statements of Cash Flows
(Unaudited)

	Three months ended April 30,	
	2009	2008
OPERATING ACTIVITIES		
Loss for the period	\$ (97,600)	\$ (115,457)
Adjustments for items not involving cash:		
Amortization	1,588	1,138
Stock-based compensation	7,488	-
	(88,524)	(114,319)
Changes in non-cash working capital:		
Amounts receivable and prepaid expenses	(81)	(18,619)
Interest receivable	3,237	(6,383)
GST receivable	7,904	33,643
Accounts payable and accrued liabilities	45,378	(12,627)
Cash used in operating activities	(32,086)	(118,305)
INVESTING ACTIVITIES		
Mineral property expenditures, net of gold sales	(314,163)	(663,086)
Cash used in investing activities	(314,163)	(663,086)
FINANCING ACTIVITIES		
Issuance of shares and units, net of issue costs	120,000	961,856
Amounts due to (from) related parties, net	22,480	(21,280)
Cash provided by financing activities	142,480	940,576
Decrease in cash and cash equivalents	(203,769)	(159,185)
Cash and cash equivalents, beginning of year	972,687	1,560,321
Cash and cash equivalents, end of year	\$ 768,918	\$ 1,719,506

The accompanying notes are an integral part of these interim financial statements

BRALORNE GOLD MINES LTD.
(an exploration stage company)

Notes to Interim Financial Statements
For the three months ended April 30, 2009
(Unaudited)

1. Nature of Operations and Going Concern

Bralorne Gold Mines Ltd. ("Bralorne" or the "Company") was incorporated on July 10, 1992 under the laws of the Province of British Columbia. The Company owns a 100% interest in a mineral property in British Columbia, Canada. It is in the process of exploring its mineral property interest and has not yet determined whether this property contains sufficient ore reserves, such that their recovery would be economically viable.

These interim financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business.

The Company is in the exploration stage. The investment in and expenditures on the mineral property comprises substantially all of the Company's assets. The recoverability of amounts shown for its mineral property interest and related deferred costs and the Company's ability to continue as a going concern are dependent upon the continued support from its shareholders, the discovery of economically recoverable reserves, and the ability of the Company to obtain the financing necessary to complete development and achieve profitable operations in the future. The outcome of these matters cannot be predicted at this time. These interim financial statements do not reflect any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

As at April 30, 2009, the Company had working capital of \$518,349 (2009 - \$801,036) and an accumulated deficit of \$11,577,183 (2009 - \$11,479,583). Management of the Company believes that it has the ability to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year as they fall due, and to fund cash payments for planned exploration programs.

2. Change in Accounting Policies

(a) Effective February 1, 2009, the Company adopted CICA Section 3064 *Goodwill and Intangible Assets*. This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. The adoption of this standard did not have any material effect on the financial statements.

(b) In March 2009, the CICA issued EIC 174, "*Mining Exploration Costs*". The EIC provides guidance for mining exploration enterprises on the accounting for capitalization of exploration costs and when an impairment test of these costs is required. EIC 174 is applicable to fiscal periods ending after the issuance date.

(c) CICA Section 1582 *Business Combinations*, which replaces Section 1581, establishes standards for the accounting for business combination. It is the Canadian GAAP equivalent to International Financial Reporting Standard IFRS 3, *Business Combinations*. This new standard require assets acquired and liabilities assumed, including contingent liabilities to be measured at fair value and all acquisition costs be expensed. This standard is effective for the Company for interim and annual financial statements beginning on January 1, 2011. The Company has not yet determined the impact of the adoption of this change on its consolidated financial statements.

(d) In January 2009, the CICA issued EIC 173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*. The EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities. EIC 173 is applicable the Company's interim and annual financial statement for its fiscal year beginning February 1, 2010.

BRALORNE GOLD MINES LTD.
(an exploration stage company)

Notes to Interim Financial Statements
For the three months ended April 30, 2009
(Unaudited)

2. Change in Accounting Policies (continued)

(e) CICA Section 1601, *Consolidated Financial Statements* and Section 1602, *Non-controlling Interests* replaces Section 1600. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in consolidated financial statements subsequent to a business combination. Section 1602 is equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27, *Consolidated and Separate Financial Statements*. These new standards require non-controlling interests to be recognized as a separate component of equity and net earnings to be calculated without a deduction for non-controlling interests. These standards are effective for the Company for interim and annual financial statements beginning on January 1, 2011. The Company has not yet determined the impact of the adoption of this change on its consolidated financial statements.

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

3. Risk Management and Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, interest receivable, amounts receivable, restricted cash, accounts payable and accrued liabilities and amounts due to/from related parties. Cash and cash equivalents and restricted cash are classified as held-for-trading, amounts receivable, interest receivable and amounts due from related parties are classified as loans and receivables, and accounts payable and accrued liabilities and amount due to related parties are classified as other financial liabilities.

The carrying value of financial assets by category at April 30, 2009 and January 31, 2009 are as follows:

Financial Assets	April 30, 2009		January 31, 2009	
	Held-for-trading	Loans and receivables	Held-for-trading	Loans and receivables
Cash and cash equivalents	\$ 768,918	\$ -	\$ 972,687	\$ -
Interest receivable	-	1,645	-	4,882
Amounts receivable	-	-	-	-
Restricted cash	125,000	-	125,000	-
Amounts due from related parties	-	3,411	-	3,411
	\$ 893,918	\$ 5,056	\$ 1,097,687	\$ 8,293

BRALORNE GOLD MINES LTD.
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For the three months ended April 30, 2009
(Unaudited)

3. Risk Management and Financial Instruments (continued)

The carrying value of financial liabilities by category at April 30, 2009 and January 31, 2009 are as follows:

	Apr 30, 2009	Jan 31, 2009
Financial Liabilities	Other Financial Liabilities	Other Financial Liabilities
Accounts payable and accrued liabilities	\$ 220,943	\$ 175,565
Amounts due to related parties	65,741	43,261
	\$ 286,684	\$ 218,826

The carrying amounts of cash and cash equivalents, interest receivable, amounts receivable, restricted cash and accounts payable and accrued liabilities are a reasonable estimate of their fair value because of their short term to maturity.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

The Company is exposed to credit risk with respect to cash and cash equivalents, amounts receivable, interest receivable, amounts due from related parties and restricted cash. The risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages credit risk, in respect of cash and cash equivalents, by purchasing highly liquid, short-term investment-grade securities held at a major Canadian financial institution.

