

Baja Mining Corp.

Interim Consolidated Financial Statements - Unaudited
March 31, 2009
(expressed in thousands of Canadian dollars)

Baja Mining Corp.

Interim Consolidated Statements of Operations, Comprehensive Loss and Deficit - Unaudited For the three-month periods ended March 31, 2009 and 2008

(expressed in thousands of Canadian dollars, unless stated otherwise)

	2009	2008
Expenses		
Amortization and accretion	200	26
General and administration	169	290
Management and directors fees (note 10)	55	57
Professional and consulting fees	212	157
Research	34	-
Shareholders information	178	146
Stock-based compensation (note 9 (e))	165	39
Wages and subcontract	211	220
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Loss before other items	(1,224)	(935)
Foreign exchange gain (loss)	281	(24)
Gain on disposition of property, plant and equipment	-	307
Finance and development costs expensed	(785)	-
Interest income and other	99	281
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Loss and comprehensive loss for the period	(1,629)	(371)
Deficit – Beginning of period	(80,850)	(78,556)
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Deficit – End of period	(82,479)	(78,927)
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Basic and diluted loss per share for the period	(0.01)	(0.00)
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Weighted average number of shares outstanding – basic and diluted	143,064,337	141,581,076
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See accompanying notes to the consolidated financial statements.

Baja Mining Corp.

Interim Consolidated Statements of Changes in Shareholders' Equity - Unaudited For the three-month period ended March 31, 2009 and the year ended December 31, 2008

(expressed in thousands of Canadian dollars, unless stated otherwise)

	2009	2008
Share capital		
Balance – beginning of period	109,611	105,841
Shares issued on exercise of warrants	-	2,450
Fair value of warrants exercised	-	1,122
Shares issued on exercise of stock options	-	116
Fair value of stock options exercised	-	82
	<hr/>	<hr/>
Balance – end of period	109,611	109,611
Share purchase warrants		
Balance – beginning of period	16,077	17,199
Fair value of shares issued on exercise of warrants	-	(1,122)
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Balance – end of period	16,077	16,077
Contributed Surplus		
Balance – beginning of period	89,349	6,745
Fair value of stock options granted	280	1,542
Fair value of stock options exercised	-	(82)
Contribution relating to funding of mineral property costs	-	69,380
Contribution relating to refundable deposit liability	-	1,387
Contribution relating to loans from non-controlling interest	-	10,377
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Balance – end of period	89,629	89,349
Deficit		
Balance – beginning of period	(80,850)	(78,557)
Loss for the period	(1,629)	(2,293)
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Balance – end of period	(82,479)	(80,850)
Total Shareholders' Equity	<hr/>	<hr/>
	132,838	134,187

See accompanying notes to the consolidated financial statements.

Baja Mining Corp.

Interim Consolidated Statements of Cash Flows - Unaudited For the three-month periods ended March 31, 2009 and 2008

(expressed in thousands of Canadian dollars, unless stated otherwise)

	2009	2008
Cash flows from operating activities		
Loss for the period	(1,629)	(371)
Items not affecting cash		
Amortization	60	26
Accretion of refundable deposit liability	131	-
Accretion of asset retirement obligation	9	-
Gain on disposition of property, plant and equipment	-	(307)
Stock-based compensation expense	165	39
Finance and development costs expensed	785	-
Unrealized foreign exchange	1,217	28
	<hr/>	<hr/>
	738	(585)
Net changes in working capital balances		
Amounts receivable	413	(172)
Deposits and prepaids	(806)	(893)
Accounts payable and accrued liabilities	(644)	(148)
Special warrants liability payment	(406)	-
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	(705)	(1,798)
Cash flows from investing activities		
Redemption of short term deposits	-	14,655
Mineral properties and related deferred costs, net	(10,016)	(11,417)
Disposition of property, plant and equipment	-	350
Acquisition of property, plant and equipment	(103)	(121)
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	(10,119)	3,467
Cash flows from financing activities		
Net proceeds from issuance of common shares	-	2,006
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	-	2,006
(Decrease) increase in cash and cash equivalents	(10,824)	3,675
Cash and cash equivalents - Beginning of period	59,235	1,043
Cash and cash equivalents - End of period	<hr/>	<hr/>
	48,411	4,718
Supplemental cash flow information (note 13)		

See accompanying notes to the consolidated financial statements.

