COLT RESOURCES INC.
(formerly Colt Capital Corp)
("Colt" or the "Company")

Form 51-102 F1
Management's Interim Discussion & Analysis
Three Months ended June 30, 2009

- Report for the **three months ended June 30, 2009**
- Filing date of this Report is **August 28, 2009**.

The following discussion and analysis of the financial position and results of operations for Colt should be read in conjunction with the unaudited consolidated interim financial statements for the three months ended June 30, 2009 and 2008 and the audited consolidated financial statements and the notes for the years ended March 31, 2009 and 2008 and which are prepared in accordance with Canadian generally accepted accounting principles.

Additional information relating to the Company is available at www.sedar.com .

Forward Looking Statements

Certain statements contained herein are "forward-looking" and are based on the opinions and estimates of management, or on opinions and estimates provided to and accepted by management. Forward-looking statements are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied. Readers are therefore cautioned not to place reliance on any forward-looking statement.

The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Nature of Activities

Incorporated in April of 2000, Colt Resources is a junior mining Exploration Company engaged in the acquisition, exploration and, if warranted, the development of mineral property interests. The Company's mining properties are located in Portugal and Canada. All of the Company's properties are in exploration stages and the Company only records income from interest earned from funds on deposit.

The Company's common shares are listed on the Canadian National Stock Exchange ("CNSX") under the ticker symbol "GTP". The Company is currently a reporting issuer in the Provinces of British Columbia, Alberta and Ontario.

The Company operates a wholly owned subsidiary in Portugal by the name of Eurocolt Resources Unipessoal Lda ("Eurocolt"). The President and CEO of Eurocolt is Mr. Jorge Valente, who is also a director and Chief Operating Officer of Colt.

Effective October 25, 2008, the Company was extra-provincially registered in the Province of Quebec and the directors resolved to move the head business office of the Company to Montreal, Quebec effective as of December 1, 2008.

On May 21, 2009, the Company listed on the Open Market Segment of the Frankfurt Stock Exchange under the trading symbol: **P01**, with the objective of broadening its shareholder base in European markets.

Corporate Highlights

The fiscal year ended March 31st 2009 was marked by significant volatility in the financial markets and the price of mineral commodities. Although bullish at the beginning of the fiscal year, Gold underwent a series of corrections during the second and third quarters. The financial uncertainty created by the global economic crisis lead to liquidity shortages with repercussions in the mining industry as a whole. This situation continued right into the fourth Quarter.

The Company has taken an aggressive plan to focus on its Gold properties and to reduce cash.

Exploration Highlights

During the year ended March 31, 2009, the Company commissioned Mr. Warner Gruenwald, P. Geo of Geoquest Consulting Ltd. to prepare for the Company a technical report compliant with NI 43-101 in respect to the Penedono Exploration Concession. Mr. Warner Gruenwald is a qualified person as defined by National Instrument 43-101, and is independent of the Company. This technical report was completed on November 28, 2008 and has been filed on the Company's corporate website, www.coltresources.com.

On June 9 2009 the company provided an updated report on work conducted in the Penedono and Armamar-Meda concessions in Portugal.

The Company's diamond drilling and property evaluation / exploration programs are under the supervision of J.W. Murton, P. Eng., a qualified person as defined by National Instrument 43-101. Mr. J.W. Murton is a director of Colt and is also responsible for the technical information presented in this MD&A

PORTUGUESE PROPERTIES

1. Penedono Concession, Portugal

The Penedono Concession consists of 51.231km^2, which represents a reduction from the original concession area as an annual requirement under Portuguese mining law. Colt has subsequently been successful in negotiating an extension of the concession for an additional 3 years and has increased the size of the concession to 102.471 km^2. In respect to the formal transference to the Company of the Penedono Exploration License, the Company has lodged a performance bond in the form of a bank guarantee for the amount of €50,000 in favor of the Government of Portugal. Furthermore, the Company has paid the Government of Portugal an exploration license fee of €5,125 and €2,563 during the years ended March 31, 2008 and 2009, respectively, and is required to pay €5,125 by October 29, 2009. The Company is also obligated to incur expenditures in the amount of US$150,000 by October 29, 2007 (incurred), €200,000 by October 29, 2008 (incurred) and €250,000 by October 29, 2009. Should the property be placed into commercial production, then the Company is obliged to pay a 4% NSR royalty to the Government of Portugal.

As at June 30, 2009 the Company has invested $1,031,493 (March 31, 2009: $1,003,147) (March 31, 2008: $596,837) with respect to its Penedono Exploration License.

In June 2008, Colt commenced a diamond drilling program which targeted veins 11 and 13 of the Santo Antonio multi-vein system. A total of 702.90 meters of HQ core were drilled in 8 holes, targeting Veins 11 and 13.

Diamond drill holes 08-01 and 08-02 on Vein 13 indicated that at a depth of approximately 40 – 50 meters below surface, the vein carries high grade gold values (up to 87.04 g/t gold over 1 meter) over a strike length between holes of 50 meters. Hole 08-05 drilled at -60 degrees below hole 08-02 returned lower grade values, but Vein 13 remains open in all directions.

Diamond drill holes 08-03 and 08-04 on Vein 11 returned high grade gold and tungsten values at a depth of 40-50 meters below surface and over a strike length between holes of 50 meters. Holes 06, 07 and 08 drilled beneath and to the south west of holes 03 and 04 returned lesser values but indicate the vein remains open in all directions. The good grade tungsten values reported in hole 08-03 are a result of coarse grained wolframite observed in the diamond drill core.

a. ***Santo Antonio vein system*:** a number of new discoveries have been reported covering vein clusters and sheeted vein systems near the previously reported and partially explored NE / SW trending veins 1-13. The new N/S to NNE/SSW veins are typically narrow (0.5 – 20 cm thick) and steeply dipping. Their intensity and continuity is being investigated for the potential of hosting several small open pits. One area lying between Veins 3 and 4 and located near the NE end of Vein 3 returned the following chip samples from the poorly exposed veins. This cluster of samples was taken over an area of approximately 100 m x 200 m and extensions to this vein swarm are being investigated.

sample #	UTM East	UTM North	type	occurrence	description	Au g/t
196928	632907	4541724	chip	Outcrop	quartz with aspy (mineralized quartz vein)	5.56
205085	633869	4541776	chip	Outcrop	quartz+aspy and greisen vein	27.04
205086	633877	4541774	chip	Outcrop	quartz+aspy and greisen vein	18.56
205087	633877	4541774	chip	Outcrop	quartz+aspy and greisen vein	19.68
205088	633899	4541797	chip	Outcrop	greisen with aspy	34.40
205089	633869	4541776	chip	Outcrop	quartz and greisen vein with aspy (10cm)	26.08
205090	633890	4541781	chip	Outcrop	quartz and greisen veins with aspy	11.00
205091	633914	4541773	chip	Outcrop	aspy+quartz veins, 1-2cm thick	15.68
205092	633925	4541764	chip	Outcrop	aspy+quartz (20cm)	8.40

b. ***Marofa area:*** Adjacent to the west from the Santo Antonio veins, previously reported good grade values for gold and tungsten have been categorized for additional sampling, trenching and drilling. These values, as reported in the News Release of Dec.15, 2008, ranged up to 96 g/t gold and 18,364 ppm (1.84%) W or 2.32% WO3 and while these high grade numbers are not necessarily representative of the overall expected grades, they represent the potential of the 5 to 6 Marofa areas of veins swarms. These areas have dimensions of approximately 100-300 m x 300-400 m each.

2. Armamar-Meda Concession

The Armamar Meda Concession consists of 436.81 km^2 which in turn is partially surrounded by the Moimenta-Almendra concession consisting of 566.58 km^2.

On December 10, 2007, the Company entered into a prospecting and exploration license agreement with the Government of Portugal whereby Colt has been granted the exclusive right to prospect and explore for base and precious metals on the Armamar Meda Property which has a surface area of approximately 436 sq. km. and which is partially contiguous to the Company's Penedono Exploration Concession (the "Armamar Meda Exploration License"). The initial term of the Armamar Meda Exploration License is for three years (the "Initial Term"), which can be extended twice on an annual basis (the "Extended Term"). During the Initial Term, Colt is obligated to incur prospecting and exploration expenditures of not less than 25,000 € by December 10, 2008 (incurred), 50,000 € by December 10, 2009 and, 75,000 € by December 10, 2010.

As at June 30, 2009, the Company has invested $255,365 (March 31, 2009: $207,967) (March 31, 2008 - $53,397) with respect to its Armamar Meda Concession and Exploration License. Pursuant to the Second Contractual year of the Concession, the Company is required to pay surface taxes to the Government of Portugal in the amount of €15,288.35 Euros on or before March 12, 2009(Paid).

The Company completed a detailed sampling and evaluation program of several tungsten (W) and tungsten / tin (W / Sn) prospects and showings with very encouraging results. Several of these showings were discovered in the middle 1970's and were partially explored in the 1980's by a joint venture of a Portuguese company SPE with a French government group BRGM.

The Company completed a detailed sampling and evaluation on the **Tabuaco Area** (San Pedro das Agias zone, Aveleira zone and Quinta-Tavora zone) and the **Bebezes areas**.