Concentration of credit risk exists with respect to the Company's cash and cash equivalents, interest receivable and restricted cash as all amounts are held at two Canadian financial institutions. The Company's concentration of credit risk and maximum exposure thereto is as follows:

	Apr 30, 2009	Jan 31, 2009
Term deposits	\$ 555,000	\$ 950,000
Cash held in bank accounts	213,918	22,687
Interest receivable	1,645	4,882
Restricted cash	125,000	125,000
	\$ 895,563	\$ 1,102,569

Term deposits currently earn interest at 1.85% and mature in March 2010. The credit risk associated with cash and term deposits held in Canada is minimized by ensuring that these financial assets are placed with major Canadian financial institutions with strong investment-grade ratings by a primary ratings agency.

3. Risk Management and Financial Instruments (continued)

(b) Liquidity risk

The Company's approach to managing liquidity risk is to provide reasonable assurance that it has sufficient capital to meet short-term financial obligations after taking into account its exploration obligations and cash and cash equivalents on hand. The Company maintains sufficient cash and cash equivalents at April 30, 2009 in the amount of \$768,918 (2009 - \$972,687) in order to settle current liabilities. All of the Company's financial liabilities have contractual maturities of less than 30 days and subject to normal trade terms with the exception of amounts due to related parties which are due on demand. The Company will require additional equity financing to meet its administrative overhead costs and further exploration activities on its mineral properties in fiscal 2010.

(c) Market risk

Market risks consist of interest rate risk, foreign exchange risk and other price risk. The only market risk to which the Company is exposed is as follows:

Interest rate risk

The Company's cash and cash equivalents and restricted cash consists of cash held in bank accounts, fixed income investments and guaranteed investment certificates that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of April 30, 2009 or January 31, 2009. Future cash flows from interest income on cash and cash equivalents will be affected by interest rate fluctuations. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity.

4. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, it does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of equity units. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

In the management of capital, the Company includes the components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Management reviews the capital structure on a regular basis to ensure that objectives are met.

The Company has in the past invested its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns on unused capital.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this financing due to the current difficult market conditions.

BRALORNE GOLD MINES LTD.
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(Unaudited)

5. Restricted Cash

The Company has placed deposits in the amount of \$125,000 at April 30, 2009 (2009 – \$125,000), registered in the name of the Ministry of Finance of British Columbia, as security for its mining permit and for reclamation. Deposits consist of Guaranteed Investment Certificates earning interest at rates between 0.20% and 2.10% and maturing between August 31, 2009 and April 5, 2010.

6. Mineral Property

The Company owns a 100% undivided interest in certain mineral properties located in the Lillooet Mining Division, Province of British Columbia. The properties consist of 154 Crown granted mineral claims, ten freehold parcels of land, two reverted Crown granted claims and eight metric unit claims, all known as the “Bralorne Property”.

The following is a summary of the deferred mineral property expenditures for the Bralorne Property:

	April 30, 2009	January 31, 2009
Acquisition costs	\$ 2,442,347	\$ 2,442,347
Deferred exploration and development expenditures	16,829,070	16,515,977
Tailings pond	1,020,840	1,020,840
Mine and plant buildings, and equipment	2,304,404	2,303,334
Provision for reclamation	98,000	98,000
	<u>22,694,661</u>	<u>22,380,498</u>
Deduct: concentrate and gold dore sales	<u>(1,320,961)</u>	<u>(1,320,961)</u>
	<u>\$ 21,373,700</u>	<u>\$ 21,059,537</u>

As at April 30, 2009, the Company had inventory of gold and silver dore bars with a fair market value of \$457,687 (January 31, 2009 - \$493,194). During the period ended April 30, 2009, the Company sold nil ounces of gold dore bars for proceeds of \$Nil (January 31, 2009 - \$145,678).

BRALORNE GOLD MINES LTD.
(an exploration stage company)
Notes to Interim Financial Statements
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(Unaudited)

6. Mineral Property (continued)

Deferred exploration and development expenditures incurred on the Bralorne Property during the period ended April 30, 2009 are as follows:

	April 30, 2009	January 31, 2009
Assays	\$ 7,331	\$ 44,032
Camp operations	13,629	64,642
Field office	27,457	68,749
Drilling	-	1,223,346
General exploration	244,564	680,845
Insurance	-	26,533
Mine power	19,918	76,148
Mill operating	-	353
Taxes and permits	194	13,507
Increase in deferred exploration expenditures	313,093	2,198,155
Deferred exploration and development expenditures, beginning of the year	16,515,977	14,317,822
Deferred exploration and development expenditures, end of the period	\$ 16,829,070	\$ 16,515,977

7. Equipment

	April 30, 2009		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 10,982	\$ 7,903	\$ 3,079
Computer software	5,340	5,339	1
Office equipment	6,518	4,711	1,807
Vehicle	48,041	24,434	23,607
	\$ 70,881	\$ 42,387	\$ 28,494

	January 31, 2009		
Computer equipment	\$ 10,982	\$ 7,653	\$ 3,329
Computer software	5,340	5,339	1
Office equipment	6,518	4,616	1,902
Vehicle	48,041	23,191	24,850
	\$ 70,881	\$ 40,799	\$ 30,082

BRALORNE GOLD MINES LTD.
(an exploration stage company)

Notes to Interim Financial Statements
For the three months ended April 30, 2009
(Unaudited)

8. Share Capital

(a) Authorized: Unlimited number of common shares without par value

(b) Issued

During the period ended April 30, 2009, 120,000 warrants were exercised for gross proceeds of \$120,000.

