

ENERGOLD DRILLING CORP.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2009

Unaudited

Energold Drilling Corp.

Consolidated Balance Sheets

Canadian Dollars

Unaudited

Statement 1

| ASSETS | March 31 2009 | December 31 2008 |
|--|--------------------------|-----------------------------|
| Current | | |
| Cash and cash equivalents | \$ 22,867,165 | \$ 22,573,880 |
| Restricted cash (Note 3) | 2,086,559 | 2,168,425 |
| Accounts receivable and prepaid expenses | 7,610,242 | 9,456,032 |
| Due from IMPACT Silver Corp. (Note 9c) | 991,353 | 773,379 |
| Income taxes receivable | 529,345 | 409,963 |
| Short-term investments | 988,297 | 5,232 |
| Inventories (Note 4) | 20,639,330 | 20,312,588 |
| Future income taxes | 285,348 | - |
| | 55,997,639 | 55,699,499 |
| Investment in IMPACT Silver Corp. (Note 5) | 3,353,452 | 3,342,632 |
| Resource Properties (Note 6) | 1,354,016 | 1,437,934 |
| Property, Plant and Equipment (Note 7) | 7,698,033 | 7,978,696 |
| Goodwill | 1,710,000 | 1,710,000 |
| Future Income Taxes | 272,539 | 272,539 |
| | \$ 70,385,679 | \$ 70,441,300 |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities | \$ 2,909,121 | \$ 3,886,228 |
| Income taxes payable | 326,529 | 408,199 |
| Deferred revenue – current portion | 564,372 | 80,031 |
| Future income taxes | 1,865,269 | 1,900,054 |
| | 5,665,291 | 6,274,512 |
| Future Income Taxes | 682,726 | 682,726 |
| Deferred Revenue | 525,332 | 507,297 |
| | 6,873,349 | 7,464,535 |
| SHAREHOLDERS' EQUITY | | |
| Share Capital (Note 8a) | 41,035,907 | 41,035,907 |
| Contributed Surplus (Note 8b) | 906,261 | 906,261 |
| Accumulated Other Comprehensive Income (Loss) (Note 8d) | 120,167 | (12,898) |
| Retained Earnings (Statement 2) | 21,449,995 | 21,047,495 |
| | 63,512,330 | 62,976,765 |
| | \$ 70,385,679 | \$ 70,441,300 |

Commitments (Note 10)

ON BEHALF OF THE BOARD:

“F.W. Davidson” _____, Director

“H.W. Sellmer” _____, Director

Energold Drilling Corp.

Statement 2

Consolidated Statements of Income and Retained Earnings For the Three Months Ended March 31

Canadian Dollars

Unaudited

| | 2009 | 2008 |
|---|----------------------|---------------|
| Revenue from Drilling Contracts | \$ 3,850,504 | \$ 8,624,897 |
| Direct Drilling Costs | 2,992,909 | 5,160,139 |
| | 857,595 | 3,464,758 |
| Indirect and Administrative Expenses | | |
| Accounting, audit and legal | 163,069 | 85,293 |
| Amortization | 319,779 | 201,758 |
| Bad debt recovery | (251,135) | - |
| Business development investigations | - | 497,353 |
| Investor relations, promotion and travel | 106,357 | 67,450 |
| Management fees and consulting | 77,144 | 46,792 |
| Office, rent, insurance and sundry | 250,809 | 199,293 |
| Office salaries and services | 550,001 | 363,828 |
| | 1,216,024 | 1,461,767 |
| (Loss) Income Before the Following | (358,429) | 2,002,991 |
| Other Income (Expenses) | | |
| Dilution gain on investment in IMPACT Silver Corp. (Note 5) | 29,165 | 8,623 |
| Foreign exchange gain | 730,493 | 535,020 |
| Gain on disposal of assets | 2,088 | - |
| Interest income | 1,358 | 123,563 |
| Equity reduction in IMPACT Silver Corp. (Note 5) | (18,345) | (48,371) |
| Other income | 3,050 | 8,290 |
| | 747,809 | 627,125 |
| Income Before Taxes | 389,380 | 2,630,116 |
| Current and other income taxes | (286,189) | (860,856) |
| Future income taxes | 299,309 | - |
| Net Income for the Period | 402,500 | 1,769,260 |
| Retained Earnings – Beginning of Period | 21,047,495 | 10,363,358 |
| Retained Earnings - End of Period | \$ 21,449,995 | \$ 12,132,618 |
| Earnings per Share - Basic | \$ 0.01 | \$ 0.06 |
| Earnings per Share - Diluted | \$ 0.01 | \$ 0.05 |
| Weighted Average Number of Shares Outstanding - Basic | 34,128,048 | 31,648,238 |
| Weighted Average Number of Shares Outstanding - Diluted | 34,128,048 | 32,869,462 |

- The accompanying notes form an integral part of these unaudited consolidated financial statements -

Energold Drilling Corp.