*a. **Tabuaco Area***

i. **San Pedro das Aguias zone:** Occurrence has had 6 widely spaced diamond drill holes completed on the mineralized skarn horizon. These holes indicated a relatively shallow dipping zone with varying thicknesses of up to 19 meters grading approximately 1 % WO_3. A very preliminary resource calculation completed by earlier operators and which is not NI 43-101 compliant and which has not been confirmed by Colt, indicated 1,000,000 tonnes with an approximate grade of 0.9% WO_3. The mineralization indicated in the 6 diamond drill holes appeared to be open to depth and along strike.
A detailed sampling and mapping program over the complete San Pedro das Aguias area as well as its lateral extensions plus a newly discovered parallel zone lying some 60 m below the "main" zone, resulted in the collection of 88 rock samples. This data indicates that the "main" San Pedro das Aguias target now has a potential strike length of greater than 500 m, with a thickness of 10 – 20 m and with a potential grade on surface, as indicated in the following table, of 0.673% WO_3. The expanded strike potential for the "main" skarn zone with an as yet to be determined depth potential to the underlying granite contact allows a conceptual doubling or trebling of tonnage from the earlier estimate. This tonnage indication is not NI 43-101 compliant but is shown as a potential resource that may be developed.

ii. **The Aveleira zone:** Located immediately to the north and on strike with the San Pedro das Aguias area and may represent a continuation of the permissive skarn stratigraphy an additional 950 m to the north, effectively connecting the southern most San Pedro das Aguias area with the more northern Quinta Tavora area. Outcrop is poorly exposed due to deep weathering and thick soil cover but at least 2 skarn horizons were located and sampled. No overall widths of mineralized skarn horizons were observed due to the cover.

A total of 9 samples were collected with the results as follows.

Total chip and grab sample results from Quinta da Aveleira zone

sample #	X_UTM	Y_UTM	Occurrence	sample type	true width (m)	WO_3 %
Aveleira NW						
205153	624327	4550258	outcrop	chip	?	0.740
205154	624368	4550214	outcrop	chip	?	0.884
205155	624378	4550220	sub outcrop	grab	?	0.397
205156	624341	4550190	outcrop	chip	?	0.385
205157	624317	4550206	outcrop	chip	?	0.010
205169	624357	4550219	outcrop	chip	?	0.981
				average grade		**0.566**

sample #	X_UTM	Y_UTM	Occurrence	sample type	true width (m)	WO_3 %
Aveleira SE ("skarn near Ponte do Fumo")						
205072	624768	4549985	Sub outcrop	chip	?	1.574
205193	624770	4550042	Sub outcrop	grab	?	1.551
205194	624640	4549943	Sub outcrop	grab	?	0.300
				average grade		**1.142**

iii. **The Quinta–Tavora zone:** Lies to the north of the Aveleira area and may represent a continuation of that mineralization to the north. Once again, outcrop was scarce and the true width of skarn beds could not be determined. At least 3 separate zones of skarn were sampled (a total of 23 samples) with the results as follows.

Total channel, chip & grab sample results from the Quintã – Távora Zone

sample #	X_UTM	Y_UTM	occurrence	sample type	true width (m)	WO_3 %
Quintã south slope						
196916	624151	4550358	outcrop	Chip	?	0.127
ave.2 sampl.(#205063-205064)	624137	4550331	outcrop	channel	2.70	0.728
ave.2 sampl.(#205068-205069)	624133	4550342	outcrop	channel	1.95	0.210
205070	624131	4550345	outcrop	channel	1.80	0.308
205062	624150	4550349	outcrop	channel	0.65	0.160
ave.2 sampl.(#205065-205066)	624149	4550354	outcrop	channel	1.30	0.097
205061	624158	4550352	outcrop	channel	1.05	0.435
205067	624159	4550358	outcrop	channel	0.53	0.035
205192	624160	4550383	outcrop	channel	1.50	0.395
	weighed average grade of 11 channel samples					**0.368**
Quintã east slope						
205191	624192	4550425	outcrop	Chip	?	0.056
ave.3 sampl.(#205093-205095)	624217	4550437	outcrop	channel	3.70	0.343
205096	624221	4550452	outcrop	channel	0.75	0.126
205189	624226	4550447	outcrop	channel	1.60	0.296
205190	624231	4550452	outcrop	channel	1.90	0.267
	weighed average grade of 6 channel samples					**0.295**
Távora river slope						
196911	623684	4551132	outcrop	Grab	?	0.060
205188	624238	4550612	outcrop	Chip	?	0.166
205195	624399	4550676	outcrop	Chip	?	0.417
205197	624280	4550483	outcrop	Chip	?	0.184
				average grade		**0.207**

An assessment of all the tungsten results from the Tabuaco area indicates a positive potential for the development of several possible open pit and/or underground bulk mining zones. A significant amount of diamond drilling is required to define these areas of mineralization, but the potential is there.

b. ***Bebezes Area***

This area is located on the southern boundary of the Armamar Meda Concession, north east of the Santo Antonio vein system which lies 3 km to the south west. This mineralized area, (unlike the Santo Antonio veins), carries little to no gold with the arsenopyrite content but contains significant W and Sn values.

The mineralized quartz veins are hosted in granite, are steeply dipping and have widths varying up to > 2 m. A secondary system of narrow veins is evident in close proximity to some of the main veins, which when combined with the main veins may have potential for an open pit resource.

Nearly all the sampled locations are from within and from the dumps of old diggings, dating from likely World War 2 when tungsten was in high demand. One factor must be kept in mind when considering the tungsten values as reported in assay.

All dump samples were taken from hand sorted material that was left over after most if not all of the visible wolframite (tungsten) mineralization had been removed, hence tungsten values could be significantly underreported. As well, samples from vein remnants on the walls of old diggings would have been left behind by the original miners as likely to be "barren".

Sample #	UTM E	UTM W	occurrence	type	Description	WO_3 %	Sn %
205158	636467	4543418	walls of diggings	chip	Narrow qtz vn with layered sil aplite? Little aspy	0.002	0.004
205159	636480	4543407	old mine dump	grab	Vein qtz + aspy + py	0.065	1.770
205160	636496	4543404	wall of diggings	chip	Remains of qtz vn+aspy+py	0.003	0.580
205161	636506	4543429	wall of diggings	chip	Narrow qtz vns (3) + aspy+py + wolf	0.034	0.214
205162	636508	4543433	old mine dump	grab	Vn qtz + aspy+py+wolf in dump of sample 205161	0.171	0.808
205163	636522	4543388	walls of diggings	chip	Qtz vn 60-80 cm + aspy+py + wolf + cass?	0.005	0.301
205164	636525	4543387	old mine dumps	grab	Qtz + aspy + py + wolf + cass in dump of sample 205163	0.002	2.163
205165	636509	4543351	walls of diggings	chip	Qtz vn 25-40 cm +aspy + py + wolf?	0.016	4.161
205166	636503	4543314	old mine dumps	grab	Vn qtz + aspy + py	0.013	0.628
205167	636472	4543364	walls of diggings	chip	Qtz vn 25-30 cm + aspy + py	0.049	0.011
205168	636441	4543338	walls of diggings	chip	Qtz vn 25-30 cm + aspy + py +wolf? + cass	0.049	1.058

The Bebezes veins remain open in all directions from the locations sampled and more sampling and mapping is required to gain a full understanding of this large mineralized vein swarm.

All samples were analyzed at OMAC Laboratories Ltd, Galway, Ireland, an ISO 17025 accredited facility. All gold assays were by fire assay using a 50 gram sample and lead collection followed by an AA finish. W and Sn values were analyzed using a metaborate fusion followed by ICP – MS.

Assay results for gold and tungsten are reported as: gold - grams / tonne, while tungsten (W) and tin (Sn) values are reported as WO_3% and Sn%.

3. Moimenta-Almendra Concession

The exploration license for the Moimenta Almendra Property in Portugal was approved by the Portuguese Government on July 1, 2008 and as a result, the formal signing of the contract between the Government of Portugal and the Company took place on October 1, 2008. The Company entered into a prospecting and exploration license agreement with the Government of Portugal whereby Colt has been

granted the exclusive right to prospect and explore for base and precious metals on the MOIMENTA-ALMENDRA Property which has a surface area of approximately 566 sq. km. and which is partially contiguous to the Company's Penedono and Armamar-Meda Exploration Concessions (the "MOIMENTA-ALMENDRA EXPLORATION LICENSE").

The initial term of the MOIMENTA-ALMENDRA EXPLORATION LICENSE is for three years ending January 10, 2011 (the "Initial Term"), which can be extended twice on an annual basis (the "Extended Term"). During the Initial Term, Colt is obligated to incur prospecting and exploration expenditures of not less than 25,000 € by January 10, 2009 (incurred), 50,000 € by January 10, 2010 and, 75,000 € by January 10, 2011. During the Extended Term, Colt is obligated to incur exploration expenditures on an annual basis of not less than 100,000 €. During the Initial and Extended Terms, Colt shall be required to relinquish 50% of the area covered by the MOIMENTA-ALMENDRA EXPLORATION LICENSE.