On March 20, 2008, the Company closed a private placement issuing 300,000 units at a price of \$1.30 per unit for gross proceeds of \$390,000. Of this amount, \$316,500 was attributable to common shares and \$73,500 was attributable to common share purchase warrants, which has been recorded in contributed surplus. Each unit consists of one flow-through common share and one non flow-through share purchase warrant. Each share purchase warrant is exercisable for a term of 24 months into one non flow-through common share at a price of \$1.60 per share until March 19, 2009 and thereafter at \$2.00 per share until March 19, 2010. Share issuance costs were \$8,533 in cash. The fair value of the warrants issued has been estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 2.60%, dividend yield of nil, volatility of 59.30% and an expected life of two years.

On February 4, 2008, the Company closed a private placement issuing 512,630 units at a price of \$1.15 per unit for gross proceeds of \$589,525. Of this amount, \$520,756 was attributable to common shares and \$68,769 was attributable to common share purchase warrants, which has been recorded in contributed surplus. Each unit consists of one flow-through common share and one-half non flow-through share purchase warrant. Each share purchase warrant is exercisable for a term of 24 months into one non flow-through common share at a price of \$1.50 per share until February 4, 2009 and thereafter at \$2.00 per share until February 4, 2010. Share issuance costs were \$29,476 in cash, 25,631 units valued at \$29,476 whereby \$26,035 was attributable to common shares and \$3,441 attributable to common share purchase warrants. Each finder's unit consists of one common share of the Company and one-half share purchase warrant with terms consistent with the warrants issued to investors. The fair value of the warrants issued has been estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 3.05%, dividend yield of nil, volatility of 60.74% and an expected life of two years.

During the year ended January 31, 2009, 24,000 stock options were exercised for gross proceeds of \$18,000. The Company reallocated the fair value of these options previously recorded in the amount of \$10,020 from contributed surplus to share capital.

During the year ended January 31, 2009, 995,290 warrants were exercised for gross proceeds of \$995,290.

BRALORNE GOLD MINES LTD.
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Notes to Interim Financial Statements
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(Unaudited)

8. Share Capital (continued)

(c) Share purchase warrants

A summary of the share purchase warrants issued, exercised and expired during the period ended April 30, 2009 and year ended January 31, 2009 is as follows:

	Underlying Shares	Weighted Average Exercise Price
Balance, January 31, 2008	6,893,817	\$1.61
Issued	569,139	\$1.55
Exercised	(995,290)	\$1.00
Balance, January 31, 2009	6,467,666	\$1.67
Issued	-	-
Exercised	(120,000)	\$1.00
Expired	(4,052,465)	\$1.20
Balance, April 30, 2009	2,295,201	\$2.64

As at April 30, 2009 and January 31, 2009, the following share purchase warrants were outstanding and exercisable:

Number of Warrants Outstanding and Exercisable		Exercise Price Per Share	Expiry Date
April 30, 2009	January 31, 2009		
-	505,284*	\$2.60	February 8, 2009
-	1,005,283**	\$1.00	April 30, 2009
-	271,900**	\$1.00	April 30, 2009
-	424,998**	\$1.00	April 30, 2009
-	1,965,000**	\$1.00	April 30, 2009
255,869	255,869	\$2.00	December 31, 2009
269,139	269,139	\$1.50/\$2.00	February 4, 2009/February 4, 2010
300,000	300,000	\$1.60/\$2.00	March 19, 2009/March 19, 2010
470,193	470,193	\$3.00	April 26, 2010
1,000,000	1,000,000	\$3.00	April 26, 2010
2,295,201	6,467,666		

During the period, 120,000 warrants were exercised raising gross proceeds of \$120,000 and 4,052,465 warrants expired unexercised.

*In February 2008, the Company amended the terms of 505,284 warrants by extending their expiry date from February 8, 2008 to February 8, 2009 and re-pricing their exercise price from \$3.25 to \$2.60. The aggregate fair value of the amendments to the warrants of \$nil has been estimated using the Black-Scholes option pricing model with the following assumptions for the fair value of the original warrants at the date of amendment and the fair value of the amended warrants at the date of the amendment respectively: risk-free interest rates of 3.24% and 3.16%, dividend yield of nil and nil, volatility of 9.93% and 55.18% and an expected life of 0.02 years and 1.02 years. During the period, these 505,284 warrants expired unexercised.

BRALORNE GOLD MINES LTD.
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Notes to Interim Financial Statements
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(Unaudited)

8. Share Capital (continued)

(c) Share purchase warrants (continued)

**In December 2008, the Company amended the terms of 3,667,181 warrants as follows:

Number of Warrants	Previous Terms			Amended Terms	
	Exercise price to June 1, 2008	Exercise price June 1, 2008 to Expiry	Expiry date	Exercise price	Expiry date
1,005,283	\$1.00	\$1.20	December 21, 2008	\$1.00	April 30, 2009
271,900	\$1.00	\$1.20	December 28, 2008	\$1.00	April 30, 2009
424,998	\$1.00	\$1.25	December 28, 2008	\$1.00	April 30, 2009
1,965,000	\$1.00	\$1.20	December 28, 2008	\$1.00	April 30, 2009

The aggregate fair value of the amendments to the warrants of \$346,182 has been estimated using the Black-Scholes option pricing model with the following assumptions for the fair value of the original warrants at the date of amendment and the fair value of the amended warrants at the date of the amendment respectively: risk-free interest rates of 0.95% and 0.98%, dividend yield of nil and nil, volatility of 63.35% and 117.55% and an expected life of 0.07 years and 0.41 years. During the period, 120,000 of these warrants were exercised and 3,547,181 expired unexercised.