Baja Mining Corp.

Notes to the Interim Consolidated Financial Statements - Unaudited
March 31, 2009

(expressed in thousands of Canadian dollars, unless stated otherwise)

1 Nature and continuance of operations

Baja Mining Corp. (“the Company”) was incorporated on July 15, 1985 under the Company Act of British Columbia. The Company’s primary focus is the development of the El Boleo copper-cobalt-zinc-manganese deposit (the “Boleo Project”) located near Santa Rosalia, Baja California Sur, Mexico. The Company is a reporting issuer in British Columbia and began trading on the Toronto Stock Exchange as of February 7, 2007 (previously listed on the TSX Venture Exchange) and the Frankfurt Stock Exchange as of March 3, 2006. Effective April 20, 2004, the Company completed a business combination with Mintec International Corporation (now known as Mintec Processing Ltd. “Mintec”) through a reverse takeover.

On May 29, 2007, the Company received the results of the Definitive Feasibility Study (“DFS”), prepared by Bateman Engineering Inc. (“Bateman”) on the economic and technical viability of the Boleo Project and, due to the positive results of the DFS, the Project has moved from the exploration stage to the development stage.

On June 30, 2008 the Company entered into an agreement with a Korean Consortium, whereby a 30% interest in Minera y Metalurgica del Boleo, S.A. de C.V. (“MMB”) was transferred to a Korean Consortium. In exchange the Company obtained cash proceeds of \$91,538 and other contingent consideration, thus securing a portion of the funding required for the Boleo Project capital costs (notes 6 and 8).

On October 29, 2008, the Company elected to slow down the development and delay construction of the Boleo Project as a result of the impact of the current global financial crisis on short term metal prices and hedging prices, coupled with an effective shutdown of the global bank syndication and equity markets. The recoverability of the Company’s investment in its mineral properties is dependent upon the Company’s ability to complete sufficient debt financing, equity financing and the ability to generate profitable operations in the future (see note 14).

2 Summary of significant accounting policies

Basis of presentation

These financial statements are presented in Canadian dollars and have been prepared in accordance with Canadian generally accepted accounting principles for interim reporting and do not include all the disclosures included in the Company’s annual consolidated financial statements. These consolidated financial statements include the accounts of the Company and its subsidiaries. The Company’s significant subsidiaries are Mintec Processing Ltd. and its wholly owned subsidiary, Invebaja, SA de CV and its 70% owned subsidiaries Desarrollos y Servicios Costeos, SA de CV, Servicios y Desarrollos Meseta Central, SA de CV and MMB, which holds the mineral property rights to the Boleo Project. All significant inter-company transactions and balances have been eliminated.

Accordingly, the accounting policies followed by the Company are set out in Note 2 of the audited consolidated financial statements for the year ended December 31, 2008, and have been consistently followed in the preparation of these consolidated financial statements except that the Company has adopted the following CICA standards:

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(expressed in thousands of Canadian dollars, unless stated otherwise)

2 Summary of significant accounting policies (continued)

- i) CICA Handbook Section 3064, "Goodwill and Intangible Assets", replaces Section 3062, "Goodwill and Intangible Assets," and CICA Section 3450, "Research and Development Costs," and EIC-27, "Revenues and Expenditures During the Pre-operating Period". The new Section also caused amendments to Accounting Guideline (AcG) 11, "Enterprises in the Development Stage," and CICA Section 1000, "Financial Statement Concepts." The Standard reinforces the principle-based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition; and clarifies the application of the concept of matching revenues and expenses such that the current practice of recognizing assets that may not meet the definition and recognition criteria are eliminated. The standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets, whether separately acquired or internally developed.

It was determined that the adoption of this standard did not have a material impact on the consolidated financial statements of the Company.

- ii) Emerging Issues Committee Abstract EIC 173, "Credit Risk and the Fair Value of Financial Assets and Liabilities" was adopted effective January 20, 2009. The EIC determines that counterparty credit risk and an entity's own credit risk should be taken into account in estimating the fair value of financial assets and liabilities, including derivatives. It was determined that this Abstract did not have a material impact on the consolidated financial statements of the Company, as the previously recognized fair values of financial assets and liabilities reflected an appropriate measure of the parties' credit risk.
- iii) Emerging Issues Committee Abstract EIC 174, "Impairment Testing of Mineral Exploration Properties" was adopted effective February 28, 2009. The EIC provides guidance on the appropriateness of capitalizing exploration costs prior to establishing mineral reserves and also provides additional guidance to evaluating capitalized exploration costs for possible impairment. The adoption of this Abstract did not have any impact on the Company's consolidated financial statements since it is the Company's accounting policy to expense exploration costs incurred on any properties in the pre-feasibility stage.

Comparative figures

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

3 Short term deposits

The Company has invested in one year guaranteed term deposits with its Canadian bank at fixed interest rates established at the time of investment. All deposits mature within one year of March 31, 2009.

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(expressed in thousands of Canadian dollars, unless stated otherwise)

4 Mineral properties

Boleo Project details, acquisition and deferred costs from June 1, 2007 are as follows:

	Mar. 31, 2009	Dec. 31, 2008
Land	735	735
Mining concessions	225	166
Deferred development costs		
Stock based compensation	1,041	926
Accretion of special warrant liability	214	186
Accretion of loans from non-controlling interest	216	139
Amortization	355	264
Asset retirement obligation capitalized	832	832
Engineering	31,158	30,807
Site work	32,275	31,304
Construction in progress – Acid plant	13,631	13,162
Construction in progress – Equipment	38,264	31,530
Construction in progress – Other	1,795	1,804
Salary, consulting, financing and other costs	16,065	14,507
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Total at cost	136,806	126,362

5 Property, plant and equipment

	Mar. 31, 2009		
	Cost	Accumulated amortization	Net
Computer equipment and software	578	(426)	152
Leasehold improvements	149	(92)	57
Machinery and equipment	1,313	(264)	1,049
Mining equipment	86	(86)	-
Office equipment and furniture	224	(116)	108
Transportation equipment	877	(166)	711
Buildings	647	(63)	584
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	3,874	(1,213)	2,661

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Notes to the Interim Consolidated Financial Statements - Unaudited
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5 Property, plant and equipment (continued)

			Dec. 31, 2008
	Cost	Accumulated amortization	Net
Computer equipment and software	566	(381)	185
Leasehold improvements	149	(85)	64
Machinery and equipment	1,313	(233)	1,080
Mining equipment	86	(86)	-
Office equipment and furniture	224	(107)	117
Transportation equipment	877	(115)	762
Buildings	556	(55)	501
	<u>3,771</u>	<u>(1,062)</u>	<u>2,709</u>

6 Refundable deposit liability

Included in the cash proceeds received from the transaction with the Korean Consortium (notes 1 and 8), is a refundable deposit liability of US\$10,000, which is refundable to the Korean Consortium should a decision be made not to produce manganese from the Boleo Project. Alternatively, additional consideration may be paid to the Company of approximately US\$13,000 upon a positive decision related to the production of manganese. This decision must be made by the Company on the later of final economic completion of the Boleo Project or May 30, 2011.

	Face value	Amount recognized	Amount recognized
	US\$	US\$	Cdn\$
Balance - December 31, 2008	10,000	8,923	10,904
Accretion of discounted liability for the period	-	105	131
Unrealized foreign exchange loss for the period	-	-	342
	<u>10,000</u>	<u>9,028</u>	<u>11,377</u>

Baja Mining Corp.

Notes to the Interim Consolidated Financial Statements - Unaudited March 31, 2009

(expressed in thousands of Canadian dollars, unless stated otherwise)

6 Refundable deposit liability (continued)

At March 31, 2009, the Company estimated the fair value of the refundable deposit liability at \$9,986 (face value of US\$10,000) based on an estimated discount rate of 12% applied through the remaining 26 months to May 30, 2011. The discount rate was estimated by management taking into account:

- an element of the cost of borrowing;
- the marginal rates charged on similar instruments, plus an adjustment for the specific risks relating to the refundable deposit liability as viewed at March 31, 2009, considering that the liability is unsecured;
- the credit risk of MMB and the Korean Consortium respectively.

The exchange rate applied in the valuation at March 31, 2009 was US\$0.7893/\$1.00.

7 Environmental liabilities

	Mar. 31, 2009	Dec. 31, 2008
Special warrants liability (note 7 (a))	713	1,074
Asset retirement obligation (note 7 (b))	843	834
	<u>1,556</u>	<u>1,908</u>
Less – current portion	<u>(1,010)</u>	<u>(1,036)</u>
Long-term balance	<u>546</u>	<u>872</u>

- a) On February 4, 2009, the Company made the first of three payments of US\$333 to the Commission of Natural Protected Areas (CONANP), Bank Monex and Ecobanca.

	Amount US\$	Discounted US\$	Discounted Cdn\$
Balance - December 31, 2008	1,000	877	1,074
Accretion of discounted liability for the period	-	22	28
Unrealized foreign exchange loss for the period	-	-	17
Less - Repayment	<u>(333)</u>	<u>(333)</u>	<u>(406)</u>
Balance – March 31, 2009	667	566	713
Less – current portion	<u>(333)</u>	<u>(300)</u>	<u>(378)</u>
Long term balance – March 31, 2009	<u>334</u>	<u>266</u>	<u>335</u>

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Notes to the Interim Consolidated Financial Statements - Unaudited March 31, 2009

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7 Environmental liabilities (continued)

- b) During the period ended March 31, 2009, the Company recognized accretion expense of \$9 in regards to the asset retirement obligation. The Company expects to incur \$632 of the estimated reclamation liability within the next twelve months.

8 Loans from non-controlling interest

As part of the sale of the Company's 30% interest in MMB to the Korean Consortium, the Korean Consortium has agreed to fund 30% of the historic and future development costs of the project. The Korean Consortium's funding contributions are repayable by MMB three years after the repayment of any senior debt, which is identical to the terms under which the Company funds the project. These amounts are unsecured and non-interest bearing:

	Face value US\$	Amount recognized US\$	Amount recognized Cdn\$
Historic Expenditure funding (i)			
Balance – December 31, 2008	13,867	3,716	4,542
Accretion of discounted liability for the period	-	62	77
Unrealized foreign exchange loss for the period	-	-	157
	<u>13,867</u>	<u>3,778</u>	<u>4,776</u>
Contribution to construction costs (ii)			
Balance – December 31, 2008	28,029	28,029	34,812
Unrealized foreign exchange loss for the period	-	-	701
	<u>28,029</u>	<u>28,029</u>	<u>35,513</u>
Balance – March 31, 2009	<u>41,896</u>	<u>31,807</u>	<u>40,289</u>

(i) Included in the proceeds from the sale of the 30% interest in MMB, was the Korean Consortium's historical expenditure funding contribution of US\$13,867 which was negotiated as part of the transaction. This transaction was considered to have occurred at arms length and therefore it was recognized at fair value.

(ii) All contributions subsequently funded by the Korean Consortium, which amounted to US\$28,029, were considered to be related party transactions since the Korean Consortium then owns a 30% interest in MMB. Accordingly, these amounts were recognized at face value.

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Notes to the Interim Consolidated Financial Statements - Unaudited March 31, 2009

(expressed in thousands of Canadian dollars, unless stated otherwise)

8 Loans from non-controlling interest (continued)

At March 31, 2009, the Company estimated the fair value of loans from non-controlling interest at \$5,054 (face value of US\$41,896), based on an estimated discount rate of 12% and an estimated period of 20.75 years to repayment. The exchange rate applied in the valuation at March 31, 2009 was US\$0.7893/\$1.00. The discount rate was estimated by management taking into account:

- an element of the cost of borrowing;
- the marginal rates charged on similar instruments, plus an adjustment for the specific risks relating to these instruments as viewed at March 31, 2009, considering that the loans are unsecured;
- the credit risk of MMB and the Korean Consortium respectively.

The period to repayment was estimated at March 31, 2009, taking into account an estimated date of completing a senior debt financing and the anticipated repayment terms of such senior debt facility.

9 Share capital

a) Authorized
Unlimited common shares without par value

b) Details of share capital activity are as follows:

	Shares	Amount
Balance – December 31, 2007	140,698,514	105,841
Shares issued on exercise of warrants	2,035,823	2,450
Fair value of warrants exercised (note 9 (c))	-	1,122
Shares issued on exercise of stock options	330,000	116
Fair value of options exercised (note 9 (f))	-	82
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Balance – December 31, 2008 and March 31, 2009	143,064,337	109,611

c) Details of share purchase warrant activity are as follows:

	Shares purchase warrants	Amount
Balance – December 31, 2007	33,033,816	17,199
Fair value of share purchase warrants exercised	(2,035,823)	(1,122)
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Balance – December 31, 2008 and March 31, 2009	30,997,993	16,077

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Notes to the Interim Consolidated Financial Statements - Unaudited March 31, 2009

(expressed in thousands of Canadian dollars, unless stated otherwise)

9 Share capital (continued)

d) Warrants

During the period ended March 31, 2009, no share purchase warrants were issued or exercised, nor did any share purchase warrants expire (see note 15).

The following table summarizes information about share purchase warrants outstanding at March 31, 2009:

Range of prices \$	Number of warrants outstanding and exercisable	Weighted average contractual life (years)	Weighted average exercise price \$
0.90 to 0.99	77,187	2.04	0.90
1.00 to 1.49	14,572,806	1.23	1.21
1.50 to 2.50	16,168,000	3.49	2.49
US 5.555	180,000	1.04	US 5.555
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	30,997,993	2.41	1.90

e) Stock options

A summary of the Company's stock options at March 31, 2009 and the changes during the period are as follows (see note 15):

	Number of options	Weighted average exercise price \$
Balance – December 31, 2008	12,800,000	1.15
Granted	200,000	1.01
Expired	(1,545,000)	0.90
Forfeited	(325,000)	1.42
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Balance – March 31, 2009	11,130,000	1.17

Baja Mining Corp.

Notes to the Interim Consolidated Financial Statements - Unaudited
March 31, 2009

(expressed in thousands of Canadian dollars, unless stated otherwise)

9 Share capital (continued)

e) Stock options (continued)

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

Range of prices \$	Number of outstanding options	Weighted average years to expiry	Weighted average exercise price \$	Number of exercisable options	Weighted average exercise price \$
0.35 to 0.49	1,940,000	2.11	0.37	1,415,000	0.35
0.50 to 0.99	1,050,000	2.75	0.74	750,000	0.77
1.00 to 1.49	6,000,000	3.13	1.32	4,462,500	1.33
1.50 to 1.99	2,140,000	3.59	1.68	1,043,333	1.75
	<u>11,130,000</u>	<u>3.01</u>	<u>1.17</u>	<u>7,670,833</u>	<u>1.15</u>

The Company's stock option plan ("the plan") allows the Company to grant stock options up to a maximum of ten percent of the number of issued shares of the Company. At March 31, 2009, the Company has reserved 14,403,109 common shares under the plan.

Options granted under the Plan will vest with the right to exercise one-quarter of the options upon conclusion of every six months subsequent to the grant date, unless the specified contract length is a shorter period.

The fair value of the options granted during the period was estimated at each measurement date using the Black-Scholes option-pricing model. During the period, the Company granted 200,000 five-year stock options to consultants and employees, with a fair value of \$4 attributed to these options. Total stock-based compensation recorded during the period on all vesting options was \$280. This has been recognized and charged (based upon the work carried out by the employee or consultant) to either administration (\$165; 2008 - \$39) or to mineral properties (\$115; 2008 - \$126), with the offsetting amount recorded as a credit to contributed surplus.

The fair value of stock options granted during the period was estimated at each grant date based on the Black-Scholes option-pricing model, using the following weighted average assumptions:

	2009
Risk-free interest rate	2.28%
Dividend yield	0%
Expected volatility	72%
Expected stock option life	3.16 years
Weighted average fair value of stock options granted	\$0.02

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Notes to the Interim Consolidated Financial Statements - Unaudited March 31, 2009

(expressed in thousands of Canadian dollars, unless stated otherwise)

9 Share capital (continued)

f) Contributed surplus

Details are as follows:

Balance – December 31, 2007	6,745
Fair value of options granted	1,542
Fair value of options exercised	(82)
Contribution relating to funding for mineral property costs	69,380
Contribution relating to refundable deposit liability	1,387
Contribution relating to historical expenditure funding contribution	10,377
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Balance – December 31, 2008	89,349
Fair value of options granted	280
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Balance – March 31, 2009	89,629
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10 Related party transactions

The Company entered into the following transactions during the quarter with directors or officers of the Company or with companies with directors or officers in common:

	2009	2008
Directors fees – administration	18	21
Management fees - administration	37	36
Management fees – development costs	148	132
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	203	189

The above transactions, as well as the Korean Consortium's contributions post closing (note 8), occurring in the normal course of operations, are measured at the exchange amount, which is the fair value consideration established and agreed to by the related parties.