In respect to the MOIMENTA-ALMENDRA EXPLORATION LICENSE, Colt has lodged a bank guarantee, as a performance bond, for the amount of 10,000 € in favor of the Government of Portugal.

During the Initial and Extended Terms, Colt is obligated to pay to the Government of Portugal an annual fee in the amount of 25 € per sq. km of ground covered by the MOIMENTA-ALMENDRA EXPLORATION LICENSE. The License fee for the first year in the amount of €14,344.07 was paid during the year ended March 31, 2009.

Upon the completion of the Initial and Extended Terms, Colt may apply for an Exploitation License, which, if granted, shall have a term of 30 years and which may be extended by Portuguese Government approval for a period not to exceed 20 years (the "Exploitation License"). Upon the granting of the Exploitation License, and in the event that mining activities are to take place, then Colt shall be obligated, at Colt's sole discretion, either to pay 10% of the net income, exclusive of all taxes, derived from its mining activities or, alternatively, pay Net Smelter Returns Royalty ("NSR") on production at NSR rates ranging from 1% to 4% depending on the price of gold (the "Exploitation License Fees"). However, during the first 2 years of mining activities, the Government of Portugal shall fully waive the payment of the Exploitation License Fees. Additionally, as soon as the Exploitation License is granted to Colt, and provided that production from the mining activities is determined to exceed 1,000,000 ounces of gold or of gold equivalent during the life of the mining activities, then Colt will be obligated to pay 100,000 € as a commercial discovery bonus to the Government of Portugal.

As at June 30, 2009, the Company has invested $66,361 (March 31, 2009: $52,942) (March 31, 2008: $4,116) with respect to the Moimenta Almendra Exploration License.

4. Santa Margarida Concession

The Company was officially informed that the Company's application for an exploration license for the Santa Margarida do Sado Concession in Portugal was approved by the Portuguese Government on November 11, 2008 and that the formal signing of the contract between the Government of Portugal and the Company is expected to take place shortly. A bank guarantee in the amount of 1,000 € has been lodged by the Company in favor of the Government of Portugal in ssupport of the Company's application for an exploration license for the Santa Margarida do Sado Concession.

CANADIAN PROPERTIES

1. Extra High Property, British Columbia

On January 21, 2008, the Company entered into an second Option Agreement (the "2008 Option Agreement") with Kokomo Enterprises Inc. ("Kokomo") whereby Colt was granted the right and option to acquire, in two separate equal tranches, Kokomo's 66% undivided interest in the Extra High Property (the "Property"). Pursuant to the 2008 Option Agreement, Colt has exercised the first tranche of the option by making a cash payment of $250,000 to Kokomo and has acquired from Kokomo a 33% undivided interest in the Property. As a result of exercising the first tranche of the option, Colt now

holds a 67% undivided interest in the Property and has become the operator of the Property. Furthermore, pursuant to the 2008 Option Agreement, Colt will be solely responsible for all exploration and Property expenditures in respect of the Property which are initiated and incurred by Colt from January 31, 2008 to December 31, 2008.

In order to exercise the second tranche of the option, Colt must make a cash payment of $250,000 to Kokomo on or before December 31, 2008. And upon Colt making such payment, then Colt will be deemed to have exercised the second tranche of the option and to have acquired from Kokomo the remaining 33% undivided interest in the Property, subject only to an existing 1.5% NSR Royalty payable to an arm's length party (the "Arm's Length Royalty") and to a 0.5% NSR Royalty payable to Kokomo (the "Kokomo Royalty"). Colt will have the option to purchase the Kokomo Royalty for the sum of $500,000 and Colt will also have the option to purchase 50% or 0.75% of the Arm's Length Royalty for the sum of $500,000.

As of December 31, 2008, the Company did not exercise the second tranche of the option, as a result of which, the 2008 Option Agreement has terminated. Colt and Kokomo shall operate as Joint Venture partners with Colt holding an initial 67% undivided interest in the Property and Kokomo holding an initial 33% undivided interest in the Property. Henceforth, each party shall contribute its proportionate share of the Property expenditures. Should any party's interest be diluted to less than a 10% undivided interest in the Property, then its interest will forever be converted to a 0.5% NSR Royalty.

The Company's Investment in the Extra High Property consists of costs incurred as follows:

		Cumulative to March 31, 2009		March 31, 2008		March 31, 2007
Property option payments to Kokomo	$	443,770	$	443,770	$	133,770
Mineral Exploration		88,725		81,533		0
Mineral exploration tax credit		(4,118)		(1,967)		0
Total	$	528,377	$	523,336	$	133,770

2. Uranium Property, Quebec

The Company entered into a Property Option Agreement with Diagnos Inc. ("Diagnos") on the 5th day of October, 2007, as further amended by letter agreements dated November 28, 2007 whereby Diagnos has agreed, under certain terms and conditions, to grant the Company the sole and exclusive option to purchase 100% undivided right, title and interest, subject only to a 2% NSR Royalty, in two uranium exploration prospects which are located in the Province of Quebec. The Company exercised the option and on February 8, 2008 paid Diagnos $90,000 plus G.S.T. of which $18,000 related to the acquisition of the claims and $72,000 was for exploration expenditures. The Company is obligated to drill at least three exploration holes of not less than 100 ft per hole on each prospect by June 30, 2009. Furthermore, in the event that a favorable feasibility study is completed in respect to each property, then the Company is obligated to issue a number of fully issued and non assessable common shares of the Company, which shall be calculated by dividing $70,000 by the average closing price of the shares of the Company for the 30 days after the completion date of such favorable feasibility study. Additionally, the Company has the right to reduce the 2% NSR Royalty to 1% NSR Royalty by making a cash payment of $1,000,000 to Diagnos.

During the year ended March 31, 2009, the Company decided not to pursue to Uranium properties option and as such wrote-off $90,000 in acquisition and exploration costs to operations.

3. Gaspésie Mineral Property, Quebec

On December 15, 2008 the Company entered into an Agreement with Diagnos Inc. to acquire a 100% interest in four mineral properties located in the Gaspésie Region of the Province of Quebec, namely, the Restigouche, West l'Alverne, Gaspésie-1 and Gaspésie-4 properties. These four properties comprising 267 claims, cover an area of approximately 153 km^2, and are located in the south-western part of the Gaspésie region, close to St-André-de-Restigouche. The terms of the proposed acquisition include the acquisition of mineral claims on the four properties for $35,150 and incurring exploration expenditures in the amount of $214,850. This total debt was to be settled by a payment of $62,500 in cash and the issuance of 750,000 restricted common shares in the capital of the Company at a price of $0.25 per share, on or before March 27, 2009.

During the year ended March 31, 2009, the Company issued 750,000 common shares to Diagnos valued at their quoted market value on the date of issue of $90,000 or $0.12 per common share which resulted in a reduction of mineral property acquisition and exploration costs of $97,500.

The Gaspésie Agreement was amended by letter dated March 26, 2009, whereby the due date of the payment of $62,500 in cash was extended to May 15, 2009 and further amended by letter dated May 15, 2009 whereby Diagnos would accept settlement of the payment for common shares of the Company at a deemed value of $0.15 per share for 416,667 common shares and $27,662 in cash.

Additionally, Diagnos will retain a 2% Net Smelter Return (NSR) royalty on each property and Colt will have the option to buy back 1% of the NSR for $1,000,000 at any time within the first five years of an economic discovery. Colt is required to spend a minimum of $450,000 on exploration and drilling by December 15, 2010.

Results from Operations

Operating Results

For the three months ended June 30, 2009, the Company reported a loss before other items and income taxes of $286,769, as compared to $292,466 in the same period last year. The reduction in the Company's net and comprehensive loss was due primarily to the decrease in Salaries and interest on the convertible debenture as compared to the previous year.

As a result, Colt Resources reported a net and comprehensive loss $286,575 ($0.02 per share*) as compared to $292,248 ($0.02 per share*),

* *Earnings (loss) per common share in the above table is based on the number of shares outstanding at year end, and not on the weighted average number of shares outstanding for the periods (Canadian GAAP) as shown in the audited Statements of Operations and Deficit for the years ended March 31, 2009, 2008 and 2007.All common shares and per share amounts have been restated to give retroactive effect to the 5:1 share consolidation which took effect on July 18, 2007.*

Liquidity and Resources

As of June 30, 2009, total assets were $2,254,329 compared to $1,867,504 at June 30, 2008, (March 31st 2009: $2,171,774) Mining interests increased to $2,021,712 from $1,378,134 as at June 30, 2008. (March 31, 2009: $1,932,549) during the period due to the Company's exploration programs in Portugal. During the period, Cash and Equivalents decreased from $19,818 as at March 31 2009 to $5,946 for this reporting period. As result and compared to the previous period, working capital decreased by $194,348.

In the past, the Company was successful in financing its liquidity requirements through the issuance of equity and debt securities. At the end of this fiscal year and the three months ended June 30, 2009, the Company did not have sufficient liquidity to meet its obligations and carry-on its business for the next 12

months. As the Company is currently incurring operating losses, additional capital will be required to continue exploration activities on the properties.