(d) Stock options

The Company has a stock option plan for its directors, officers, employees and consultants. The terms of the plan provide for options to be granted equal in number up to 10% of the issued and outstanding common shares of the Company at the time of grant of the stock options. The option price under each option is not less than the discounted market price on the grant date. The expiry date for each option is set by the Board of Directors at the time of issue and cannot be more than five years after the grant date.

A summary of the stock options granted, exercised and forfeited during the period ended April 30, 2009 and the year ended January 31, 2009 is as follows:

	Number of Options	Weighted Average Exercise Price
Options outstanding at January 31, 2008	1,184,000	\$1.16
Issued	506,000	\$0.78
Exercised	(24,000)	\$0.75
Forfeited	(117,500)	\$1.14
Options outstanding at January 31, 2009	1,548,500	\$1.04
	-	-
Options outstanding at April 30, 2009	1,548,500	\$1.04

BRALORNE GOLD MINES LTD.**(an exploration stage company)**

Notes to Interim Financial Statements

For the three months ended April 30, 2009

(Unaudited)

8. Share Capital (continued)**(d) Stock options (continued)**

During the year ended January 31, 2009, the Company granted a total of 506,000 stock options to directors, officers, employees and consultants. Of the options granted 42,000 are exercisable at a price of \$1.16 per share until May 14, 2013 and 464,000 are exercisable at a price of \$0.75 per share until November 21, 2013.

At April 30, 2009, the Company has 1,548,500 stock options outstanding with a weighted average remaining contractual life of 2.68 years.

As at April 30, 2009 and January 31, 2009, the following stock options were outstanding and exercisable:

Number of Options Outstanding		Number of Options Exercisable		Exercise Price per Share	Expiry Date
Apr 30, 2009	Jan 31, 2009	Apr 30, 2009	Jan 31, 2009		
956,000	956,000	956,000	956,000	\$1.16	January 16, 2011
50,000	50,000	50,000	50,000	\$1.16	July 23, 2012
60,500	60,500	60,500	60,500	\$1.16	November 29, 2012
42,000	42,000	31,500	21,000	\$1.16	May 14, 2013
440,000	440,000	440,000	440,000	\$0.75	November 21, 2013
1,548,500	1,548,500	1,538,000	1,527,500		

(e) Stock-based compensation

Stock-based compensation expense is determined using the fair value method. The Company estimated the fair value of options granted during the period ended April 30, 2009 of \$Nil (2008 - \$Nil) using the Black-Scholes option pricing model with the following weighted-average assumptions:

	April 30, 2009	April 30, 2008
Risk-free interest rate	-	2.57%
Expected dividend yield	-	0%
Expected stock price volatility	-	82.45%
Expected option life in years	-	5
Forfeiture rate	-	0%

During the period ended April 30, 2009, the Company recorded stock-based compensation expense on options vesting during the period of \$7,488 (2008 - \$Nil). The amounts expensed were allocated as follows:

BRALORNE GOLD MINES LTD.
(an exploration stage company)
Notes to Interim Financial Statements
For the three months ended April 30, 2009
(Unaudited)

8. Share Capital (continued)

(e) Stock-based compensation (continued)

	2009	2008
Consultants	\$ 7,488	\$ -
	<u>\$ 7,488</u>	<u>\$ -</u>

At April 30, 2009 there is \$1,248 (2008 - \$nil) in unrecognized stock-based compensation which will be recognized in future periods as the options vest.

Option pricing models require the input of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates.

9. Related Party Transactions

Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related party transactions not disclosed elsewhere in these statements are as follows:

(a) During the period ended April 30, 2009, the Company paid, or made provision for the future payment, of the following amounts to related parties:

- (i) \$46,205 (2008 - \$60,520) for administrative fees, overhead expenses, and reimbursement of out-of-pocket operating expenditures on the Company's behalf and \$914 (2008 - \$nil) for certain mineral property expenses to Oniva International Services Corp. ("Oniva"), a private company beneficially owned by the Company and five other public companies related through common Directors;
- (ii) \$15,000 (2008 - \$22,500) as consulting fees to two private companies controlled by Directors for management fees;
- (iii) \$24,000 (2008 - \$24,000) for general exploration expenses on the mineral property to a private company controlled by the President of the Company for geological consulting and general mine management; and
- (iv) \$9,000 (2008 - \$nil) for directors fees to certain directors of the Company.

(b) Due from related parties consists of the following:

	Apr 30, 2009	Jan 31, 2009
ABC Drilling	\$ 3,411	\$ 3,411
	<u>\$ 3,411</u>	<u>\$ 3,411</u>

The above noted related parties are related through common management and directors.

9. Related Party Transactions (continued)

(c) Due to related parties consists of the following:

	Apr 30, 2009	Jan 31, 2009
Coral Gold Resources Ltd.	\$ 27,998	\$ 27,998
Frobisher Securities Inc.	2,625	-
Hazeldene Farm Ltd.	10,391	-
Oniva International Services	15,726	15,263
Due to Directors	9,000	-
	\$ 65,741	\$ 43,261

The above noted related parties are related through common directors or are beneficially owned by the Company and five other companies related through common directors.