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11 Segmented information

The Company's only business activity is the development of mineral properties. This activity is carried out in Mexico.

The breakdown by geographic area for the year ended March 31, 2009 is as follows:

	Canada	Mexico	Consolidated
Capital assets	2,981	136,486	139,467
Current assets	35,801	18,042	53,843
Total assets	<u>38,782</u>	<u>154,528</u>	<u>193,310</u>

The breakdown by geographic region for the year ended Dec. 31, 2008 is as follows:

	Canada	Mexico	Consolidated
Capital assets	5,048	124,023	129,071
Current assets	35,250	34,064	69,314
Total assets	<u>40,298</u>	<u>158,087</u>	<u>198,385</u>

No revenues were earned in either of the geographic areas.

12 Commitments

- a) The Company has entered into numerous contracts regarding development of the Boleo Project. Total contractual obligations entered at March 31, 2009 are estimated to be \$13,889, the payments for which are expected as follows:

2009	13,613
2010	<u>276</u>
	<u>13,889</u>

- b) The Company has a number of management and consulting agreements. The future commitments under these contracts as at March 31, 2009 amount to:

2009	569
2010	<u>279</u>
	<u>848</u>

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Notes to the Interim Consolidated Financial Statements - Unaudited
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12 Commitments (continued)

- c) The Company has committed to two operating leases for office space in Vancouver, expiring September 2010. The Company has also committed to two operating leases (on a month-to-month basis) for office space in Mexico City. The future minimum lease payments are as follows:

2009	79
2010	78
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	157
	<hr/>

- d) Due to the nature of its business, the Company may be subject to numerous regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty. There can be no assurances that these matters will not have a material adverse effect on the Company's business.

13 Supplemental cash flow information

The following are the non-cash investing and financing activities of the Company:

	Mar. 31, 2009	Mar. 31, 2008
(Decrease) increase in accounts payable and accrued liabilities related to mineral property and deferred development costs	(5,205)	408
Decrease in deposits and prepaid expenses related to mineral property and deferred development costs	5,039	-
Increase in accounts payable and accrued liabilities related to property, plant and equipment	-	349
Special warrant accretion included in mineral property and deferred development costs	28	29
Accretion of historical expenditure funding contribution included in mineral property and deferred development costs	77	-
Stock-based compensation included in mineral property and deferred development costs	115	126

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13 Supplemental cash flow information (continued)

Other supplemental information:

	Mar. 31, 2009	Mar. 31, 2008
Interest received	55	159
Interest paid	-	-
Realized foreign exchange gains	1,498	4

14 Measurement uncertainty

During the period, the Company and its financial advisors Endeavour Financial Corporation (“Endeavour”) continued discussions with numerous lending institutions and have now targeted certain institutions, including development banks, as the most effective path towards securing a revised financing package. The Company has prepared a revised scope of work for the Project on an Engineering, Procurement and Construction Management (“EPCM”) basis and subsequent to March 31, 2009 the Company appointed a multi-national engineering firm as EPCM contractor to provide an updated capital cost estimate and a revised project schedule. Furthermore, the Company and Endeavour are currently working on updating the project financial model and revising the information memorandum for more detailed discussions with lending institutions in order to advance financing of the capital constructions costs required. However, this information can not be finalized until the updated capital cost estimate and revised schedule are completed (which is anticipated in the third quarter of 2009).

Despite the efforts of management and the Company’s partners, there is currently no assurance that the necessary financing will be obtained in the immediate future. The recoverability of the Company’s investment in its mineral property remains dependent upon the Company’s ability to complete debt and equity financings and successfully construct and develop the Boleo Project. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the recorded expenses and balance sheet classifications that would be necessary should the material risk related to financing the project prove to be insurmountable, and these adjustments could be material.

15 Subsequent events

- a) Subsequent to March 31, 2009, the Company granted 500,000 stock options to officers, employees and consultants of the Company.
- b) Subsequent to March 31, 2009, 5,819,015 of the Company’s share purchase warrants expired.