Operating Activities

Cash flow used in operating activities amounted to $115,490 as compared to $166,576 in the previous year. The decrease was primarily the result of its usual operating activities for the period.

Financing Activities

Cash provided by financing activities amounted to $190,778 as compared to $nil in the previous year. The amount provided by financing activites was the result of equity raised through private placements.

Investing Activities

Cash used in Investing Activities amounted to $89,163 as compared to $110,699 in the previous period. The decreased amount used on mineral property exploration is a result of the Company's difficulty in raising capital.

At the end of the three month period ended June 30, 2009, the Company held approximately $5,946 in cash as compared to $341,271 in the corresponding year.

Summary of Quarterly Results

For the Quarterly Periods ended:	June 30, 2009 Q1	March 31, 2009 Q4	December 31, 2008 Q3	September 30, 2008 Q2
Total Revenues	$ 0	0	0	0
Loss before other item	(286,769)	(124,023)	(287,879)	(245,913)
Loss per common share before other items	(0.02)	(0.01)	(0.02)	(0.02)
Fully diluted earnings / (loss) per common share before other item	n/a	n/a	n/a	n/a
Net loss for the period	(286,575)	(162,872)	(287,405)	(242,912)
Basic net loss per common share	(0.02)	(0.01)	(0.02)	(0.02
Diluted net gain / (loss) per share	n/a		n/a	n/a

For the Quarterly Periods ended:	June 30, 2008 Q1	March 31, 2008 Q4	December 31, 2007 Q3	September 30, 2007 Q2
Total Revenues	$ 0	0	0	0
Loss before other item	(292,466)	(715,805)	(295,081)	(121,478)
Loss per common share before other item	(0.02)	(0.11)	(0.04)	(0.02)
Fully diluted earnings / (loss) per common share before other items	n/a	n/a	n/a	n/a
Net loss for the period	(292,248)	(667,588)	(286,647)	(110,395)
Basic net loss per common share	(0.02)	(0.10)	(0.04)	(0.02)
Diluted net gain / (loss) per share	n/a	n/a	n/a	n/a

Note: The Company's business is not of a seasonal nature.

Risk Management and Going Concern

This MD&A and the Company's consolidated financial statements have been prepared using Canadian Genarally Accepted Accounting Principles (GAAP) as applicable to going concerns. However, certain facts and circumstances may cause a significant doubt on the reasonableness of this assumption. The Company is currently pursuing financing alternatives to fund its operations and to continue as a going concern. Although there are no assurances that the Company will be successful in these actions, management is confident that it will be able to secure the necessary funding.

There is significant doubt, at the end of this first quarter period, of the Company's ability to meet its commitments and ongoing exploration activities. There is no guarantee that measures pursued by management will be successful.

This MD&A and the corresponding consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the Balance sheet classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

The Company, and the Securities of the Company, should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's Securities:

There are a number of outstanding securities and agreements pursuant to which common shares of the Company may be issued in the future. This will result in further dilution to the Company's shareholders.

The Company has a very limited history of operations, is in the early stage of development and has received no revenues other than insignificant interest revenues. As such, the Company is subject to many risks common to such enterprises. There can be no assurance that the Company will be able to obtain adequate financing in the future or, if available, that the terms of such financing will be favourable. The Company has no intentions of paying any dividends in the future.

Although the Company has taken steps to verify the title to mineral properties in which it has acquired an interest, no assurance whatsoever can be given that the Company's interests may not be challenged by third parties. If challenged, and if the challenge is sustained, it will have an adverse effect on the business of the Company. Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

The exploration of mineral properties involves significant risks which even experience, knowledge and careful evaluation may not be able to avoid. The price of metals has fluctuated widely, particularly in recent years as it is affected by numerous factors which are beyond the Company's control including international economic and political trends, expectations of inflation or deflation, currency exchange fluctuations, interest rate fluctuations, global or regional consumptive patterns, speculative activities and increased production due to new extraction methods. The effect of these factors on the price of metals, and therefore the economic viability of the Company's interests in the mineral properties cannot be accurately predicted. Furthermore, changing conditions in the financial markets, and Canadian Income Tax legislation may have a direct impact on the Company's ability to raise funds for exploration expenditures. A drop in the availability of equity financings will likely impede spending. As a result of all these significant risks, it is quite possible that the Company may lose its investments in the Company's mineral property interests.

Significant Accounting Policies

The consolidated financial statements of the Company have been prepared in accordance with Canadian GAAP. The functional and reporting currency of the Company is the Canadian dollar. The significant accounting policies are summarized as follows:

Principles of consolidation
These consolidated financial statements include the accounts of the Company and its wholly-owned integrated subsidiary, Eurocolt. All intercompany balances and transactions have been eliminated.

Foreign currency translation
Amounts recorded in foreign currency are translated into Canadian dollars as follows:

a. Monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;

b. Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and

c. Revenues and expenses (excluding amortization, which is translated at the same rate as the related asset), at the exchange rate at the date of transaction.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss for the year.

Cash and cash equivalents
Cash and cash equivalents consist of cash on hand and term deposits with maturities of less than one year at the date of acquisition. Term deposits included in cash and cash equivalents are highly liquid, can be converted to a known amount of cash at any time, and are held at Canadian chartered banks.

Amortization
Amortization of equipment is calculated on the declining-balance basis at the following annual rates:

a. Computer equipment 30%
b. Mining equipment 20%

Additions during the year are amortized at one-half of the annual rates.

Mineral property interests
The Company capitalizes all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property interest acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed, sold or the Company's mineral rights are allowed to lapse.

All capitalized costs are reviewed quarterly, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a mineral property interest exceeds its net recoverable amount (as estimated by quantifiable evidence of an economic geological resource or reserve or by reference to option or joint venture expenditure commitments) or when, in the Company's assessment, it will be unable to sell the mineral property interest for an amount greater than the deferred costs, the mineral property interest is written down for the impairment in value.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As such, options are exercisable entirely at the discretion of the optionee; the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as mineral property interest costs or recoveries when the payments are made or received.

Capitalized costs will be depleted over the useful lives of the properties upon commencement of commercial production or written-off if the properties are abandoned or the applicable mineral rights are allowed to lapse.

Future income taxes

The Company follows the asset and liability method based on the accounting recommendations for future income taxes issued by the Canadian Institute of Chartered Accountants' ("CICA"). Under the asset and liability method, future income tax assets and liabilities are computed based on differences between the financial statement carrying values of assets and liabilities and their corresponding tax values, using substantially enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Future income tax assets can also result by applying unused loss carry-forwards and other deductions. The effect on future tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantially enacted. The amount of future income tax asset is limited to the amount of the benefit that is more likely that not to be realized.

Stock-based compensation plans

The Company accounts for stock-based compensation using a fair value based method with respect to all stock-based payments measured and recognized, to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the fair value of the options is measured on the earlier of the date at which the counterparty performance is completed or the date the performance commitment is reached or the date at which the equity instruments are granted if they are fully vested and non-forfeitable. The fair value of the options is accrued and charged either to operations or mineral properties, with the offset credit to contributed surplus. For directors and employees the options are recognized over the vesting period, and for non-employees the options are recognized over the related service period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to capital stock.

Asset retirement obligations ("ARO")

The Company recognizes an estimate of the liability associated with an ARO in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The capitalized amount is depleted on a straight-line basis over the estimated life of the asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to changes in the estimated timing of cash flows or changes in the original estimated undiscounted cost. Actual costs incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded. At present, the Company has no material AROs to record in the consolidated financial statements.

Flow-through shares

Flow-through shares entitle a Company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchased the shares. The proceeds from shares issued under flow-through share financing agreements are credited to capital stock and the tax benefit of the exploration expenditures incurred under these agreements are renounced to the purchaser of the shares. The tax impact to the Company of the renouncement is recorded on the date that the renunciation is filed with taxation authorities, through a decrease in capital stock and the recognition of a future tax liability.

When flow-through expenditures are renounced, a portion of the future income tax assets that were not previously recognized, due to the recording of a valuation allowance, are recognized as a recovery of future income taxes in the consolidated statement of operations.

Interest income

Interest income on the term deposits is recognized on an accrual basis at the stated rate over the term to maturity.

Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings per share. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Shares held in escrow, other than were their release is subject to the passage of time, have not been included in the calculation of the weighted average number of common shares outstanding.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates made in the preparation of these financial statements include the valuation of charges related to financing, impairment of mineral property interests, asset retirement obligations, environmental obligations, accrued liabilities, allocation of debt and equity portions of convertible debentures, rate of accretion for deferred charge of conversion feature, rates for amortization of equipment, assumptions for stock-based compensation expense and determination of the valuation allowance for future income tax assets. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

Financial instruments and comprehensive income

Financial assets and financial liabilities that are purchased or assumed with the intention of generating profits in the near term are classified as held-for-trading. Any financial instrument can be designated as held-for-trading as long as its fair value can be reliably measured. These instruments are measured at fair value with subsequent changes in fair value included in net income (loss).

Financial assets that have a fixed maturity date and fixed or determinable payments where the Company intends and has the ability to hold the financial asset to maturity are classified as held-to-maturity and measured at amortized cost using the effective interest rate method. Any gains and losses arising from the sale of held-to-maturity financial assets are included in net income (loss).

Items classified as loans and receivables are measured at amortized cost using the effective interest method. Any gains or losses on the realization of loans and receivables are included in net income (loss).

Available-for-sale assets are those financial assets that are not classified as held-for-trading, held-to-maturity, or loans and receivables, and are carried at fair value. Any gains or losses arising from the change in fair value are recorded as other comprehensive income. Upon the sale of the available-for-sale asset, cumulative gains and losses arising from the sale are included in net income (loss).

Financial liabilities that are not classified as held-to-maturity are classified as other financial liabilities, and are carried at amortized cost using the effective interest method. Any gains or losses arising from the realization of other financial liabilities are included in net income (loss).

Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as other than held-for-trading are included in the initial carrying value of such instruments. Transaction costs that are directly attributable to the acquisition or issue of financial instruments that are classified as held-for-trading are expensed as incurred.

Other comprehensive income consists of unrealized gains and losses that under GAAP are required to be recognized in a period but excluded from net income for that period. These consolidated financial statements do not contain any other comprehensive income.

Accounting for equity units
Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated entirely to common shares.

Convertible Debt
Proceeds from convertible debt are allocated between the debt and equity component by first allocating the proceeds to the equity component based on its fair value as determined using the Black-Scholes option pricing model with the residual value being allocated to the debt component. The debt component accretes over the term of the debt using the effective interest rate method such that upon maturity the debt balance recorded will equal the maturity value of the remaining outstanding debt. The related financing costs are recorded against the debt and are amortized over the term to maturity. The increase in the debt balance and amortization of related financing costs are reflected as interest, accretion and financing fees on convertible debentures in the consolidated statement of operations. The value of the equity component remains unchanged in future periods except upon conversion when the related debt and equity components are reclassified to capital stock.

Changes in Significant Accounting Policies

Financial instrument disclosures
Effective April 1, 2008 the Company adopted, CICA Handbook Section 3862, "Financial Instruments – Disclosures" and Section 3863, "Financial Instruments – Presentation", which together comprise a complete set of disclosure requirements for financial instruments. Section 3862 requires disclosure of additional detail by financial instruments; Section 3863 requires disclosure of additional detail by financial asset and liability categories. Section 3863 establishes standards for presentation of financial instruments and non-financial derivatives. It deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. As a result of the adoption of this standard, additional disclosures on the risks of certain financial instruments have been included in note 5.

Capital disclosures
Effective April 1, 2008, the Company adopted Section 1535, "Capital Disclosures". This section establishes standards for disclosing information about an entity's capital and how it is managed. As a result of the adoption of this standard, additional disclosures on the Company's capital management strategy have been included in note 15.

Going concern
Effective April 1, 2008, the Company adopted the amendments to Section 1400, "General Standards of Financial Statement Presentation". This section was amended to include requirements to assess and disclose an entity's ability to continue as a going concern. When financial statements are not prepared on a going concern basis, that fact shall be disclosed together with the basis on which the financial statements are prepared and the reason why the Company is not considered a going concern. The Company's accounting policies were already in accordance with the requirements of amended section and there was no effect on the Company's consolidated financial statements.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities
In January 2009, the Emerging Issues Committee (the "EIC") of the CICA issued EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities", which clarifies that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and liabilities, including derivative instruments. EIC-173 is to be applied retrospectively without restatement of prior periods in interim and annual financial statements for periods ending on or after the date of issuance of EIC-173. On the date of adoption, the Company re-measured its financial assets and liabilities as appropriate and there was no impact on the consolidated financial statements arising from the adoption of EIC-173. In accordance with EIC-173, prior period consolidated financial statements have not been restated.

Mining Exploration Costs
In March 2009, the EIC issued EIC-174, "Mining Exploration Costs", which provides guidance on capitalization of exploration costs related to mining properties. It also provides guidance for development and exploration stage entities that cannot estimate future cash flows from its properties in assessing whether impairment in such properties is required. EIC-174 also provides additional discussion on recognition of long-lived assets. EIC-174 is to be applied in interim and annual financial statements for periods ending on or after the date of issuance of EIC-174. The adoption of this section did not have a significant impact on the Company's consolidated financial statements.

Future Accounting Changes

a. *Business combinations*

In January 2009, the CICA issued Section 1582, "Business Combinations", Section 1601, "Consolidations", and Section 1602, "Non-Controlling Interests". These sections replace former CICA Section 1581," Business Combinations" and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary.

Sections 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity. In addition, the definition of a business is expanded and is described as an integrated set of business activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred. Section 1601 establishes standards for the preparation of consolidated financial statements.

These new sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company is currently evaluating the impact of the adoption of these sections.

b. *International Financial Reporting Standards ("IFRS")*

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 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 April 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 March 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.

Directors, Executive Officers and AGM

At the Annual General Meeting of the Company's shareholders which was held on September 15, 2008, the shareholders received the Audited Consolidated Financial Statements for the year ended March 31, 2008 and the Auditor's report thereon; fixed the number of Directors for the ensuing year at six elected Bedo H. Kalpakian, Jacob H. Kalpakian, J. Wayne Murton, Jorge Valente, Rudolf Muller and Aurelio Useche as Directors of the Company; re-appointed the Company's Auditor, Smythe Ratcliffe, Chartered

Accountants, for the ensuing year and authorized the Directors to fix the remuneration to be paid to the Auditor and re-approved the Company's 2007 Stock Option Plan.

Mr. Rudolf Muller ("Mr. Muller") resigned as a Director and Member of the Company's Audit Committee effective as of October 6, 2008. Mr. Jonathan Rich, the Company's Chief Financial Officer ("Mr. Rich") has joined the Company's Board of Directors effective as of October 7, 2008 thus filling the vacancy created by the resignation of Mr. Muller. Mr. Aurelio Useche, ("Mr. Useche") a director of the Company, was appointed on November 10, 2008 to the Company's Audit Committee thus filling the vacancy created by the resignation of Mr. Muller.

Mr. Bedo Kalpakian, President, CEO and Chairman of the Company's Audit Committee resigned from the Company's Board effective as of December 2, 2008. Mr. Nikolas Perrault (Mr. "Perrault") joined the Company's Board in the position of President and CEO thus filling the vacancy created by the resignation of Mr. Bedo Kalpakian. Mr. Perrault was also appointed Chairman of the Company's Audit Committee on December 8th, 2008.

Mr. Jacob Kalpakian resigned from the Company's Board on December 2, 2008.

Mr. Jonathan Rich, CFO, resigned from the Company's Board on May 14, 2009. Mr. Aurelio Useche, a current director assumed the role of CFO.

On July 20, 2009 Mr. David A. Johnson was appointed to the Board of Directors filling the vacancy created by the resignation of Mr. Jonathan Rich.

Advisory Board

The Company formed an Advisory Board which has the function of providing opinions and recommendations for the Company's consideration. On February 8, 2008 Mr. Jean Depatie accepted the Company's proposal and joined Colt's newly formed Advisory Board. In addition to reimbursing Mr. Depatie for travel and out-of-pocket expenses, the Company has granted Mr. Depatie 250,000 stock options exercisable at $0.25 per share for a period of 5 years. Subsequent to the year ended, the Board of Directors appointed Mr. Kevin Ernst on April 9, 2009 and Mr. John D. Redfern on May 28, 2009. Both Mr. Ernst and Mr. Redfern were granted 100,000 stock options exercisable at $0.25 per common share with a term of five years.

Other

Further to the Company's recent listing on the Open Market of the Frankfurt Stock Exchange, the Company has entered into an investor relations support agreement with Investel of Berlin, Germany. Services to be provided to the Company by Investel include: Analyst Report, Newsletter and Marketing Support; Increased Media coverage and Frankfurt Exchange Listing support.

Pursuant to the investor relations support agreement, the Company has agreed to pay Investel 1,000 Euros per month commencing May 25, 2009. Either party may terminate the contract upon one month's written notice. Additionally, the Company has granted to Investel incentive share purchase options to purchase a total of 200,000 common shares at an exercise price of $0.25 per share with a term of two years.

On February 29, 2008, the Company engaged Objective Capital Limited ("Objective Capital") of the UK to provide sponsored research coverage of Colt for an initial term of one year which may be extended annually by mutual consent. The Company is obliged to pay Objective Capital Cdn $40,000 per annum (paid) and is obligated to reimburse Objective Capital for all its reasonable out-of-pocket expenses. As of the date of this MD&A, the Company has not renewed this arrangement.

During 2007, the Company entered into a sub-lease agreement with an arm's length party (the "sub-landlord") in respect to approximately 1,100 square feet of office space which is located in Richmond,

British Columbia for a term of 28 months commencing in January, 2008. This lease has been terminated due to default of the sub-landlord. As of April 1, 2008, the Company signed a lease agreement with the Head Landlord, an arm's length party, for a lease at the existing premises. The Company paid $2,517 per month from April 2008 to September 2008; and the Company will pay $2,543.70 from October 2008 to September 2009 and thereafter the lease payments will be approximately $2,613 per month until the lease expires on April 30, 2010.

Pursuant to a resolution of the Board of Directors, the Company was extra provincially registered in the Province of Quebec and the directors resolved to move the Company's business office to Montreal, Quebec effective as of December 1, 2008. Notwithstanding this development, the Company considered sub-leasing its Richmond office, but after careful review, coupled with the fact that there were no reasonable offers presented, the Company decided to retain its office space in Richmond, BC until the lease expires on April 30, 2010.

The Company is presently not a party to any proceedings.

Convertible Debenture

At June 30, 2009, convertible debentures with a face value of $225,000 (2008 - $375,000) and accrued interest of $33,703 (2008 - $38,920) due June 28, 2010, bearing interest at 10% per annum due at maturity, were outstanding. The debt is convertible into units, each unit consisting of one common share and one share purchase warrant. If converted before June 29, 2008, the conversion price was $0.25 per unit; if converted before June 29, 2009, the conversion price will be $0.30 per unit; and if converted before June 29, 2010, the conversion price will be $0.35 per unit. Each warrant is exercisable to purchase one common share at $0.25 to June 29, 2008, $0.30 to June 29, 2009 and $0.35 to June 29, 2010, expiring on June 29, 2010 (note 10(f) of the corresponding financial statements).

During the three months ended June 30, 2009, $150,000 of principal and $33,703 of interest was redeemed for 609,121 units. The non-equity portion related to this conversion in the amount of $128,280, the equity portion related to this conversion in the amount of $85,639 and accrued interest in the amount of $33,703 were recorded as a reduction in the convertible debenture (notes 10(d) and (f)).

During the year ended March 31, 2009, $1,040,000 of principal and $102,760 of interest was redeemed for 4,571,040 units. The non-equity portion related to this conversion totaling $454,543, the equity portion related to this conversion totaling $593,763, and accrued interest of $102,760 were recorded as a reduction in the convertible debenture (note 9 of the accompanying financial statements).

		June 30, 2009		**March 31, 2009**
Convertible debt, beginning balance	$	287,917	$	692,440
Initial debt portion of convertible debenture		0		0
Finders' fees		0		0
Interest		33,703		152,780
Conversion of debt		(128,280)		(557,303)
Convertible debt	$	193,340	$	287,917
Equity portion of convertible debenture, beginning balance	$	214,097	$	807,860
Initial equity portion of convertible debenture		0		0
Finders' fees		0		0
Equity allocation of conversion		(85,639)		(593,763)
Equity portion of convertible debenture	$	128,458	$	214,097

Non-Brokered Private Placement Financings

Reporting Period:

The Company announced a non-brokered private placement on June 15th and June 18th, 2009 whereby the Company would proceed with a financing consisting of up to 9,000,000 Units at $0.11 per Unit for gross proceeds of $990,000. Each Unit consists of one common share and one half of one warrant. Each whole warrant is exercisable at $0.15 per share on or before June 30, 2011. As of the date of this MD&A, the Company has issued 4,020,908 Units for gross proceeds of $442,300. The funds are allocated for exploration and general working capital.

Previous Periods:

The Company announced on July 3, 2008 that it intends to proceed with a non-brokered private placement consisting of up to 20,000,000 units at a price of $0.25 per unit to raise gross proceeds of up to $5,000,000. Each unit consists of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one common share at a price of $0.30 per share for a period of thirty-six months from closing. The Company intends to use the proceeds for exploration expenditures on the Company's mineral property interests and for general working capital purposes. The Company may pay finder's fees in cash of up to 8% of the proceeds, along with finder's warrants entitling the finder to purchase that number of units of the Company as is equal to 8% of the number of units placed by the finder. The finder's warrants will be exercisable at a price of $0.25 per unit and will expire twelve months after closing. The units issuable on exercise of the finder's warrants will consist of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one common share at a price of $0.30 per share for a period of three years from the date of issuance of the finder's warrants. On July 30, 2008, the Company issued 900,000 units at $0.25 per unit for gross proceeds of $225,000 (the "First Closing"). On December 1, 2008, the Company issued 460,000 units at $0.25 per unit for gross proceeds of $115,000 (the "Second Closing"). On March 3, 2009, the Company issued 300,000 units at $0.25 per unit for gross proceeds of $75,000 (the "Third and Final Closing"). Each unit consists of one common share and one share purchase warrant to purchase an additional share at $0.30 for a period of 36 months from closing. No Finder's fees were paid relative to these issuances.

Pursuant to the private placement announced on August 19, 2008 whereby the Company would proceed with a non-brokered private placement of up to 65,000 flow-through units at a price of $2.50 per Unit in order to raise gross proceeds of up to$162,500, the Company closed on September 29, 2008, the first and final tranche of this private placement financing and issued 60,800 flow-through Units at $2.50 per Unit for gross proceeds of $152,000. Each Unit consists of 9 (nine) flow-through common shares, 1 (one) non flow-through common share and 10 (ten) share purchase warrants. Each warrant entitles the holder to purchase one non flow-through common share at a price of $0.35 per share until 4:00 pm Vancouver time on September 28, 2009. In respect to this financing, an 8% finder's fee of $12,160 was paid in cash to an arm's length party (the "Finder") and 48,640 Finder's compensation warrants were issued to the Finder entitling the Finder to purchase that number of non flow-through Units of the Company as is equal to 8% of the number of shares placed by the Finder. The Finder's compensation warrants are exercisable at a price of $0.25 per Unit until 4:00 pm Vancouver time on September 28, 2009. The Units, issuable on exercise of the Finder's compensation warrants consist of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.35 per share until 4:00 pm Vancouver time on September 28, 2009.

Pursuant to the private placement announced on October 10, 2008 whereby the Company would proceed with a non-brokered private placement consisting of up to 30,000 flow-through units at a price of $2.50 per unit to raise gross proceeds of up to $75,000, the Company closed on December 1, 2008, the first and final tranche of this private placement financing and issued 18,200 flow-through Units at $2.50 per Unit for gross proceeds of $45,500. Each unit consists of 9 (nine) flow-through common shares, 1 (one) non flow-through common share and 10 (ten) share purchase warrants. Each warrant will entitle the holder to purchase one common share at a price of $0.35 per share for a period of twelve months from the closing date of the Private Placement. In respect to this financing, an 8% finder's fee of $3,640 was paid in cash

to an arm's length party (the "Finder") and 14,560 Finder's compensation warrants were issued to the Finder entitling the Finder to purchase that number of non flow-through Units of the Company as is equal to 8% of the number of shares placed by the Finder. The Company intends to use the flow-through portion of the proceeds for exploration expenditures on the Company's mineral prospects in the Province of Quebec, Canada.

Stock Options

The Company has a stock option plan under which officers, directors, employees and consultants are eligible to receive stock options. The total number of common shares reserved under option for issuance may not exceed 20% of the common shares outstanding.

At June 30, 2009, the following stock options are outstanding. Each option entitles the holder to purchase one common share at the exercise price per common share with the following expiry date:

Expiry Date	Exercise Price	Number of Options 2009	**2008**
March 19, 2011	$ 0.25	100,000	0
February 22, 2012	$ 0.25	53,160	433,160
March 19, 2013	$ 0.25	1,123,420	1,572,451
April 8, 2014	$ 0.25	1,076,580	0
May 25, 2011	$ 0.25	200,000	0
May 28, 2014	$ 0.25	100,000	0
Total stock options outstanding and exercisable	$ 0.25	2,653,160	2,005,611

During the three months ended June 30, 2009, a total of 1,376,580 additional stock options exercisable at $0.25 per share were granted to Directors, Officers and Consultants with various expiry dates. In addition, a total of 500,000 stock options exercisable at $0.25 expired on June 30, 2009.

If any stock options are exercised, then all funds received by the Company shall be used for general working capital purposes. However, there are no assurances whatsoever that any stock options will be exercised prior to their respective expiry dates.

Warrants Issued

Reporting Period

During the three month period ended June 30, 2009, the Company issued 609,121* warrants pursuant to the conversion of one debenture.

At June 30, 2009, the following warrants are outstanding. Each warrant entitles the holder to purchase one common share or unit at the exercise price per common share or unit with the following expiry date:

Expiry Date	Exercise Price	Number of Warrants **2009**	**2008**
December 30, 2008	$0.25	-	310,720
September 28, 2009	$0.25	48,640	-
September 28, 2009	$0.30	608,000	-
November 27, 2009	$0.25	4,960	-
November 27, 2009	$0.35	62,000	
December 30, 2009	$0.25	9,600	-
December 30, 2009	$0.35	120,000	

Expiry Date	Exercise Price	Number of Warrants 2009	2008
December 30, 2010	$0.30	3,908,000	3,908,000
June 29, 2010*	$0.35	5,391,291	211,130
July 30, 2011	$0.30	900,000	-
November 30, 2011	$0.30	460,000	-
March 3, 2012	$0.30	300,000	-
Total warrants outstanding and exercisable		11,812,491	4,429,850

* *The 4,782,170 (2008 – 211,130) warrants expiring June 29, 2010 were exercisable at $0.25 per share until June 29, 2008 and are exercisable at $0.30 per share until June 29, 2009 and at $0.35 per share until June 29, 2010*

* * *The Units, issuable on exercise of the Finder's compensation warrants at $0.25 per Unit will consist of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one common share at a price of $0.35 per share for one year commencing on the date the respective Finder's Compensation warrants were issued*

If any warrants are exercised, then all funds received by the Company shall be used for general working capital purposes. However, there are no assurances whatsoever that any warrants will be exercised prior to their respective expiry dates.

As of June 30, 2009, there are a total of 11,812,491 share purchase warrants outstanding.

Subsequent to the three month period ended June 30, 2009, the Company issued 2,010,454 warrants pursuant to a private placement announced June 18, 2009. Each whole warrant is exercisable at $0.15 per share until June 30, 2011.

Previous Periods

During the year ended March 31, 2008, the Company issued 3,908,000 share purchase warrants to various investors exercisable at $0.30 per share for a period of 36 months and 310,720 finders' warrants exercisable at $0.30 per share for a period of 12 months. In addition, the Company issued 211,130 share purchase warrants to one investor exercisable at $0.25 per share if exercised on or before June 28, 2008, at $0.30 per share if exercised on or before June 28, 2009 and at $0.35 per share if exercised on or before June 28, 2010.

During the year ended March 31, 2009, the Company issued an aggregate of 4,571,040 share purchase warrants to several investors exercisable at $0.25 per share if exercised on or before June 28, 2008, at $0.30 per share if exercised on or before June 28, 2009 and at $0.35 per share if exercised on or before June 28, 2010.

Pursuant to the non-brokered private placement of Units announced on July 3, 2008, the Company issued during the year ended March 31, 2009, an aggregate of 1,660,000 warrants exercisable at $0.30 per share for a period of 36 months with various expiry dates. There were no finder's warrants issued with respect to this private placement.

Pursuant to the flow-through offering announced on August 19, 2008, and October 2, 2008, the Company issued an aggregate of 790,000 warrants exercisable at $0.35 per common share for a period of one year from issuance and 63,200 Finder's compensation warrants exercisable at $0.25 per Unit for a period of twelve months. The Units, issuable on exercise of the Finder's compensation warrants will consist of one common share and one share purchase warrant.

Transactions with Related Parties

(a) On January 1, 2008, the Company entered into an agreement with Mountain Capital Inc. ("MCI"), a party related by certain common directors and officers, whereby MCI paid the Company $1,575 per month for office rent and office services. Effective as of October 1, 2008, MCI terminated its office rent and office services arrangement with the Company. During the three months ended June 30, 2009, a total of $nil was charged to MCI (June 30, 2008: $1,575). At June 30, 2009, $Nil was due from MCI (June 30, 2008: $1,575). During the year ended March 31, 2009 a total of $9,000 (2008 - $4,500) was charged to MCI for office rent and office services.

(b) On September 8, 2006, the Company entered into an option agreement for the Extra High Property with Kokomo, a company related by certain common directors and officers. This agreement was subsequently amended on October 31, 2006 and June 14, 2007. The terms of the agreement were completed in full on June 26, 2007.

On January 21, 2008, the Company entered into an option agreement for the Extra High Property with Kokomo which terminated on December 31, 2008.

During the year ended March 31, 2009, the Company has paid Kokomo a total of $Nil (2008: $310,000) for the acquisition of the Extra High Property.

(c) Mr. Jorge Valente, a director and the Chief Operating Officer of Colt who is also President and Chief Executive Officer of Eurocolt, the Company's wholly-owned Portuguese subsidiary receives a monthly fee of $7,500. For the three months ended June 30, 2009, the Company accrued $22,500 in relation to these services (June 30, 2008: $22,500). All related costs were capitalized against mineral property interests during the year. The Company reimburses him for all out-of-pocket expenses. At June 30, 2009, $42,798 was owed to the related party.(June 30, 2008: $8,523)

(d) Mr. J. Wayne Murton, a director of the Company charges the Company a fee of $500 per day for geological services whenever his services are required by the Company and the Company reimburses him for all out-of-pocket expenses. During the three months ended June 30, 2009, the Company accrued $1,250 in relation to these services (June 30, 2008: $11,188). All related costs were capitalized against mineral property interests during the period. At June 30, 2009, $4,011 was owed to the related party (June 30, 2008: $8,523).

(e) Mr. Jonathan Rich, a former director and Chief Financial Officer of the Company charged the Company a fee of $6,250 per month for his services, pursuant to his contract with the Company. During the three months ended June 30, 2009, the Company accrued $16,000 which was allocated to consulting fees (June 30, 2008: $18,750). At June 30, 2009, $46,447 was owed to the related party (June 30, 2008: $6,563).

(f) The Company entered into a Management Services Agreement dated November 1, 2007 with Kalpakian Bros. of B.C. Ltd. ("Kalpakian Bros."), a private British Columbia corporation equally owned by Mr. Jake Kalpakian and Mr. Bedo Kalpakian, two former directors of the Company. On December 1, 2008, the Company terminated the Management Services Agreement and provided the required 3 months written notice to Kalpakian Bros. At June 30, 2009 $31,500 was owed to the related party (June 30, 2008: $nil).Subsequent to June 30, 2009, the Company paid $10,000 to Kalpakian Bros.

(g) Mr. Nikolas Perrault, a director and Chief Executive officer ("CEO") of the Company charged the Company a fee of $10,000 per month for his services as CEO. The Company reimburses him for all out-of-pocket expenses. During the three months ended June 30, 2009, the Company accrued $ 42,798, which was allocated to consulting fees (June 30, 2008: $nil). At June 30, 2009 $101,748 was owed to the related party (June 30, 2008: $nil).

(h) Mr. Aurelio Useche, a director and Chief Financial Officer ("CFO") of the Company charged $20,288 for consulting services (June 30, 2008: $nil). The Company reimburses him for all out-of-pocket expenses. At June 30, 2009, $Nil was owed to the director in relation to these services (June 30, 2008 - $nil).

(i) During the three months ended June 30, 2009, the Company entered into a loan agreement for a loan of $75,000 from the parents of the CEO bearing interest at 10% per annum if paid in full by November 19, 2009, otherwise bearing interest at 12% per annum due January 19, 2010

(j) Private placements made by related parties :-

i. During the year ended March 31, 2008, the Company issued 100,000 Units of the Company at $0.25 per Unit to Mr. Jonathan Rich, CFO of the Company, for total proceeds to the Company of $25,000 pursuant to the Units Offering in December, 2007. Each Unit consists of one common share and one share purchase warrant exercisable at $0.30 per share for 36 months.

ii. During the year ended March 31, 2008, the Company issued 40,000 Units at $0.25 per Unit to Mr. Aurelio Useche, a director of the Company, for total proceeds to the Company of $10,000 pursuant to the Units Offering in December, 2007. Each Unit consists of one common share and one share purchase warrant exercisable at $0.30 per share for 36 months.

iii. During the year ended March 31, 2008, the Company issued $25,000 in Convertible Debentures to each of Bedo H. Kalpakian and Jacob H. Kalpakian, directors of the Company. During the three month period ended June 30, 2008, both Directors converted their $25,000 debentures and the Company issued to each Director 220,673 common shares and 220,673 warrants, Each warrant is exercisable at $0.25 per share if exercised on or before June 28, 2008, at $0.30 per share if exercised on or before June 28, 2009 and at $0.35 per share if exercised on or before June 28, 2010.

iv. Subsequent to the three months ended June 30, 2009, the Company (pursuant to the Units Offering dated June 18, 2009) issued to Mr. Aurelio Useche's RRSP 136,363 shares at $0.11 per share and 68,151 warrants with an exercise price of $0.15 per share until June 30, 2011 for total proceeds to the Company of $15,000.

v. Subsequent to the three months ended June 30, 2009, the Company issued (pursuant to the Units Offering dated June 18, 2009) to ZVS Investments, a company owned by Mr. Aurelio Useche, 172,727 shares at $0.11 per share and 86,363 warrants with an exercise price of $0.15 per share until June 30, 2011 for total proceeds to the Company of $19,000.

vi. Subsequent to the three months ended June 30, 2009, the Company (pursuant to the Units Offering dated June 18, 2009) issued to Tidalwave Capital Inc. a company owned by Mr. Nikolas Perrault 800,000 shares at $0.11 per share and 400,000 warrants with an exercise price of $0.15 per share until June 30, 2011 for total proceeds to the Company of $88,000.

Trends

Due to the current worldwide adverse market conditions, commodity prices have declined significantly. Should market conditions not improve or should market conditions continue to deteriorate, then commodity prices shall most likely decline further or remain stagnant. As a result, companies such as Colt may experience difficulties in raising funds.

Financial Instruments

(a) Financial instruments

The Company's financial instruments consist of cash and cash equivalents, performance bonds, accounts payable and accrued liabilities, amounts due to/from related parties and convertible debenture. The Company has designated its cash and cash equivalents as held-for-trading; interest receivable and amounts due from related party as loans and receivables; performance bonds as held-to-maturity; and accounts payable and accrued liabilities, due to related parties and convertible debenture as other liabilities.

(b) Fair value

The fair values of the Company's cash and cash equivalents, performance bonds and accounts payable and accrued liabilities approximate their fair values because of the short-term maturity of these financial instruments. The fair value of cash and cash equivalents includes the balance of interest receivable.