Related party balances are unsecured, due on demand and do not bear interest.

10. Commitment

The Company entered into a cost sharing agreement dated October 1, 1997 and amended November 1, 2003 to reimburse Oniva for a percentage of its overhead expenses, and reimburse 100% of its out-of-pocket expenses incurred on behalf of the Company, and to pay a percentage fee based on the total overhead and corporate expenses referred to above. The agreement may be terminated with one month's notice by either party.

11. Comparative Figures

Certain of the comparative figures for the comparative fiscal year have been reclassified, where applicable, to conform to the presentation adopted for the current year.

12. Subsequent Events

Subsequent to April 30, 2009, the Company closed a non-brokered private placement of 236,500 common share units at \$0.95 per unit, 75,263 flow-through shares at \$1.10 per share and 70,000 super flow-through shares at \$1.20 per share for gross proceeds of \$391,465. The common share units consist of one common share and one share purchase warrant where each warrant is exercisable for one common share at \$1.25 each for a period of 18 months from closing.

The Company paid a cash finders fee equal to 6% of the funds raised and compensation options equal to 8% of the units placed totaling \$22,943 and 29,880 compensation options. Each compensation option is exercisable for one common share at a price of \$1.25 each for a period of 18 months from closing.

The following discussion and analysis of the operations, results and financial position of Bralorne Gold Mines Ltd. (the "Company" or "Bralorne") should be read in conjunction with the Company's unaudited interim financial statements for the three months ended April 30, 2009 and the audited financial statements for the year ended January 31, 2009.

This Management Discussion and Analysis ("MD&A") is dated June 26, 2009 and discloses specified information up to that date. Bralorne is classified as a "venture issuer" for the purposes of National Instrument 51-102. The Company's financial statements are prepared in accordance with generally accepted accounting principles in Canada. Unless otherwise cited, references to dollar amounts are Canadian dollars.

Throughout this report we refer to "Bralorne", the "Company", "we", "us", "our" or "its". All these terms are used in respect of Bralorne Gold Mines Ltd. ***We recommend that readers consult the "Cautionary Statement" on the last page of this report.*** Additional information relating to the Company is available on SEDAR at www.sedar.com.

Business Description

The Company is a natural resource company, primarily engaged in the acquisition, exploration and development of natural resource properties since its inception. The Company's principal business activity for the last 15 years has been the exploration and development of certain mineral properties located in the Lillooet Mining District of British Columbia in the Bridge River area near Lillooet, specifically referred to as the Bralorne Gold Mine. The Property includes mineral properties that have produced approximately 4 million ounces of gold over 40 years in the historic Bralorne gold camp of British Columbia. The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange under the symbol BPM, on the OTC PK under the symbol BPMSF and on the Berlin & Frankfurt Stock Exchanges under the symbol WKN A0B75M.

The Property consists of 154 Crown granted mineral claims, ten freehold parcels of land, two reverted Crown granted claims and eight metric unit claims that includes the former King-Bralorne-Pioneer gold mine in the historic Bridge River gold mining camp of southwest British Columbia. The entire Bralorne Gold Mine Property covers approximately 2,422 hectares. The Property is located 160 kilometres due north of Vancouver, British Columbia, Canada.

The claims comprising a small portion of the Property are subject to an underlying covenant in which the Company is required to pay 1.6385% of Net Smelter Proceeds of Production to Bralorne Resources Limited of Calgary, Alberta. In addition, there is an underlying agreement on 12 specific crown grants that requires the Company to pay to Bralorne Resources Limited of Calgary, Alberta, an amount of fifty cents (\$0.50) per ton of ore produced from these claims, if the ore grade exceeds $\frac{3}{4}$ (0.75) ounce per ton gold.

Overall Performance

The following is a summary of significant events and transactions during the period ended April 30, 2009 to the date of this MD&A:

Re-Development of the Former Bralorne, Pioneer and King Gold Mines

The Bralorne mine is located 150 air miles from Vancouver, BC. The Company is fully permitted and developing the significant gaps between the former and very successful Bralorne, Pioneer and King gold mines. From 1928 to 1971, these three operations produced 4.15 million ounces of gold from 7.9 million tons of ore (equalling a grade of 16.48 grams per tonne). The Bralorne, Pioneer and King mines represent the largest historic gold producers in the Canadian Cordillera.

- Metallurgical testing on a grab composite sample of material extracted from the BK zone and placed on stockpile was completed at PRA Metallurgical Labs in Richmond, BC. The test results indicate the material tested responds to gravity and flotation using the process conditions of the existing mill. A combined gold recovery of 98% was achieved with 41% reporting to the gravity concentrate and 57% to a bulk sulfide concentrate. After 2 stages of cleaning, the combined gold recovery drops to 94.6%. It is important to note that visible gold was present in the sample tested and better agreement in head grade results can be accomplished with a larger size test sample.

The sample used for testing was a composite made up of several grab samples taken over the surface of the stockpile that was built with the mined material from the BK zone. The combined sample was packaged appropriately for lab testing and weighed in about 20kg. The head assay of the test composite sample obtained at PRA was 16.6g Au/t using the metallic's assay method and screening to 150 mesh.

After two stages of cleaning, the flotation concentrate grade assayed 209.38g Au/t. This grade is much higher than the 75 to 150g Au/ton flotation concentrates produced in 2004 when sold to Barrick Goldstrike, in Nevada. The higher grade concentrate will also result in higher returns. The result is extremely encouraging and indicates no process changes are required to the existing plant to treat the material from the BK zone.

- A surface drill program was initiated in September 2008 to drill 12 new holes in the new Bralorne-King gap, commonly known as the BK zone. The purpose of the program is to test the vertical extent, near surface, or 600 to 900 feet above the mineralized section of the BK zone discovered during the 800 level drifting program. Because of favourable results 4 holes were added to the program making 16 holes in total for 3,376.88 meters.