Statement 3

Consolidated Statements of Comprehensive Income For the Three Months Ended March 31

Canadian Dollars
Unaudited

| | 2009 | 2008 |
|---|-------------------|---------------------|
| Net Income for the Period | \$ 402,500 | \$ 1,769,260 |
| Other Comprehensive Income (Loss) | | |
| Unrealized gain (loss) on available-for-sale short-term investments | <u>133,065</u> | <u>(24,082)</u> |
| Total Comprehensive Income | \$ 535,565 | \$ 1,745,178 |

Energold Drilling Corp.

Statement 4

Consolidated Statements of Cash Flows For the Three Months Ended March 31

Canadian Dollars
Unaudited

| | 2009 | 2008 |
|--|----------------------|----------------------|
| Operating Activities | | |
| Income for the year | \$ 402,500 | \$ 1,769,260 |
| Items not affecting cash | | |
| Amortization | 319,779 | 201,758 |
| Bad debt recovery | (251,135) | - |
| Dilution gain on investment in IMPACT Silver Corp. | (29,165) | (8,623) |
| Equity reduction in IMPACT Silver Corp. | 18,345 | 48,371 |
| Future income taxes | (299,309) | - |
| Gain on disposal of assets | (2,088) | - |
| Unrealized gain on foreign exchange | (700,326) | (505,628) |
| Deferred revenue | 18,035 | (20,126) |
| Changes in non cash working capital – (Note 11) | 1,040,433 | (2,315,000) |
| | 517,069 | (829,988) |
| Investing Activities | | |
| Proceeds on sale of assets | 24,867 | - |
| Purchase of property, plant and equipment | (61,895) | (1,178,146) |
| Purchase of short-term investments | (850,000) | - |
| Resource property cost recoveries | 83,918 | 21,759 |
| Restricted cash | 81,866 | (10,691) |
| | (721,244) | (1,167,078) |
| Financing Activities | | |
| Share capital issued | - | 1,528,875 |
| | - | 1,528,875 |
| Effect of exchange rate changes on cash and cash equivalents | 497,460 | 383,475 |
| Net Increase in Cash and Cash Equivalents | 293,285 | (84,716) |
| Cash and cash equivalents - Beginning of Period | 22,573,880 | 20,757,510 |
| Cash and Cash Equivalents – End of Period | \$ 22,867,165 | \$ 20,672,794 |

Supplementary cash flow information – (Note 11)

Energold Drilling Corp.

Notes to the Consolidated Financial Statements

March 31, 2009

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Unaudited

1. Basis of Presentation

These unaudited interim consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles "GAAP" and follow the same accounting policies and methods of their application as the most recent audited annual consolidated financial statements, except as described in Note 2. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the Company's audited annual consolidated financial statements as at December 31, 2008, as they do not contain all disclosures required by GAAP for annual financial statements. Certain comparative figures have been reclassified to conform to the presentation adopted for the current period.

2. Changes in Accounting Policies

Adoption of New Accounting Policies

Effective January 1, 2009, the Company adopted the new Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3064, *Goodwill and Intangible Assets*. This section replaces CICA Handbook Section 3062, *Goodwill and Intangible Assets*, and establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of various pre-production and start-up costs and requires that these costs be expensed as incurred, with the concurrent withdrawal of CICA Emerging Issues Committee Abstract 27. The adoption of Section 3064 did not result in a material impact on the Company's consolidated financial statements.

In March 2009, the CICA issued EIC-174, "Mining Exploration Costs." The EIC provides guidance on the accounting and the impairment review of exploration costs. This standard is effective for our fiscal year beginning January 1, 2009. The adoption of EIC-174 did not result in a material impact on the Company's consolidated financial statements.

Recent Accounting Pronouncements Issued But Not Yet Implemented

In January 2009, the CICA issued Sections 1582 – *Business Combinations*, 1601 – *Consolidated Financial Statements* and 1602 – *Non-controlling Interests* which replace CICA Sections 1581 – *Business Combinations* and 1600 – *Consolidated Financial Statements*. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt any one of these Sections, the other two Sections must also be adopted at the same time.

3. Restricted Cash

Restricted cash represents funds held as at:

| | March 31 2009 | December 31 2008 |
|---|--------------------------|---------------------|
| Funds held in trust pending investment in third party initial public offering – (Note 6d) | \$ 2,000,000 | \$ 2,000,000 |
| Peruvian government tax withholdings | 86,559 | 168,425 |
| | \$ 2,086,559 | \$ 2,168,425 |

Energold Drilling Corp.

Notes to the Consolidated Financial Statements

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4. Inventories

The following table details the change in inventories during the period ended March 31:

| | 2009 | 2008 |
|--|----------------------|---------------|
| Opening inventories | \$ 20,312,588 | \$ 8,713,404 |
| Purchases | 804,199 | 4,432,120 |
| Inventories expensed during the period | (477,457) | (2,020,741) |
| Closing inventories | \$ 20,639,330 | \$ 11,124,783 |

5. Investment in IMPACT Silver Corp. (IMPACT)

At March 31, 2009 the Company owned 6,650,001 (December 31, 2008 - 6,650,001) shares of IMPACT Silver Corp. The Company's interest in IMPACT remained unchanged at 13.85% during the three months ended March 31, 2009. The Company, through mutual management at the executive level and its shareholding and directorship in IMPACT, exercises significant influence over that company. As a result, the investment in IMPACT is accounted for using the equity method. The dilution gain represents the fair value of the Company's share of the consideration paid by the new investors in IMPACT in excess of the carrying value of the Company's investment in IMPACT. Equity has been reduced by the elimination of 100% of the net profits realized on drilling services provided to IMPACT. Details of the investment in IMPACT are as follows:

| | |
|---|---------------------|
| Balance – December 31, 2007 | 3,367,340 |
| Equity income for the period | 91,728 |
| Reversal of profits on intercompany drilling revenues | (201,631) |
| Dilution gain | 41,652 |
| Purchase of shares | 43,543 |
| Balance – December 31, 2008 | \$ 3,342,632 |
| Equity income for the period | 9,401 |
| Reversal of profits on intercompany drilling revenues | (27,746) |
| Dilution gain | 29,165 |
| Balance – March 31, 2009 | \$ 3,353,452 |

Based upon period end TSX.V closing market prices of \$0.53 and \$0.43 per share, this investment has a quoted market value of \$3,524,500 at March 31, 2009 and \$2,859,500 at December 31, 2008.

Energold Drilling Corp.

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6. Resource Properties

a) Details are as follows:

i) As at March 31, 2009:

| | Acquisition Costs | Deferred Exploration (net of recoveries) | Sale of Resource Properties | Accumulated Write-off | March 31 2009 |
|---|----------------------|---|-----------------------------------|--------------------------|------------------|
| Dominican Republic Concessions | | | | | |
| Actividades Mineras, S.A. ("AMSA") | 142,640 | 178,925 | - | - | 321,565 |
| Casa Real, S.A. ("Casa") | 302,694 | 617,268 | - | - | 919,962 |
| Energold Drilling Dominicana, S.A. ("EDD") | 1,265,275 | 2,275,089 | (684,074) | (2,743,801) | 112,489 |
| | 1,710,609 | 3,071,282 | (684,074) | (2,743,801) | 1,354,016 |

ii) As at December 31, 2008:

| | Acquisition Costs | Deferred Exploration (net of recoveries) | Sale of Resource Properties | Accumulated Write-off | December 31 2008 |
|---|----------------------|---|-----------------------------------|--------------------------|---------------------|
| Dominican Republic Concessions | | | | | |
| AMSA | \$ 142,640 | \$ 176,826 | \$ - | \$ - | \$ 319,466 |
| Casa | 302,694 | 612,821 | - | - | 915,515 |
| EDD | 1,265,275 | 2,365,553 | (684,074) | (2,743,801) | 202,953 |
| | \$ 1,710,609 | \$ 3,155,200 | \$ (684,074) | \$ (2,743,801) | \$ 1,437,934 |

b) **AMSA**

By agreement dated July 25, 1996 and subsequently amended, the Company acquired the right from MJD Agency Ltd. to purchase a 40% interest in the Dominican Republic company, AMSA for an exploration work commitment of \$300,000 which has been completed. The Company has the right to purchase another 20% for an additional \$300,000 work commitment to be completed by July 25, 2011. All costs incurred to date with regard to the purchase of AMSA have been recorded as resource property costs. This agreement is subject to the 1% net smelter royalty.

c) **Option Agreements – Dominican Republic**

In January 2004, the Company entered into an option agreement with a third party on the Centenario (EDD) concession in the Dominican Republic. The third party is required to spend US\$1.0 million over three years to earn a 60% interest in the project. The third party can earn an 80% interest by taking the project to a bankable feasibility study.

In May 2006, the Company entered into an option agreement with a third party, giving that party the right to acquire up to 100% interest in any nickel laterite deposits within four mineral concessions, Elsa 1 (Casa), Loma Bombara (AMSA), Loma Cambronal (AMSA) and La Parcela (EDD). The third party may earn an initial 75% interest by completing a US\$900,000 work program and making payments of US\$50,000 per year for three years (US\$100,000 paid). The third party has the right to purchase the Company's remaining 25% interest for cash consideration of US\$500,000, thus converting its interest into a 2% smelter return which can be halved anytime in consideration of an amount of US\$1,000,000. Payments may be made in cash or in shares. During the year ended December 31, 2008 the third party was notified that based on the receipt and review of a work progress report, it had not complied with the terms of the agreement and that the agreement was no longer effective.

In November 2007, the Company entered into an option agreement with a third party on the Majagual (EDD) concession in the Dominican Republic. The third party paid \$25,000 and issued 100,000 shares subsequent to signing the agreement. A further \$75,000 was paid and 100,000 shares were issued on the first anniversary. The third party is required to pay \$50,000 and issue 100,000 shares on the second through fourth anniversaries. In addition, the third party must spend \$500,000 on the property over a period of four years.

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6. Resource Properties – continued

d) Purchase Agreement – Dominican Republic

The Company entered into a binding letter of agreement, effective June 29, 2007 and amended December 21, 2007 and June 30, 2008, with a Canadian controlled private corporation (“CCPC”) to transfer all of its rights and obligations in the La Parcela Concession, located in the Dominican Republic, in exchange for \$2.0 million Canadian. The Company in turn agreed to invest in an initial public offering (“IPO”) to be undertaken by that CCPC. The \$2.0 million has been received and recorded against the carrying cost of the property with the remaining amount of \$1,315,926 recorded as gain on sale of assets in 2007. The funds have been placed in trust for the benefit of the Company pending completion of the IPO. The Company has entered into an arrangement with the CCPC to further extend the trust agreement pending an improvement in overall equity market conditions or alternative arrangements being agreed between the parties.

7. Property, Plant and Equipment

| | March 31 2009 | | | December 31 2008 | | |
|-----------------------------------|-------------------|--------------------------------|-------------------------|---------------------|-----------------------------------|-------------------------|
| | Cost \$ | Accumulated amortization \$ | Net Book Value \$ | Cost \$ | Accumulated amortization \$ | Net Book Value \$ |
| Drilling Equipment | 9,996,252 | 2,941,390 | 7,054,862 | 9,985,881 | 2,654,342 | 7,331,539 |
| Exploration Equipment | 48,294 | 45,097 | 3,197 | 48,294 | 45,058 | 3,236 |
| Vehicles | 550,226 | 165,389 | 384,837 | 577,701 | 150,945 | 426,756 |
| Office Furniture and Equipment | 588,290 | 333,153 | 255,137 | 536,765 | 319,600 | 217,165 |
| | 11,183,062 | 3,485,029 | 7,698,033 | 11,148,641 | 3,169,945 | 7,978,696 |

8. Share Capital

a) Details are as follows:

| | Number | Amount |
|--|-------------------|----------------------|
| Authorized: | | |
| Unlimited common shares without par value | | |
| Issued and outstanding: | | |
| Balance – December 31, 2007 | 31,299,452 | 31,880,253 |
| Warrants exercised | 2,657,200 | 7,573,021 |
| Fair value assigned to warrants exercised | - | 944,603 |
| Stock options exercised | 21,500 | 25,800 |
| Fair value assigned to options exercised | - | 11,819 |
| Shares issued for property, plant and equipment | 126,367 | 500,413 |
| Shares issued to a director in relation to a private placement | 23,529 | 99,998 |
| Balance – December 31, 2008 and March 31, 2009 | 34,128,048 | \$ 41,035,907 |

Energold Drilling Corp.

Notes to the Consolidated Financial Statements

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8. Share Capital - continued

b) Contributed Surplus

| | | |
|--|----|----------------|
| Balance – December 31, 2007 | \$ | 832,461 |
| Fair value of stock options exercised | | (11,819) |
| Value assigned to expired warrants | | 85,619 |
| Balance – December 31, 2008 and March 31, 2009 | \$ | 906,261 |

c) Warrants

| | Number | Amount |
|--|-------------|-----------|
| Balance December 31, 2007 | 2,898,050 | 1,030,222 |
| Warrants exercised | (2,657,200) | (944,603) |
| Warrants expired | (240,850) | (85,619) |
| Balance December 31, 2008 and March 31, 2009 | - | \$ - |

d) Accumulated Other Comprehensive Income (Loss)

| | | |
|--|----|----------------|
| Balance – December 31, 2007 | \$ | 41,948 |
| Unrealized (losses) on available-for-sale short-term investments | | (54,846) |
| Balance – December 31, 2008 | \$ | (12,898) |
| Unrealized gains on available-for-sale short-term investments | | 133,065 |
| Balance – March 31, 2009 | \$ | 120,167 |

e) Stock Options

The Company has established a stock option plan whereby the board of directors may, from time to time, grant options to directors, officers, employees or consultants. Under the stock option plan 4,591,070 options have been authorized for issuance, of which 713,500 have been allocated as at March 31, 2009. Options granted must be exercised no later than five years from date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option is not less than the closing price on the Exchange on the last trading day preceding the grant. The directors, subject to the policies of the TSX Venture Exchange, may determine and impose terms upon how each grant of options shall become vested.

A summary of the Company's stock option plan at March 31, 2009 and the changes for the periods ended on these dates is as follows:

| | Number | Weighted Average Exercise Price |
|---|----------|---------------------------------|
| At December 31, 2007 | 735,000 | \$1.20 |
| Granted | - | - |
| Exercised | (21,500) | \$1.20 |
| At December 31, 2008 and March 31, 2009 | 713,500 | \$1.20 |

Energold Drilling Corp.

Notes to the Consolidated Financial Statements

March 31, 2009

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8. Share Capital - continued

The following table summarizes information about the stock options outstanding at March 31, 2009:

| Exercise Price Per Share | Expiry Date | Options Outstanding | Options Exercisable |
|-----------------------------|-------------|------------------------|------------------------|
| \$1.20 | May 3, 2010 | 713,500 | 713,500 |

The fair value of stock options used to calculate compensation for employees and consultants is estimated using the Black-Scholes Option Pricing Model.

The total fair value of stock-based compensation expense on stock options granted to employees and consultants of the Company for the three months ended March 31, 2009 is \$nil (March 31, 2008 - \$nil).

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

9. Related Party Transactions

Related party balances are recorded at the exchange amount which is the amount of consideration paid or received as agreed by the parties. Related party transactions not disclosed elsewhere are as follows:

- During the quarter, the Company had an employment contract with one director and officer for fees of \$25,000 per month. During the three months ended March 31, 2009, fees, salary and cash bonus in the amount of \$75,000 (March 31, 2008 - \$52,500) were accrued or paid to this director and officer. In addition fees of \$44,156 (March 31, 2008 - \$43,781) were paid to another officer of the Company. Salary of \$35,000 (March 31, 2008 - \$32,500) was accrued or paid to an individual related to a director.
- During the three months ended March 31, 2009, legal fees in the amount of \$62,432 (March 31, 2008 - \$247,578) were accrued or paid to a firm related to a director.
- During the three months ended March 31, 2009, fees in the amount of \$586,476 (March 31, 2008 - \$579,520) were charged to IMPACT for contract drilling services performed in Mexico. The profit of \$27,746 (March 31, 2008 - \$143,273) has not been recorded in these financial statements. At March 31, 2009, \$991,353 (December 31, 2008 - \$773,379) was due from IMPACT for contract drilling services provided by the Company.

10. Commitments

- The Company has signed a lease for office premises which commenced June 1, 2007 and ends May 31, 2010. Lease obligations, net of operating costs, are \$112,185 per year during this period.
 - In May 2008, the Company signed a lease for warehouse premises which commenced August 1, 2008 and ends July 31, 2011. Lease obligations, net of operating costs, are \$43,009 per year for the first year, \$44,058 per year for the second year, and \$46,156 per year for the third year.
 - In July 2008, the Company signed a lease for office premises which commenced July 15, 2008 and ends May 31, 2010. Lease obligations, net of operating costs, are \$130,200 per year during this period.
-

Energold Drilling Corp.

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11. Additional Information to the Statements of Cash Flows

Changes in non cash working capital:

| | 2009 | 2008 |
|--|---------------------|----------------|
| Accounts receivable and prepaid expenses | \$ 2,321,833 | \$ 105,554 |
| Income taxes receivable | (109,637) | - |
| Due from IMPACT Silver Corp. | (187,988) | (754,733) |
| Inventories | (326,742) | (2,411,379) |
| Accounts payable and accrued liabilities | (1,015,332) | 496,974 |
| Income taxes payable | (81,676) | 519,087 |
| Deferred revenue | 480,337 | (228,608) |
| Future income taxes | (40,362) | (41,895) |
| | \$ 1,040,433 | \$ (2,315,000) |

Income tax paid:

| | 2009 | 2008 |
|-----------------|-------------------|-------------|
| Income tax paid | \$ 450,584 | \$ 338,361 |

12. Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to provide an adequate return to shareholders, to meet external capital requirements on credit facilities and to support any growth plans.

In the management of its capital, the Company includes its cash and cash equivalent balances. The Company monitors capital based on the debt to debt-plus-equity ratio. Debt is total debt shown on the balance sheet, less cash and cash equivalents. Debt-plus-equity is calculated as debt shown on the balance sheet, plus total shareholders' equity which includes accumulated other comprehensive income (loss), share capital, warrants, contributed surplus and retained earnings. As at March 31, 2009 the Company had no debt.

The Company's policy is to keep its debt to debt-plus-equity ratio at a manageable level consistent with the current business cycle and the business opportunities outlook foreseen by the Company. As a general guideline, the Company's policy will be to keep its debt to debt-plus-equity ratio to a minimal level, except in unusual circumstances such as a major acquisition. Currently the Company has no debt and is in full compliance with its capital risk management policies. The Company's Board of Director's approves management's annual capital expenditures plans and reviews and approves any material debt borrowing plans proposed by the Company's management.

To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company ensures that there are sufficient cash and cash equivalents to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

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13. Financial Instruments

Financial Assets and Liabilities

The Company's financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, short-term investments and accounts payable and accrued liabilities. For cash and cash equivalents, restricted cash, accounts receivable, and accounts payable and accrued liabilities, carrying value is considered to be fair value due to the short-term nature of these instruments. The fair value of short-term investments represents the market value of quoted investments.

Financial Instrument Risk Exposure

The Company's financial instruments are exposed to a number of financial and market risks including credit, liquidity, currency and interest rate risks. The Company may, or may not, establish from time to time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of cash flow of its operations would warrant such hedging activities.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk include cash and cash equivalents, restricted cash, accounts receivable and short-term investments. The Company deposits its cash and cash equivalents with high credit quality financial institutions as determined by ratings agencies, with the majority deposited with a Canadian Tier 1 Bank. The Company provides credit to its customers in the normal course of its operations. The Company diversifies its credit risk by dealing with a large number of customers in various countries.

The Company's maximum exposure to credit risk at the reporting date is the carrying value of its cash and cash equivalents, restricted cash, accounts receivable and short-term investments.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages liquidity by maintaining cash and cash equivalent balances available to meet its anticipated operational needs. The Company has not been required to establish committed credit facilities but will do so as necessary. Liquidity requirements are managed based on expected cash flow to ensure that there is adequate capital to meet short-term and long-term obligations. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its growth plans. At March 31, 2009 the Company's accounts payable and accrued liabilities were \$2.9 million, all of which fall due for payment within twelve months of the balance sheet date. The Company has minimal long-term commitments (Note 10).

Currency Risk

The Company operates on an international basis on five continents and therefore, currency risk exposures arise from transactions denominated in foreign currencies. The majority of its international sales contracts are denominated in US dollars. Thus its currency risk arises primarily with respect to the US dollar. However, the Company also incurs operating costs in local currencies in various countries in which it carries on active business operations. The Company has elected not to actively manage our currency risk at this time.

At March 31, 2009 the Company is exposed to currency risk through cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities held in U.S. dollars and Mexican pesos. Based on these foreign currency exposures at March 31, 2009, a 5% depreciation or appreciation of all the above currencies against the Canadian dollar would result in an approximate \$0.8 million decrease or increase in the Company's net income.

Interest Rate Risk

Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash and cash equivalents. The Company did not have any borrowings outstanding as at March 31, 2009.

Energold Drilling Corp.

Notes to the Consolidated Financial Statements

March 31, 2009

Canadian Dollars

Unaudited

14. Segmented Information

The Company has four reportable segments based on geographic area: Mexico, the Caribbean, and Central America; South America; Africa, Asia and Other; and Canada (Corporate).

| Three months ended March 31 | 2009 | 2008 |
|--|---------------------|---------------------|
| Revenue by geographic area | | |
| Mexico, Caribbean, Central America | \$ 2,142,071 | \$ 4,716,890 |
| South America | 1,612,906 | 2,974,784 |
| Africa, Asia and Other | 95,527 | 933,223 |
| | <u>\$ 3,850,504</u> | <u>\$ 8,624,897</u> |
| Net income (loss) by geographic area | | |
| Mexico, Caribbean, Central America | \$ 555,733 | \$ 1,435,629 |
| South America | 174,112 | 960,210 |
| Africa, Asia and Other | (337,905) | 458,141 |
| Canada | 10,560 | (1,084,720) |
| | <u>\$ 402,500</u> | <u>\$ 1,769,260</u> |
| Amortization by geographic area | | |
| Mexico, Caribbean, Central America | \$ 116,580 | \$ 74,863 |
| South America | 63,602 | 38,090 |
| Africa, Asia and Other | 57,057 | - |
| Canada | 82,540 | 88,805 |
| | <u>\$ 319,779</u> | <u>\$ 201,758</u> |
| Property, plant and equipment additions by geographic area | | |
| Mexico, Caribbean, Central America | \$ 9,401 | \$ 638,050 |
| South America | 1,223 | 155,385 |
| Africa, Asia and Other | 672,377 | - |
| Canada | (648,579) | 380,153 |
| | <u>\$ 34,422</u> | <u>\$ 1,173,588</u> |
| Revenue by industry | | |
| Drilling | <u>\$ 3,850,504</u> | <u>\$ 8,624,897</u> |
| Net income (loss) by industry | | |
| Drilling | \$ 365,495 | \$ 1,809,608 |
| Exploration and mining | 37,005 | (40,348) |
| | <u>\$ 402,500</u> | <u>\$ 1,769,260</u> |

Energold Drilling Corp.

Notes to the Consolidated Financial Statements

March 31, 2009

Canadian Dollars

Unaudited

14. Segmented Information - continued

| As at | March 31 2009 | December 31 2008 |
|--|----------------------|----------------------|
| Assets by geographic area | | |
| Mexico, Caribbean, Central America | \$ 19,325,033 | \$ 20,135,351 |
| South America | 17,939,642 | 17,776,784 |
| Africa, Asia and Other | 4,740,790 | 2,834,701 |
| Canada | 28,380,214 | 29,694,464 |
| | <u>\$ 70,385,679</u> | <u>\$ 70,441,300</u> |
| Property, plant and equipment by geographic area | | |
| Mexico, Caribbean, Central America | \$ 2,739,597 | \$ 2,842,080 |
| South America | 1,119,118 | 1,181,498 |
| Africa, Asia and Other | 1,881,904 | 1,266,585 |
| Canada | 1,957,414 | 2,688,533 |
| | <u>\$ 7,698,033</u> | <u>\$ 7,978,696</u> |
| Goodwill by geographic area | | |
| South America | \$ 1,710,000 | \$ 1,710,000 |
| Assets by industry | | |
| Drilling | \$ 65,772,509 | \$ 65,754,495 |
| Exploration and mining | 4,613,170 | 4,686,805 |
| | <u>\$ 70,385,679</u> | <u>\$ 70,441,300</u> |
| Property, plant and equipment by industry | | |
| Drilling | \$ 7,637,364 | \$ 7,917,490 |
| Exploration and mining | 60,669 | 61,206 |
| | <u>\$ 7,698,033</u> | <u>\$ 7,978,696</u> |