The Company's convertible debenture is segregated into its debt and equity components at the date of issue, in accordance with the substance of the contractual agreements. The value of the conversion option makes up the equity component of the instrument and was recorded upon initial recognition using the Black-Scholes option pricing model. The debt component of the instrument was recorded at initial recognition using the residual approach and is carried at amortized cost using the effective interest method. The carrying value of the equity component remains unchanged in future periods except upon conversion when the related debt and equity components are reclassified to capital stock.

(c) Interest rate risk

The Company's cash and cash equivalents generally consist of cash held in bank accounts and term deposits that earn interest at variable interest rates. 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 purchasing highly liquid, short-term investments from major financial institutions. At June 30, 2009, cash and cash equivalents consist entirely of cash held in bank accounts; therefore, fluctuations in market rates do not have an impact on estimated fair values at year-end.

The convertible debenture is not subject to significant interest rate risk. Management considers the interest rate risk to be limited.

(d) Credit risk

The Company is exposed to credit risk with respect to cash and cash equivalents and performance bonds. The risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages credit risk by maintaining cash and cash equivalents and performance bonds with major financial institutions.

At June 30, 2009, the Company's maximum exposure to credit risk is as follows:

Cash held in bank accounts	$	5,946
Performance bonds		133,600
	$	153,418

The Company is not exposed to concentration of credit risk with respect to cash and cash equivalents or performance bonds as the amounts are held with major financial institutions in Canada and Portugal.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in obtaining funds to meet financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows used in operations and exploration activities, anticipated from investing and financing activities, and taking into account the Company's holdings of cash and cash equivalents.

As at June 30, 2009, the Company has cash and cash equivalents of $5,946 and a working capital deficiency of $457,785. Accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms, amounts due to related parties are due on demand and convertible debenture is due at maturity on June 28, 2010. The Company will require additional equity financing to meet its existing obligations as well as administrative overhead costs and planned exploration activities on its mineral property interests in fiscal 2010. While the Company has been successful in raising debt and equity funds in the past, there exists uncertainty whether it will be able to raise sufficient funds in the future

(f) Foreign Currency Risk

The Company operates in Canada and Portugal. The Company is exposed to foreign currency risk to the extent that financial instruments are denominated in European Euros.

As at June 30, 2009, financial instruments held by the Company denominated in European Euros of €80,000 consisting of performance bonds. As at June 30, 2009, CDN$1.67 equaled €1.00 and varied up to 10% in each direction during the year. At June 30, 2009 a fluctuation in exchange rate of 10% would affect net loss by $13,360.

The Company has not entered into any foreign currency contracts to mitigate the risk.

(g) Capital risk 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 development of its mineral property interests. In the management of capital, the Company includes the components of shareholders' equity as capital. 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, option its mineral property interests for cash and/or expenditures or dispose of assets.

<u>Disclosure over Internal Controls</u>

Disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), on a timely basis so that appropriate decisions can be made regarding public disclosure. As at June 30, 2009, the CEO and CFO have evaluated the effectiveness of the Company's DC&P as defined in Multilateral Instrument 52-109 of the Canadian Securities Administrators and have concluded that such controls and procedures are effective and provide reasonable assurance that material information relating to the Company, was made known to them and reported as required, particularly during the period in which the annual filings were being prepared.

Upon completion of the Company's Audit for the year ended March 31, 2009, the Auditors determined that all transactions were diligently and accurately accounted for.

Internal Controls Over Financial Reporting ("ICFR")

Management is responsible for the design of internal controls over financial reporting within the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. Management has evaluated the design of the Company's ICFR as of the end of the period covered by the annual filings and believes the design to be sufficient to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes. There have been no significant changes to the Company's internal control environment during the three months ended June 30, 2009 that would have materially affected the Company's internal controls over financial reporting.

Convergence with International Financial Reporting Standards ("IFRS")

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 April 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 March 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.

The Company is completing a preliminary diagnostic and developing an IFRS conversion implementation plan, which includes a detailed assessment of the impact of the conversion on the consolidated financial statements and related disclosures. The plan also considers the impact of the conversion of the Company's information technology systems, internal controls over financial reporting, performance measurement systems, disclosure controls and procedures and other business activities that may be influenced by GAAP measurements.

The Company is currently performing an analysis of the significant IFRS-GAAP differences with respect to the Company's financial statements and disclosures. The Company will quantify the potential effect of these differences as part of the conversion implementation plan.

Off-balance sheet arrangements

The Company has not entered into any off-balance sheet arrangements as of the date of this MD&A.

Financial instruments

The Company does not use financial derivatives.

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares with no par value of which 18,824,884 common shares are outstanding as of June 30, 2009 (2008: 14,599,096).

As of June 30, 2009, there are no common shares held in escrow (2008: Nil).

Authorized share capital as of the date of this MD&A:

Unlimited number of common voting shares
Unlimited number of preferred shares, issuable in series

Outstanding Share Data	Number of Common Shares	Number of Preferred Shares	Exercise Price per Common Share	Expiry Date
Issued and Outstanding as at August 28, 2009	**22,845,792**	**Nil**	**n/a**	**n/a**
Stock Options	**53,160** **1,123,420** **100,000** **1,076,580** **200,000** **100,000**	**n/a** **n/a** **n/a** **n/a** **n/a** **n/a**	**$ 0.25** **$ 0.25** **$ 0.25** **$ 0.25** **$ 0.25** **$ 0.25**	**Feb 22, 2012** **March 19, 2013** **March 19, 2011** **April 8, 2014** **May 25, 2011** **May 28, 2014**
Warrants	**608,000** **62,000** **120,000** **300,000**	**n/a** **n/a** **n/a** **n/a**	**$ 0.35** **$ 0.35** **$ 0.35** **$0.30**	**Sept 28, 2009** **Nov 27, 2009** **Jan 4, 2010** **March 3, 2012**
Finder's Compensation Warrants [3]	[3] **48,640** [3] **4,960** [3] **9,600**	**n/a** **n/a** **n/a**	**$ 0.25** **$ 0.25** **$ 0.25**	**Sept 28, 2009** **Nov 27, 2009** **Jan 4, 2010**
Warrants	**900,000** **460,000** **3,908,000** **1,669,545**	**n/a** **n/a** **n/a** **n/a**	**$ 0.30** **$ 0.30** **$ 0.30** **$0.15**	**July 30, 2011** **Nov 30, 2011** **Dec 30, 2010** **June 30, 2011**
	340,909	**n/a**	**$0.15**	**June 30, 2011**
Warrants issued pursuant to conversion of debenture	[1] **5,391,291**	**n/a**	**See foot note [1] below**	**June 29, 2010**
Sub Total	**38,299,170**	**Nil**	**n/a**	**n/a**
Convertible Debentures outstanding ($225K) [1] **- Shares** [2] **- Warrants**	[2] **878,409** [2] **878,409**	**n/a**	**See foot note [1] below**	**See foot note [1] below**
Fully Diluted as at August 28, 2009 including remaining Convertible Debentures [2]	**41,078,715**	**Nil**	**n/a**	**n/a**

(1) **$1,465,000 in Convertible Debentures issued on June 29, 2007 at an interest rate of 10% compounded monthly. At any time following September 29, 2007 but on or prior to June 28, 2010 (" the Term"), all or part of the Principal Amount together with all accrued interest thereon may, at the option of the Holder, be converted into Units, each Unit consisting of one Common Share ("Common Share") and one Warrant (the "Warrant") of the Company on the basis of one Unit for each: $.30 if converted on or after June 29, 2008 but prior to June 29, 2009, and $.35 if converted on or after June 29, 2009 but prior to June 29, 2010, of Principal Amount together with interest thereon (the "Conversion Price"). Each Warrant included in the Unit will entitle the Holder to purchase one Common Share of the Company until Term, at which time the Warrant shall expire. Each Warrant is exercisable at a price of: $.30 if exercised on or after June 29, 2008 but prior to June 29, 2009, and $.35 if exercised on or after June 29, 2009, but prior to June 29, 2010.**

(2) **Shares and Warrants issuable pursuant to $225,000 Convertible debentures outstanding as at July 29, 2009.**

(3) **The Units, issuable on exercise of the Finder's compensation warrants at $0.25 per Unit will consist of one common share and one share purchase warrant. Each warrant will entitle the holder to purchase one common share at a price of $0.35 per share for a period of one year from issuance.**

Subsequent to June 30, 2009:

(a) the Company announced on June 18, 2009 that it would proceed to offer up to 9,000,000 units at $0.11 per unit for gross proceeds of up to $990,000. On July 15 and 31st, 2009 respectively, the Company closed the first and second tranches and issued a total of 4,020,818 units for gross proceeds of $442,300. Each Unit consists of one share and one half warrant. Each whole warrant is exercisable at $0.15 per share until June 30, 2011;

(b) The Company's directors appointed Mr. David A. Johnson to the Board effective as of July 20, 2009 filling the vacancy created by the resignation of Mr. Jonathan Rich on May 14, 2009.

Outlook

Management is looking forward to the exploration and, if warranted, the development of the Company's mineral property interests.