This highly successful surface drill program was completed in February 2009 in the unexplored areas of the King-Bralorne Gap. The program appears to have successfully extended the known extent of the Alhambra Vein and to have identified three additional vein structures in the King-Bralorne Gap area.

Prior to this program, the company invested a great deal of time and effort into data mining, digitizing historic data and incorporating current information, in an effort to produce a complete, comprehensive 3-dimensional (3D) model on the mines and the area of unexplored interest. This model resulted in a better understanding of the mineralized zones and will be used to enhance the direction of future exploration and development.

Logging of core and plotting drill intersects in 3D, combined in concert with the 3D mine model has shown that the drilling has intersected numerous quartz structures with mineralization. These coincide with the known King Vein, BK Vein and Alhambra Vein. However, the 2008 drill data and 3D models show the potential for extensions to the BK Zone of approximately 1000 meters in addition to the current strike length of approximately 600 meters and Alhambra Vein appears to have a 1500 meters extension to its existing structure based on modeling and drill intercepts.

In addition, it appears that there is an intermediate structure between the King Vein and BK Vein with an approximate 1200 meters strike length. To the south of the Alhambra Vein extension, there is also strong evidence of a structure with a strike length of approximately 1300 meters and further south but offset to the east of this there appears to be another structure with an approximately 850 meters of strike length.

The reader is cautioned that strike lengths and distances imply continuity and it is not guaranteed that these structures will be completely mineralized or will be eventually resources and/or reserves.

It should be noted that for thin vein deposits, resource and reserve definition requires closely spacing drilling and underground drift and raise development in order to establish thickness, continuity and grade. This work is still required to establish the structures as reported in this release as resources and/or reserves.

- In April 2009 the Company mobilized its equipment and a skilled team of miners to begin the construction of the new adit on the Lorne block. This new adit will act as an access ramp to the BK vein at the 575 level. The company previously drifted 500 meters on the BK vein at the 800 level encountering mineralized zones of 40.87 meters of 28.8 g/t of Au with a width of 1.66 meters and 24.70 meters of 17.98 g/t of Au with a width of 1.22 meters. This new access will allow us to further develop the gold resources in the BK zone and to elevate the resource category.
- In June 2009 The Company received its National Instrument 43-101 Technical Report on its Bralorne Pioneer Mine property. The report was prepared by Dr. Matt Ball, P.Geo., an independent consultant, and contains an updated resource estimate for the property that includes an estimate for the new BK Zone. **The total contained gold is estimated at 77,750 ounces/2,418,365 grams (Measured= 9,200oz / 286,262g & Inferred = 68,550oz / 2,132,103g).** The resource estimate is summarized in Table 1 below. All of the resources are located above the 800 Level drift, with the exception of part of the BK Zone.

Table 1. Updated Resource Estimate for the Bralorne Mine Property.

Vein	Measured		Inferred	
	Tonnes	g/T Au	Tonnes	g/T Au
51B FW "A" King	9,566	12.00	4,420	9.35
51B FW "B"			53,142	11.01
51B FW "C"			7,165	19.95
51B FW "D" Taylor			20,578	31.74
			40,000	8.57
BK above 800 Level	3,884	21.26	6,260	21.53
BK below 800 Level	4,176	21.27	10,766	21.53
Total	17,627.00	16.24	142,330	14.98

Abbreviations: Au = gold; g/T = grams per metric tonne; m = meter

The BK estimate (Measured: 8,061 tonnes grading 21.27 grams per tonne gold, plus Inferred: 17,026 tonnes grading 21.53 grams per tonne gold) was done using a classical polygonal approach following the methods empirically developed and reconciled with production at the historic Bralorne mine, which operated for over 40 years and produced more than 4.2 million ounces of gold. The resource grade is based on face chip samples collected in the 800 Level BK drift that was developed in 2008, and the block limits are based on the results of in-fill drilling completed from underground in 2007. The original assays from underground and drill core samples have been verified by check sampling conducted by Dr. Ball and assayed at Assayers Canada in Vancouver, and also by check assaying of re-splits and re-samples done on behalf of BPM at Eco-Tech Laboratory in Kamloops, BC.

Further work is also recommended to address the substantial list of historical resource blocks and otherwise NI 43-101 non-compliant resource blocks that are currently not included in the

mineral inventory. The overall objective of the recommended work is to increase the mineral resource inventory to a practical level that could lead to a production decision.

To view the technical report and further recommendations:
<http://www.bralorne.com/s/TechReport.asp>

The Company remains well funded with no long-term or short-term debt

Results of Operations

Three months ended April 30, 2009 compared with the three months ended April 30, 2008.

Head office-general and administrative expenses

General and administrative expenses totaled \$101,906 for the three months ended April 30, 2009 compared with \$130,324 for the three months ended April 30, 2008, a decrease of \$28,418. Generally administrative expenses are lower as compared to the prior year due to a general overall reduction in expenditures. Decreases include \$4,065 in automobile expense, \$7,458 in consulting, \$4,320 in listing and filing fees, \$6,167 in professional fees, \$21,851 in shareholder information and \$1,253 in travel. These decreases were offset by increases of \$9,000 in directors' fees and \$7,488 in stock-based compensation. The Company authorized payments to the board during the third quarter of the prior year; therefore there was no expense in the first quarter of fiscal year 2009. Shareholder information costs were lower in the current quarter due to decreased promotional activities and investor relations services. Professional fees were lower in the current quarter due to lower legal and accounting costs. Stock-based compensation related to options granted in the prior year and vesting over a year; there were no options granted in the prior year comparative period.

