HUNT
MINING CORP

Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)
For the three month periods ended March 31, 2010 and 2009

Hunt Mining Corp.

Consolidated Financial Statements

Three month periods ended March 31, 2010 and 2009 **Page**

Consolidated Balance Sheets	2
Consolidated Statement of Operations	3
Consolidated Statement of Cash Flows	4
Notes to the Consolidated Financial Statements	5

Hunt Mining Corp.

An Exploration Stage Enterprise

Expressed in Canadian Dollars

Consolidated Balance Sheets

	NOTE	March 31, 2010	December 31, 2009
		(unaudited)	
CURRENT ASSETS:			
Total Cash and Equivalents		$ 1,304,571	$ 3,165,966
Accounts receivable		19,365	11,647
Prepaid expenses and deposits	6 & 8	244,243	200,000
Future income tax		-	208,754
Total Current Assets		1,568,180	3,586,368
PROPERTY AND EQUIPMENT:	4	836,164	854,966
OTHER ASSETS:			
Performance bond	10	209,138	209,303
V.A. Tax, net of discount	10	530,825	513,636
Minimal presumed income tax receivable		276,268	214,044
Total Other Assets:		1,016,231	936,983
TOTAL ASSETS:		$ 3,420,575	$ 5,378,317
CURRENT LIABILITIES:			
Accounts payable		$ 205,139	$ 1,444,726
Taxes payable		497,545	127,919
Due to related parties		-	612,850
Total Current Liabilities:		702,684	2,185,495
LONG-TERM LIABILITIES:			
Shareholder loan	7	80,887	842,668
Interest payable on shareholder loan	7	12,452	3,698
Total Long-Term Liabilities:		93,340	846,366
TOTAL LIABILITIES:		796,024	3,031,861
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Preferred shares	5	177,417	177,417
Share capital	5	14,039,049	13,989,654
Contributed surplus	5	709,258	453,832
Warrants	5	250,000	250,000
Deficit		(12,636,121)	(12,640,589)
Accumulated other comprehensive income/(loss)		84,946	116,139
Total Shareholders' Equity (Deficiency):		$ 2,624,550	$ 2,346,454
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 3,420,575	$ 5,378,316

Going Concern (Note 2)
Subsequent Event (Note 13)
Commitments and Contingencies (Note 11)

Approved on behalf of the Board of Directors

Signed "Tim Hunt" Director

Signed "Bryn Harman" Director

The accompanying notes are an integral part of these consolidated financial statements.

Hunt Mining Corp.

An Exploration Stage Enterprise

Expressed in Canadian Dollars

Consolidated Statements of Operations

	Three months ended March 31, 2010 (unaudited)	2009 (unaudited)
INCOME:		
Dividend and interest income:	$ 3,896	$ 2,572
OPERATING EXPENSES:		
Professional fees	223,952	112,273
Exploration expenses	155,902	266,324
Travel expenses	58,083	26,307
Administrative and office expenses	185,693	50,014
Payroll expenses	229,006	122,270
Stock based compensation	219,534	-
Interest expense and banking charges	20,122	11,643
Depreciation	26,409	28,263
Total operating expenses	1,118,702	617,095
Other income/(expense):		
Debt forgiveness revenue	1,685,476	-
Gain on debt discount	21,870	-
Bank fees	(1,876)	(7,316)
VAT discount and accretion	(5,438)	(27,332)
Exchange rate differences	(15,395)	225,226
Total other expense:	1,684,638	190,578
NET LOSS - before income tax	569,832	(423,945)
Income taxes	565,364	-
NET INCOME/(LOSS) BEFORE OTHER COMPREHENSIVE INCOME/(LOSS)	4,468	(423,945)
Other comprehensive income/(loss) - performance bond:	(165)	(15,689)
Other comprehensive income - translation adjustment	(31,028)	(60,352)
TOTAL NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	($26,725)	($499,986)
Weighted average shares issued and outstanding	44,648,666	3,176,900
NET LOSS PER SHARE - BASIC	($0.00)	($0.16)

The accompanying notes are an integral part of these consolidated financial statements.

Hunt Mining Corp.

An Exploration Stage Enterprise

Expressed in Canadian Dollars

Consolidated Statements of Cash Flows

	Three months ended March 31, 2010	Three months ended March 31, 2009
	(unaudited)	(unaudited)
Increase (Decrease) in Cash and Cash Equivalents		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income/(loss)	$ 4,468	$ (423,945)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	26,409	28,263
Translation adjustment	235,181	(174,833)
Stock based compensation	219,534	-
Income taxes	(565,364)	-
(Increase) decrease in receivables	(69,942)	3,959
Increase in V.A. tax receivable	(17,189)	15,579
Increase in prepaid expenses	(44,243)	2,141
Increase (decrease) in trade accounts payable	(1,239,587)	(413,927)
Increase (decrease) in other payables	369,626	(29,245)
Net cash used in operating activities	(1,081,107)	(992,009)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Gain on purchase of loan	(21,870)	-
Land purchases	-	-
Acquisition of performance bond	-	-
Accrued interest income/(expense)	-	(2,289)
Acquisition of equipment and vehicles	(31,679)	-
Net cash used in investing activities	(53,549)	(2,289)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock	26,288	877,154
Proceeds from shareholder loan	(761,781)	-
Increase (decrease) in accrued interest payable on shareholder loan	8,754	8,985
Net cash from financing activities	(726,739)	886,139
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ (1,861,394)	$ (108,159)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR/PERIOD	3,165,966	225,806
CASH AND CASH EQUIVALENTS, END OF YEAR/PERIOD	$ 1,304,571	$ 117,648
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid:	-	-
Taxes paid	-	-

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Business and Basis of Presentation

Hunt Mining Corp., previously Sinomar Capital Corporation (the "Company"), is a mineral exploration company incorporated on January 10, 2006 under the laws of Alberta, Canada and, together with its subsidiaries, is engaged in the exploration of mineral properties in Santa Cruz Province, Argentina. Prior to December 23, 2009 the Company was a Capital Pool Company within the meaning ascribed by Policy 2.4 of the TSX Venture Exchange. On that date the Company completed its Qualifying Transaction, the acquisition of all of the issued and outstanding shares of Cerro Cazador S.A. ("CCSA"), an Argentine minerals exploration company, in a reverse takeover transaction ("RTO").

Subsequent to the RTO, the Company changed its name to Hunt Mining Corp.

The Company's financial statements are prepared in accordance with accounting principles generally accepted in Canada.

The consolidated financial statements include the accounts of the following subsidiaries after elimination of intercompany transactions and balances:

Corporation	Incorporation	Percentage ownership
CCSA	Argentina	100%
Hunt Gold USA LLC	Washington, USA	100%
1494716 Alberta Ltd.	Alberta	100%

In accordance with Canadian RTO accounting, these consolidated financial statements for the period ended March 31, 2010 reflect the assets, liabilities and operations of CCSA prior to the RTO and the consolidated assets, liabilities and operations of the Company subsequent to the RTO. The consolidated financial statements are issued in the name of the legal parent but are considered to be a continuation of CCSA.

As of March 31, 2010, the Company is in the process of exploring mineral properties in Argentina. On the basis of information to date it has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the mineral properties is entirely dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. Mineral property interests represent acquisition costs incurred to date, less amounts amortized and/or written-off and do not necessarily represent present or future values.

2. Going Concern

These consolidated financial statements have been prepared on the basis of Canadian Generally Accepted Accounting Principles applicable to a going concern, which contemplates the realization of assets and discharge of liabilities in the normal course of business. As shown in the accompanying consolidated financial statements, the Company has had no revenues and has incurred an accumulated loss of $12,636,121 through March 31, 2010.

These factors raise doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent upon the discovery of economically recoverable mineral reserves, the ability to obtain necessary financing to complete development and fund operations and future production or proceeds from their disposition. Management is actively targeting sources of additional financing and while the Company has been successful in raising funds in the past, there can be no assurance that it will be able to do so in the future.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

3. Significant Accounting Policies

These interim financial statements do not include all disclosures required by Canadian Generally Accepted Accounting Principles for annual audited financial statements and therefore these interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements and notes thereto of the Company as at December 31, 2009.

These interim consolidated financial statements have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles and follow the same accounting policies and methods of their application as the most recent annual financial statements.

4. Property and Equipment

In an agreement dated December 12, 2007 and finalized via perfection on title on April 4, 2008 the Company acquired 90 square kilometers of land in Santa Cruz province, Argentina. The purchase price for this property was US$710,000. Known as the La Josefina estancia, the purpose of the land purchase was to provide a centralized base of operations in the Company's core operating area.

During the three month period ended March 31, 2010 the Company purchased property and equipment with a historical cost of $31,679 (three months ended March 31, 2009 – nil). The following is a summary of property, equipment and accumulated depreciation at March 31, 2010 and December 31, 2009:

	March 31, 2010			December 31, 2009		
	Cost	**Accumulated Amortization**	**Net book value**	Cost	Accumulated Amortization	Net book value
Land	$723,632	-	$723,632	$745,074	-	$745,074
Vehicles and equipment	310,276	(197,744)	112,532	286,884	(176,992)	109,892
	$1,033,908	($197,744)	$836,164	$1,031,958	($176,992)	$854,966

5. Share Capital

a) Authorized:

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

b) Issued:

Common Shares

	Three months ended			
	March 31, 2010		March 31, 2009	
	Number	Amount	Number	Amount
Balance, beginning of period	44,612,040	13,989,654	26,412,450	37,616
CCSA shares issued for cash	-	-	2,688,280	959,838
Hunt Mining Shares issued for cash	87,625	40,395	-	-
Share issuance costs refunded	-	9,000	-	-
Balance, end of period	**44,699,665**	**14,039,049**	29,100,730	997,454

Preferred Shares

	Three months ended			
	March 31, 2010		March 31, 2009	
	Number	Amount	Number	Amount
Balance, beginning of period	**20,881,493**	**177,417**	-	-
Balance, end of period	**20,881,493**	**177,417**	-	-
Total Share Capital	**65,581,158**	**14,216,466**	29,100,730	997,454

Warrants

	Three months ended			
	March 31, 2010		March 31, 2009	
	Number	Amount	Number	Amount
Balance, beginning of period	**2,500,000**	**250,000**	-	-
Balance, end of period	**2,500,000**	**250,000**	**-**	**-**

Common share issuances

During the three month period ended March 31, 2010 the Company issued 87,625 shares pursuant to the exercise of agent's options granted in conjunction with the Company's initial public offering. The exercise price of the options was $0.30 per option and the Company therefore received $26,288 pursuant to the issuance. An additional $14,107 was recorded in common shares to reflect the Black-Scholes valuation of the exercised options.

c) Stock options:

	Number of options	Weighted average price
Balance, beginning of period	4,317,690	$0.30
Granted to directors and officers	600,000	$0.65
Exercise of agent's options	(87,625)	$0.30
Balance, end of period	4,830,065	

	Range of exercise prices	Number outstanding	Weighted average life (years)	Weighted average exercise price	Number exercisable on March 31, 2010
Stock options	$0.30 - $0.65	4,617,690	4.64	$0.35	1,382,690
Agent's options	$0.30	574,035	0.68	$0.30	574,035
		5,191,725	4.21	$0.34	1,956,725

During the quarter ended March 31, 2010 the Company granted 600,000 stock options to directors of the Company. All of these options, each of which entitling the holder to purchase one common share at an exercise price of $0.65 per share, expire on January 18, 2015. These options vest as to 25% on the date of grant, 25% on July 18, 2010, 25% on January 18, 2011 and 25% on July 18, 2011. The Black-Scholes valuation of these options was $0.52 per option given the following assumptions:

	January 18, 2010
Risk free interest rate	0.18%
Expected volatility	113%
Expected life (years)	5
Expected dividend yield	0%

Under the Company's share option plan, and in accordance with TSX Venture Exchange requirements, the number of common shares reserved for issuance under the option plan shall not exceed 10% of the issued and outstanding common shares of the Company. In connection with the foregoing, the number of common shares reserved for issuance to: (a) any individual director or officer will not exceed 5% of the issued and outstanding common shares; and (b) all consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised the greater of twelve months after the completion of the Qualifying Transaction or ninety days following cessation of the optionee's position with the Corporation.

d) Escrowed shares

As required by Exchange Policy, all 1,510,300 of the Company's seed capital shares are subject to a timed release escrow agreement dated April 24, 2008. This escrow agreement provides for the release of 10% of the escrowed shares on December 31, 2009 and 15% of the remaining escrowed shares every six months thereafter. In addition, all of the common shares and convertible preferred shares issued pursuant to the Company's qualifying transaction are subject to a TSX Venture Exchange Tier Two surplus escrow agreement allowing for the release of 5% of the shares on December 31, 2009, 5% on June 30, 2010, 10% on each of December 31, 2010 and June 30, 2011, 15% on each of December 31, 2011 and June 30, 2012 and 40% on December 31, 2012. If the Company subsequently meets the Tier 1 Minimum Listing Requirements of the TSX Venture Exchange, the release of these escrowed shares will be accelerated whereby such escrowed shares will be released from escrow as to 10% thereof effective as of December 31, 2009, 20% on June 30, 2010, 30% on December 31, 2010 and 40% on June 30, 2011. As of March 31, 2010 none of the shares placed into escrow have been released from escrow.

6. Related Party Transactions

During the three month period ended March 31, 2010 the Company paid US$65,359 to HuntMountain Resources Ltd. ("HuntMountain"), an entity controlled by the Company's Executive Chairman, for the rental of office space. US$29,880 of this amount was paid in advance for the months of April, May, June and July of 2010 at a rate of US$7,470 per month. The Company paid an additional US$21,000 in rent for periods beyond June of 2010. As at March 31, 2010 the Company recorded in current assets a prepaid rental expense of $44,243.

During the three months ended March 31, 2010 the Company included $42,775 (three months ended March 31, 2009 – $40,169) in professional fees expense relating to the services of the President of CCSA. Included in accounts payable as at March 31, 2010 was $13,730 owing to the President of CCSA for professional geological fees (March 31, 2009 - $13,191).

At March 31, 2010 the Company had a payable owing to the President of CCSA for $3,435 (March 31, 2009 - $91) relating to expenses incurred on behalf of the Company during the three months ended March 31, 2010.

During the three months ended March 31, 2010 the Company included $10,666 (three months ended March 31, 2009 – nil) in general and administrative expenses relating to rent paid for office space to the President of CCSA. At March 31, 2010 the Company had a payable owing to the President of CCSA for office rent of $2,442 (March 31, 2009 – nil).

During the three months ended March 31, 2010 the Company included $16,746 (three months ended March 31, 2009 - $15,808) in professional fees expense relating to the accounting services of a director of CCSA. At March 31, 2010 the Company had a payable owing to a director of CCSA for accounting services of $5,403 (March 31, 2009 - $5,187).

All related party transactions related to the normal course of business and are recorded at the exchange amount. Additional related party transactions are included as part of Notes 7, 8, 9 and 13.

7. Shareholder Loan

On June 23, 2009 CCSA entered into two shareholder loan agreements with HuntMountain and HuntMountain Investments LLC, a wholly owned subsidiary of HuntMountain. The loan agreements provided a combined line of credit of up to $1,715,850 to be disbursed in multiple advances. The loans bear interest at a 3% annual rate and are unsecured. The loans are repayable in installments no earlier than a date of five years from the date on which amounts were advanced under the loan.

On March 3, 2010 Hunt Gold USA LLC, a wholly owned subsidiary of the Company, acquired US$700,000 of the US$803,000 outstanding loan payable from CCSA to HuntMountain for total consideration of US$679,000, a 3% discount to the outstanding amount payable. The Company's remaining amount owing to HuntMountain was $80,887 on March 31, 2010.

8. Deposit

In conjunction with the Qualifying Transaction, the Company advanced $200,000 to HuntMountain, CCSA's former parent corporation, as a refundable deposit. This deposit is reflected in prepaid expenses and deposits on the Company's balance sheet at March 31, 2010 (December 31, 2009 – $200,000).

9. Forgiveness of Accounts Payable

As a condition of the Qualifying Transaction, HuntMountain entered into an agreement with CCSA pursuant to which HuntMountain agreed to pay all of the CCSA's remaining accounts payable owed to Patagonia Drill Mining Services S.A. ("PDM"). In order to pay all of the Company's payables owing to PDM in accordance with the terms of the qualifying transaction, management of HuntMountain negotiated an agreement with PDM pursuant to which HuntMountain agreed to purchase all remaining accounts payable owed by the CCSA to PDM for total consideration of US$1,061,695. This amount excluded the $612,850 deposit made by HuntMountain against the PDM payables in 2008. Therefore, the $612,850 deposit amount was applied to the CCSA's PDM payables concurrently with the signing of the agreement. Therefore, the Company recorded a $612,850 payable owing to HuntMountain on December 31, 2009.

HuntMountain forgave the due to related party liability of $612,850 and all of the accounts payable purchased from PDM pursuant to an agreement between the CCSA and HuntMountain dated March 5, 2010. This had the same effect as the original agreement between the CCSA and HuntMountain except no further equity was issued by CCSA, as was contemplated in the original agreement, and the PDM payables were extinguished immediately as opposed to the fifteen month term contemplated in the original agreement.

10. Financial Instruments

The Company's financial instruments consist of cash and equivalents, accounts receivable, performance bond, VAT, accounts payable, shareholder loan and due to related party.

The fair value hierarchy established by CICA Handbook Section 3862 – Financial Instruments – Disclosures establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and lowest priority to Level 3 inputs. The Company's financial statements in the form of cash and equivalents and performance bond are measured and reported as Level 1 with the VAT amount classified as Level 3.

Fair value

The fair value of financial instruments at March 31, 2010 and December 31, 2009 is summarized as follows:

	March 31, 2010		December 31, 2009	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Held for Trading				
Cash and equivalents	$1,304,571	$1,304,571	$3,165,966	$3,165,966
V.A. tax, net of discount	530,825	530,825	513,636	513,636
Available for sale				
Performance bond	209,138	209,138	209,303	209,303
Loans and receivables				
Accounts receivable	19,365	19,365	11,647	11,647
Financial Liabilities				
Other financial liabilities				
Accounts payable	205,139	205,139	1,444,726	1,444,726
Shareholder loan	80,887	80,887	842,668	842,668
Due to related party	-	-	612,850	612,850

Financial risk management

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest rate risk and price risk.

i. Currency risk

The Company holds cash balances and incurs payables that are denominated in the Canadian Dollar, the United States Dollar and the Argentine Peso. These balances are subject to fluctuations in the exchange rate between the Canadian Dollar, and the United States Dollar and the Argentine Peso, resulting in currency gains or losses for the Company.

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. A significant change in the currency exchange rates between the United States dollar relative to the Canadian dollar and the Argentine Peso could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

At March 31, 2010, if the U.S. dollar strengthened or weakened by 10% relative to the Canadian dollar the impact on income and other comprehensive income due to the translation of monetary financial instruments would be as follows:

	Impact on net loss and comprehensive loss
U.S. Dollar Exchange rate – 10% increase	$(9,638)
U.S. Dollar Exchange rate – 10% decrease	$144,322

ii. Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held through Canadian and Argentine financial institutions. The Company's receivables consist of goods & services tax due from the Federal Government of Canada.

The Company maintains its cash and cash equivalents in multiple financial institutions. The Company maintains cash in an Argentine bank. The Argentine accounts, which had a Canadian dollar balance of $179,962 at March 31, 2010 (December 31, 2009 - $14,008) are considered uninsured.

iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk through the management of its capital structure.

v. Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. There is minimal price risk at the present time as the Company is not yet in the production phase.

i. Interest rate risk

Interest rate risk is the impact that changes in interest rates could have on the Company's earnings and liabilities. In the normal course of business, the Company is not exposed to interest rate fluctuations as its interest bearing debt due to shareholders is at a fixed rate.

11. Commitments and Contingencies

a) On March 27, 2007, the Company entered into a definitive lease purchase agreement with FK Minera S.A., an arm's length party, to acquire a 100% interest in the Bajo Pobré gold property located in Santa Cruz Province, Argentina. The Company may earn up to a 100% equity interest in the Bajo Pobré property by making cash payments and exploration expenditures over a five-year earn-in period. The required expenditures and ownership levels upon meeting those requirements are:

Year of the Agreement	Payment to FK Minera SA	Exploration Expenditures Required	Ownership
First year – 2007	$52,470	$262,350	0%
Second year – 2008	$52,470	$262,350	0%
Third year -2009	$52,470	-	51%
Fourth year - 2010	$52,470	-	60%
Fifth year – 2011	$52,470	-	100%

After the fifth year, the Company is obligated to pay FK Minera S.A. the greater of a 1% net smelter royalty (“NSR”) on commercial production or US$100,000 per year. The Company has the option to purchase the NSR for a lump-sum payment of US$1,000,000 less the sum of all royalty payments made to FK Minera S.A. to that point.

As of March 31, 2010, the Company has not conducted any exploration activity pursuant to the agreement with FK Minera SA. The Company has not made all investments required by the Bajo Pobré contract, nor have the parties to the contract amended the contract terms. The Company’s ability to retain rights to explore the Bajo Pobré property is uncertain at this time.

b) In March 2007, the Company was the successful bidder for the exploration and development rights to the La Josefina Project from Fomento Minero de Santa Cruz Sociedad del Estado (“Fomicruz S.E.”). Fomicruz S.E. is a company that is owned by the government of the Santa Cruz province in Argentina. On July 24, 2007 the Company entered into an agreement with Fomicruz S.E. pursuant to which the Company agreed to invest a minimum of US$6 million in exploration and development expenditures over a four year period, including US$1.5 million before July 2008. The agreement delineates that in the event that a positive feasibility study is completed on the La Josefina property that a joint venture company would be formed; the Company would own 91% of the joint venture company and Fomicruz S.E. would own the remaining 9%. Management believes that the Company has fulfilled the expenditure requirement of the Fomicruz agreement.

During the quarter ended March 31, 2007, the Company was required to purchase a performance bond as a condition of the exploration agreement on La Josefina property in Argentina. The bond was originally purchased for $292,877. At March 31, 2010 the value of the bond was $209,138 (December 31, 2009 – $290,303).

12. Capital Disclosure

Capital management is the key to achieving the Company’s growth plans, the maintenance of a strong capital base to ensure financial flexibility, and providing returns to shareholders. The Company’s capital is comprised of shareholders’ equity, due to related parties, and shareholder loan, as follows:

	March 31, 2010	December 31, 2009
Shareholders' equity	$2,624,550	$2,346,454
Due to related parties	-	612,850
Shareholder loan	80,887	842,668
	$2,705,437	$3,801,972

The Company does not have covenants associated with the Company’s long term liabilities. The Company regularly reviews its on-going capital requirements to fund capital expenditures and service upcoming obligations.

Management of capital risk

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 properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

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 or acquire or dispose of assets. In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company’s investment policy is to invest its cash in highly liquid short-term interest-bearing investments.

The Company is not subject to externally imposed capital requirements.

13. Subsequent Events

Subsequent to March 31, 2010 the Company acquired furniture and fixtures from HFP, LLC, an entity controlled by Tim Hunt, the Company’s Executive Chairman, for US$42,368.

14. Comparatives

Certain comparative figures have been reclassified to conform to the current year’s presentation.