Loss for the period

The loss for the three months ended April 30, 2009 was \$97,600 compared with a loss of \$115,457 for the three months ended April 30, 2008, a decrease of \$17,857. While general and administrative expenses decreased as discussed above, offsetting this was a reduction in the interest income of \$10,561. This is in part due to a lower cash balance but also significantly lower interest rates available.

Summary of Quarterly Results

Period ended	Apr 30 2009 Q1	Jan 31 2009 Q4	Oct 31 2008 Q3	Jul 31 2008 Q2	Apr 30 2008 Q1	Jan 31 2008 Q4	Oct 31 2007 Q3	Jul 31 2007 Q2
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Income (Loss)	(97,600)	(523,486)	(101,561)	(107,344)	(115,457)	(317,726)	(96,635)	(136,013)
Income (Loss) per Share basic and diluted	(0.01)	(0.03)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)

Prior to the quarterly periods shown, the Company had taken steps to become more cost efficient and quarterly general and administrative costs have become more stable. Factors causing significant changes between quarters have primarily been items such as stock-based compensation which is not experienced in every quarter and other expense and income items. Interest income has been slowly declining over the past eight quarters as a result of the Company using the cash raised through private placements.

Liquidity and Capital Resources

During the three months ended April 30, 2009 the Company has accrued \$314,163 towards mineral exploration on its Bralorne Property. As was the case in the previous year, the mill has been shut down to allow more concentration and total emphasis on the drilling program. In conjunction with the exploration activities, work concerning environmental studies and compliance measures continues. At this time the Company has no operating revenues.

At April 30, 2009, the Company held \$457,687 worth of gold dore bars and silver that were produced during the bulk sampling stage in a prior year in safe-keeping and had working capital of \$518,349 and cash and cash equivalents of \$768,918. The Company is continuing its exploration drilling program and has outlined a plan to spend approximately \$2.5 million on the BK Zone. The Company has sufficient cash on hand at this time to finance the limited exploration work on its mineral properties and maintain administrative operations. During the period, the Company raised \$120,000 through exercises of warrants. Subsequent to the end of the period, the Company closed a Private Placement for gross proceeds of \$391,465.

The Company is in the exploration stage. The investment in and expenditures on the mineral property comprise substantially all of the Company's assets. The recoverability of amounts shown for its mineral property interest and related deferred costs and the Company's ability to continue as a going concern is dependent upon the continued support from its directors, the discovery of economically recoverable reserves, the ability of the Company to obtain the financing necessary to complete development and achieve profitable operations in the future. The outcome of these matters cannot be predicted at this time.

Mineral exploration and development is capital extensive, and in order to maintain its interest the Company will be required to raise new equity capital in the future. There is no assurance that the Company will be successful in raising additional new equity capital.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

Transactions with Related Parties

During the period ended April 30, 2009, the Company paid, or made provision for the future payment, of the following amounts to related parties:

- i) \$46,205 (2008 - \$60,520) for administrative expenses and \$914 (2008 - \$Nil) for certain mineral property expenses to Oniva International Services Corp. ("Oniva"), a private company beneficially owned by the Company and five other public companies related through common Directors;
- ii) \$15,000 (2008 - \$22,500) for consulting fees to two private companies controlled by Directors for management fees;
- iii) \$24,000 (2008 - \$24,000) to a private company controlled by the President of the Company for geological consulting and general mine management; and
- iv) \$9,000 (2008 - \$nil) for directors fees to certain directors of the Company.

Amounts due from related parties consists of \$3,411 (January 31, 2009 - \$3,411) from companies related by way of common directors.

Amounts due to related parties consist of \$65,741 (January 31, 2009 - \$43,261) to companies with common management and common directors.

Related party balances are unsecured, due on demand and do not bear interest.

Disclosure of Management Compensation

During the period ended April 30, 2009, \$24,000 was paid to the President for services as director and officer of the Company; \$7,500 was paid to the CEO for services as director and officer of the Company; \$4,950 was paid to the CFO for services as an officer of the Company, \$7,500 was paid to the V.P. Finance for services as director and officer of the Company; and \$3,240 was paid to the Secretary for services as an officer of the Company.

Critical Accounting Estimates

The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of commitments and contingencies at the date of the financial statements, and the reported amount of revenue and expenses during the period. Actual results may differ from those estimates. Significant areas requiring the use of management estimates involve the carrying value of mineral properties, the recoverable amount due from related parties, determination of stock-based compensation, and determination of the site restoration obligation.

Financial Instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and cash equivalents, accounts receivable, interest receivable, amounts due from related parties, accounts payable and amounts due to related parties approximate their fair value because of the short-term nature of these instruments. It is not practical to determine the fair value of the amounts due to and from related parties with sufficient reliability due to the nature of the financial instruments, the absence of secondary markets, and the significant cost of obtaining outside appraisals.

The Company extends credit to related parties and various third parties in the course of its exploration activities. The Company performs ongoing credit evaluations of its receivables and believes it has made adequate provisions for potential credit losses.

The Company places its cash and cash equivalents with high credit quality financial institutions.

The Company is not exposed to significant interest, credit or currency risk arising from these financial instruments.

Changes in Accounting Policies

Effective February 1, 2009, the Company adopted Canadian Institute of Chartered Accountants ("CICA") Section 3064 Goodwill and Intangible Assets. This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. The adoption of this standard did not have any material effect on the financial statements.

In March 2009, the CICA issued EIC 174, "Mining Exploration Costs". The EIC provides guidance for mining exploration enterprises on the accounting for capitalization of exploration costs and when an impairment test of these costs is required. EIC 174 is applicable to fiscal periods ending after the issuance date.

Recent Canadian Accounting Pronouncements

Recent Canadian accounting pronouncements that have been issued but are not yet effective, and which may affect the Company's financial reporting are summarized below. For details of the specific accounting changes, refer to Note 2 of the Company's Interim Financial Statements for the three months ended April 30, 2009:

- i) Section 1582 Business Combinations
- ii) Section 1601 Consolidated Financial Statements
- iii) Section 1602 Non-controlling Interests
- iv) EIC 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In addition, in February 2008 the CICA announced that Canadian GAAP for publicly accountable enterprises will be replaced by International Financial Reporting Standards ("IFRS") for interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The standard also requires that comparative figures for 2010 be based on IFRS.

The Company is developing an IFRS conversion plan which will include an in-depth analysis of the IFRS standards, with priority being placed on those that have been identified as possibly having a significant impact. Analysis will include identifying the differences between IFRS and the Company's accounting policies and assessing the impact of the difference. Changes in accounting policies are likely to impact the Company's consolidated financial statements.

Outstanding Share Data

The following is the Company's outstanding share data as of April 30, 2009 and June 26, 2009:

Common Shares: 16,584,711 as of April 30, 2009 and 16,966,474 as of June 26, 2009

Stock Options

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (Apr 30/09)	Number of Shares Remaining Subject to Options (Jun 26/09)
January 16, 2011	\$1.16	956,000	956,000
July 23, 2012	\$1.16	50,000	50,000
November 29, 2012	\$1.16	60,500	60,500
May 14, 2013	\$1.16	42,000	42,000
November 21, 2013	\$0.75	440,000	440,000
		1,548,500	1,548,500

Compensation Options*

Expiry Date	Exercise Price Per Share	Number of Shares Remaining Subject to Options (Apr 30/09)	Number of Shares Remaining Subject to Options (Jun 26/09)
Dec 15, 2010	\$1.25	-	37,515
		-	37,515

*Please see subsequent event below regarding the Compensation Options

Warrants

Expiry Date	Exercise Price	Underlying Shares (Apr. 30/09)	Underlying Shares (Jun 26/09)
Dec 31, 2008 / Dec 31, 2009	\$1.50 / \$2.00	255,869	255,869
Feb 4, 2009 / Feb 4, 2010	\$1.50 / \$2.00	269,139	269,139
Mar 19, 2009 / Mar 19, 2010	\$1.60 / \$2.00	300,000	300,000
Apr 26, 2010	\$3.00	470,193	470,193
Apr 26, 2010	\$3.00	1,000,000	1,000,000
Dec 15, 2010	\$1.25	-	236,500
		2,295,201	2,531,701

Commitment

The Company entered into a cost sharing agreement dated October 1, 1997 and amended November 1, 2003 to reimburse Oniva a percentage of its overhead expenses, and reimburse 100% of its out-of-pocket expenses incurred on behalf of the Company, and to pay a percentage fee based on the total overhead and corporate expenses referred to above. The agreement may be terminated with one month's notice by either party.

Internal Controls over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting, or causing them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the

preparation of financial statements for external purposes in accordance with Canadian GAAP. The Company assessed the design of the internal controls over financial reporting as at April 30, 2009 and concluded that there are material weaknesses in internal controls over financial reporting, which are as follows:

- a) Due to the limited number of staff resources, the Company believes there are instances where a lack of segregation of duties exist to provide effective controls; and
- b) Due to the limited number of staff resources, the Company may not have the necessary in-house knowledge to address complex accounting and tax issues that may arise.

The weaknesses and their related risks are not uncommon in a company the size of the Company because of limitations in size and number of staff. The Company believes it has taken steps to mitigate these risks by increasing additional accounting personnel, consulting outside advisors and involving the Audit Committee and Board of Directors in reviews and consultations where necessary. However, these weaknesses in internal controls over financial reporting could result in a more than remote likelihood that a material misstatement would not be prevented or detected. The Company believes that it must take additional steps to further mitigate these risks by consulting outside advisors on a more regular and timely basis.

There have been no changes in the Company's internal controls over financial reporting occurring during the quarter ended April 30, 2009 that have materially affected, or are likely to materially affect, the Company's internal controls over financial reporting.

Subsequent Event

The Company has completed a non-brokered private placement of 236,500 common share units at a price of \$0.95 per unit, 75,263 flow through shares at a price of \$1.10 per share, and 70,000 "Super" flow through shares at a price of \$1.20 per share.

The 236,500 common shares units consist of one common share and one non-transferable share purchase warrant ("warrant"). Each warrant will entitle the investor to purchase one additional common share at an exercise price of \$1.25 per share for a period of 18 months from the date of closing.

The flow-through and Super flow-through shares will entitle the investor to the tax benefits of the qualifying Canadian exploration expenses incurred by the Company, which will be "flowed-through" to the investor.

In connection with the Financing, the Company has paid to certain arm's length finders, a finder's fee equal to 6% of the funds raised, plus compensation options to acquire common shares of the Company (the "Compensation Options") equal to 8% of the number of Units, FT Shares and Super FT Shares sold at an exercise price of \$1.25 per share for a period of eighteen (18) months from the Closing Date;

The Company has also paid to a certain arm's length finder a due diligence fee of \$5,000 plus a finder's fee in Compensation Options equal to 2% of the number of Units, FT Shares and Super FT Shares sold at an exercise price of \$1.25 per share for a period of eighteen (18) months from the Closing Date.

The net proceeds of the offerings will be used for additional exploration and development work on the Company's mining properties and for general working capital requirements.

Cautionary Statement

This MD&A is based on a review of the Company's operations, financial position and plans for the future based on facts and circumstances as of June 26, 2009. Except for historical information or statements of fact relating to the Company, this document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change. These statements involve known and unknown risks, uncertainties, and other factor that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements.