

Claude Resources Inc.

Discovering. Developing. Delivering.

MANAGEMENT'S DISCUSSION AND ANALYSIS & CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2009



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion is a review of the financial position of Claude Resources Inc. ("Claude" or the "Company") as at March 31, 2009 compared to December 31, 2008, and the results of operations for the three months ended March 31, 2009 compared with the corresponding periods of 2008. This discussion is the responsibility of Management and the information within this Management's Discussion and Analysis ("MD&A") is current to May 13, 2009 (except as otherwise noted). The Board of Directors reviewed and approved the disclosure presented herein through its Audit Committee. This discussion should be read in conjunction with the Company's 2008 annual Management's Discussion and Analysis and 2008 annual audited consolidated financial statements and notes thereto. All amounts are expressed in Canadian dollars, except where otherwise indicated.

NOTE TO INVESTORS

For ease of reference, the following factors for converting metric measurements into imperial equivalents are provided:

To Convert from Metric	To Imperial	Multiply by
Metres	Feet (ft.)	3.281
Kilometres (km)	Miles	0.621
Tonnes	Tons (2,000 pounds)	1.102
Grams	Troy Ounces	0.032

OVERVIEW

Claude Resources Inc. is a gold and oil & natural gas producer with shares listed on both the Toronto Stock Exchange (TSX-CRJ) and the NYSE Amex (NYSE Amex-CGR). The Company's entire asset base is located in Canada. Its main revenue generating asset is the 100 percent owned Seabee gold operation, located in northern Saskatchewan. The Company also has working interests in oil & natural gas wells located in both Saskatchewan and Alberta that are being held for sale.

The Company's primary mission is to create significant shareholder value through gold exploration and mining. Its vision is to be highly valued by all stakeholders for its ability to discover, develop and produce gold in a safe, environmentally responsible and profitable manner. The Company's goals include:

- Increasing its resource base through aggressive exploration programs;
- Developing profitable mining operations at the Seabee Operation;
- Strengthening its Balance Sheet and maintaining liquidity; and
- Increasing value to shareholders.

Exploration

At the Madsen property, Claude's objective is to fully assess the potential for high grade gold mineralization while continuing to de-water the Madsen shaft to provide additional underground access. The Company is very encouraged by the high grade gold intercepts (including 0.97 ounces per ton over 8.2 feet, 0.75 ounces per ton over 25.9 feet and 3.71 ounces per ton over 2.5 feet)⁽¹⁾ recently reported from its directionally-assisted underground drill program from the 10th level of the Madsen mine shaft.

⁽¹⁾ Historically, Madsen results have been reported in ounces per ton and feet (imperial).

Claude's gold exploration efforts at the Seabee Operation continue to focus on land positions within trucking distance of the mill: the Santoy 8 and 8E zones, the Porky zones and Seabee Deep. The Company is currently completing the environmental studies and permitting required for planned commercial mining of the Santoy 8 and 8E deposits in 2009. Recently released results from Claude's underground drill program at Seabee Deep included 30.60 grams per tonne of gold over 2.5 metres true width.

Operations

The Company will continue to focus on the profitability of the Seabee mining operations. This will be accomplished through a combination of improved grade control, stringent cost controls and developing the production profile at lower cost satellite ore bodies.

Financial Capacity

The Company intends to build its cash reserves and maintain access to financial markets to ensure continued funding of exploration efforts and expansion of mining projects.

Subsequent to the balance sheet date, the Company completed a two part offering whereby a total of 8,599,100 units and 5,333,000 flow-through shares were issued at prices of \$0.75 and \$0.80. Gross proceeds from the offering was \$10.7 million. Each unit issued included one-half of one transferable common share purchase warrant which entitles the holder to acquire one common share of the Company at a price of \$0.90 for a period of 18 months subsequent to the completion of the offering. The Company used the proceeds from this offering to strengthen its balance sheet and reduce interest expense by initiating the re-purchase of a portion of its outstanding 12 percent senior secured debentures.

EXPLORATION

Claude Resources continued its aggressive exploration and development strategy during the first quarter, focusing at Madsen on Phase I of the underground 8 Zone drill program and continued evaluation of the Starratt Olsen Footwall and Fork Zone target areas. In preparation for an expanded underground program, shaft dewatering continued, surpassing the 12th level. Historic data capture, compilation and validation continued with the results anticipated to be released in a National Instrument 43-101 Technical Report during the third quarter.

At the Seabee property, exploration focused on drill testing, permitting and developing satellite ore bodies to be used as supplemental feed for the Seabee mill. Building on the 2008 resource upgrade at Santoy 8, the Company submitted an Environmental Impact Statement and continues to move the project towards commercial production. In preparation for a 2009 bulk sampling program at the Porky West deposit, infill drilling was completed.

Exploration activities were carried out under the direction of Qualified Person, Brian Skanderbeg, P. Geo., Vice President Exploration for Claude.

Madsen Project

The Madsen Property comprises over 10,000 acres and, having produced in excess of 2.4 million ounces, is the third largest gold producer in the Red Lake camp. Infrastructure includes a fully functional 500 ton per day mill, 4,000 foot deep shaft and permitted tailing facility.

The high grade 8 Zone was discovered in 1969 and produced through to mine closure in 1976 between the 23rd and 27th levels. Underground mapping and historic documentation identifies a series of high-grade, quartz-vein systems and silicification associated with a complexly-folded package of mafic and ultramafic lithologies. Historic drilling immediately above and below the 27th level, the deepest production level, returned drill intercepts including 0.80 ounce per ton over 14.4 feet, 2.68 ounce per ton over 6.8 feet and 1.25 ounce per ton over 3.0 feet.

Exploration during the first quarter focused on Phase I of the 8 Zone underground drill program. Initiated in December of 2008 from the 10th level, the planned directional-drilling program included testing of the plunge extension of the 8 Zone within 1200 feet of infrastructure as well as conceptual targets along the 8 Zone shear system. The results released to date demonstrate high grade continuity of the 8 Zone system to 300 feet below infrastructure, with all holes returning strong visible gold associated with intensely silicified, biotite-altered basalt. Drilling also suggests the potential for at least one sub-parallel, mineralized structure in the footwall of the 8 Zone (see Media Releases dated February 17, 2009: "Claude Resources Intercepts 3.71 oz/ton over 2.5 feet at Madsen Deep" and April 21, 2009: "Claude Resources Intercepts 0.75 oz/ton over 25.9 feet at Madsen Deep"). Given the success of the program to date, Management is considering modification of the planned surface exploration program as well as the addition of a second underground drill rig.

The Starratt Olsen mine, located approximately 2.2 kilometres south of the Madsen mine, operated from 1948 through 1956 producing approximately 164,000 ounces of gold at 0.18 ounces per ton. Geologically, the mine is analogous to the Madsen setting, with historic production from replacement-style, 'tuff' mineralization and a highly prospective and underexplored footwall mafic-ultramafic package. Following the discovery of high grade, shear-hosted vein systems associated with the footwall contact of the ultramafic trend, exploration continued on two high priority target areas. Results from the follow-up drilling outlined significant near-surface gold mineralization (see Media Release dated February 10, 2009: "*Claude Resources Continues to Intercept near Surface Gold Mineralization at Starratt Olsen, Madsen Property*"). Further drilling at Starratt Olsen is planned for mid-September.

The Fork zone target area is located 1.3 kilometres southwest of the Madsen headframe. It is host to both replacement style and high grade, vein-hosted mineralization associated with the hanging wall contact of the mafic-ultramafic trend. Previous drilling shows continuity of several visible gold-bearing vein systems over a strike length in excess of 1,300 feet (see Media Release dated April 16, 2008: "*Claude Resources Reports Drill Results of 17.32 g/t Au over 10.33 metres*"). Further surface drilling at the Fork Zone is scheduled to begin in mid-July.

In preparation for the advancement of underground exploration and a revised resource estimate, compilation and verification of historic mine data continued throughout the first quarter. Drillhole data capture continued with the present database incorporating in excess of 13,000 historic boreholes. SRK Consulting has initiated a National Instrument 43-101 compliant resource estimate and supporting Technical Report that is anticipated to be completed during the third quarter.

Santoy 8 Project

The Santoy 8 and 8E deposits are located approximately 14 kilometres east of the Seabee Mine and accessed via an all-weather road. Gold mineralization is hosted in siliceous, skarnified, shear structures with sulfide-chlorite-quartz veins and in silicified granitoid sills. The mineralized lenses dip moderately to steeply eastward and are interpreted to be amenable to bulk mining techniques. Gold mineralization of the Santoy 8 ore lens occurs over a strike length of 600 metres, a width of 350 metres and remains open along strike and down plunge to the north. The Santoy 8E ore lens has been intercepted over a strike length of 200 metres, width of 250 metres and remains open along strike and down plunge to the north. True thickness of the Santoy 8 and 8E ore deposits varies from 1.5 metres to 30 metres.

During 2008, Claude updated its National Instrument 43-101 compliant mineral resource calculation for Santoy 8 and conducted an economic study to evaluate the portion of mineral resources it plans to mine in the first three years of the Santoy 8 project. The upgrading of the resource model is the Company's first step in the transition from exploration through bulk sampling to commercial production at the Santoy 8 deposits.

At December 31, 2008, the mineral reserve at Santoy 8 was 177,300 tonnes at 7.02 grams per tonne, the indicated mineral resources consisted of 545,600 tonnes at 8.98 grams per tonne and the inferred mineral resource was 391,500 tonnes at 8.08 grams per tonne.

The Santoy 8 Power Line Project, which will tie this property to the provincial power grid, continued during the first quarter of 2009. Phase One and Phase Two of the project, consisting of the erection of the power line poles and power line installation respectively, have now been completed. The final phase, which involves the installation of the main transformer, is expected to be completed during the second half of 2009.

Claude views the Santoy 8 project as a key driver in the expansion of the Seabee Operation and in lowering operating costs over the next three years. The Company is currently completing the environmental assessments and permitting required for planned commercial mining of the Santoy 8 and 8E deposits in 2009.

Porky

Claude wholly owns the Porky Lake structural zones located approximately three kilometres northwest of its Seabee gold mill. The Porky Lake West and Porky Lake East ("Pigeon Lake") gold zones lie on opposite flanks of the large Porky Lake anticline, along a gold-bearing horizon which has been traced intermittently over 7.5 kilometres from the western extent of Porky West zone to the north of the Pigeon Lake zone in the east. Drill testing from 2002 to 2006 successfully discovered two structural zones of significant mineralization, Porky Main and Porky West. The *Claude Resources Inc.*

extensive mineralized horizon in the Porky Lake Region will continue to be explored by surface prospecting and geochemical surveys and further drill testing. Additional drilling at Porky West began in March 2009 and is expected to be completed during the second quarter.

As a follow up to a 2006 bulk sample program at the Porky West site, Claude obtained an additional 35,000 tonne bulk sampling permit and, in June 2008, dewatering of the decline and underground development was initiated. Once preparations were completed, a decline was driven down to access the 75-11 sill and a cut and fill lift is planned on the 65-11 sill during the initial phase of the expanded bulk sampling program. The Company plans to sample additional tonnes from Porky West during 2009.

At December 31, 2008, the mineral reserve at Porky West was 81,400 tonnes at 4.29 grams per tonne while the inferred mineral resource at Porky West was 76,000 tonnes at 6.39 grams per tonne. At Porky Main, the indicated mineral resources consisted of 160,000 tonnes at 7.50 grams per tonne and the inferred mineral resource was 70,000 tonnes at 10.43 grams per tonne.

Combined with the Santoy 8 deposits, the potential commercial development of Porky West brings the Company closer to full integration of satellite production into the Seabee central milling complex.

Quality Assurance and Quality Control Procedures

Rigorous quality assurance and quality control procedures have been implemented including the use of blanks, standards and duplicates. Geochemical analyses were submitted to TSL Laboratory in Saskatoon, Saskatchewan, Accurassay Laboratories at Thunder Bay, Ontario and or the Seabee minesite lab. Both external laboratories are ISO approved. Core samples were analyzed by a 30 gram gold fire assay with an atomic absorption and gravimetric and/or screen fire finish. Intercepts are reported as drilled widths and range from 65 percent to 90 percent of true widths. Composite intervals were calculated using a 3.00 grams per tonne cut-off and may include internal dilution.

2009 MINING OPERATIONS

Seabee Operation

For the quarter ended March 31, 2009, Claude milled 54,190 tonnes at a grade of 6.36 grams per tonne (Q1 2008 - 51,110 tonnes at 5.37 grams per tonne). Sales volume for the quarter was 10,070 ounces of gold compared to 8,819 ounces of gold in Q1 2008, an increase of 14 percent year over year. Produced ounces for the period increased by 26 percent to 10,613 ounces from 8,423 ounces in Q1 2008. During the first quarter of 2009, approximately two weeks of production was interrupted due to required maintenance on the underground rockbreaker and when a remote production scoop was damaged by a fall of ground from the footwall in 9311 block. Production losses were minimized by accessing lower grade ore material.

Seabee Operation Q1 2009 Gold Production and Cost Statistics

	March 31 2009	March 31 2008
Tonnes Milled	54,190	51,110
Head Grade (grams per tonne)	6.36	5.37
Recovery (%)	95.8%	95.4%
Gold Produced (ounces)	10,613	8,423
Gold Sold (ounces)	10,070	8,819
Operating Expenses (CDN\$ thousands)	\$7,736	\$6,425
Cash Operating Cost (CDN\$ per ounce) ⁽¹⁾	\$768	\$729
Cash Operating Cost (US\$ per ounce) ⁽¹⁾	\$618	\$725

⁽¹⁾ For an explanation of the use of non-GAAP performance, please refer to "Non-GAAP Performance Measures".

Total mine operating costs increased 20 percent to \$7.7 million from \$6.4 million during the same period in 2008. This result was due to increases in mined and milled tonnage, as well as higher material and service costs. 2009

forecast operating costs are anticipated to drop modestly with the Company's past and continued investment in new mobile equipment and mining facilities.

Seabee Mineral Reserves and Mineral Resources

Modest surface and underground drill programs were undertaken at Seabee in 2008. At December 31, 2008, proven and probable reserves in the Seabee Mining Area were 998,400 tonnes, grading 6.82 grams per tonne or 219,000 ounces. In addition, the Company's mineral resources at its Seabee mining area also included measured and indicated mineral resources of 196,100 ounces and inferred mineral resources of 391,100 ounces.

Seabee Mining Area Mineral Reserves and Mineral Resources

Mineral Reserves and Resources						
Proven and Probable Reserves						
Projects	December 31, 2008			December 31, 2007		
	Tonnes	Grade (g/t)	~Ozs	Tonnes	Grade (g/t)	~Ozs
Seabee	685,700	6.98	154,000	934,100	6.69	201,000
Santoy 7	54,000	7.95	13,800	114,300	6.74	24,800
Santoy 8	177,300	7.02	40,000	-	-	-
Porky West	81,400	4.29	11,200	-	-	-
Totals	998,400	6.82	219,000	1,048,400	6.70	225,800
Measured and Indicated Mineral Resources						
Projects	December 31, 2008			December 31, 2007		
	Tonnes	Grade (g/t)	~Ozs	Tonnes	Grade (g/t)	~Ozs
Santoy 7	-	-	-	-	-	-
Santoy 8	545,600	8.98	157,500	-	-	-
Porky Main	160,000	7.50	38,600	160,000	7.50	38,600
Porky West	-	-	-	90,000	7.33	21,200
Totals	705,600	8.64	196,100	250,000	7.44	59,800
Inferred Mineral Resources						
Projects	December 31, 2008			December 31, 2007		
	Tonnes	Grade (g/t)	~Ozs	Tonnes	Grade (g/t)	~Ozs
Seabee	950,000	8.19	250,000	1,020,000	8.09	265,200
Santoy 7	-	-	-	10,000	10.00	3,200
Santoy 8	391,500	8.08	102,000	910,000	6.10	178,500
Porky Main	70,000	10.43	23,500	70,000	10.43	23,500
Porky West	76,000	6.39	15,600	130,000	5.00	20,900
Totals	1,487,500	8.17	391,100	2,140,000	7.14	491,300

In 2009, Claude is planning in excess of 30,000 metres of underground drilling to replace 2009 production. Drilling will evaluate downplunge extensions of the Seabee ore shoots as well as targets east of the present mining areas. Recent drill results from Claude's 2009 underground exploration program at Seabee Deep include the following:

- 7.41 grams per tonne (7.41 grams per tonne cut) of Gold over 2.7 metres True Width (Hole U09-602);
- 43.13 grams per tonne (30.60 grams per tonne cut) of Gold over 2.5 metres True Width (Hole U09-605);
- 59.19 grams per tonne (11.34 grams per tonne cut) of Gold over 2.2 metres True Width (Hole U09-606);
- 23.64 grams per tonne (10.61 grams per tonne cut) of Gold over 2.6 metres True Width (Hole U09-609); and
- 18.28 grams per tonne (16.53 grams per tonne cut) of Gold over 1.6 metres True Width (Hole U09-610).

Further sequential drill results of the 2009 underground drill program from the 900 metre level drill station are presented within the Media Release dated February 2, 2009: "Claude Resources Inc. Intercepts 30.6 grams of gold per Tonne (Cut) Over 2.5 Metres True Width".

These recent results extend the high grade Gold mineralization at Seabee Deep and represent a very positive start to the Company's 2009 exploration program at Seabee. Due to the close proximity of this discovery to existing

development, it is believed that these results will positively impact head grade delivered to the Company's central milling facility at the Seabee Mining Camp during 2009.

The Mineral Reserves and Mineral Resources estimates are conducted under the direction of Qualified Persons, Philip Ng, P.Eng., Vice President Mining Operations and Brian Skanderbeg, P.Geo, Vice President Exploration.

Health, Safety and Environment

For 2009, Management will continue to focus on strengthening its operational team and management systems to improve performance in matters related to health, safety and the environment. The focus in 2009 is to improve the training and skill sets of our employees. To this end, the Company has identified appropriate courses developed by experienced professionals in their fields. This training will be delivered both off site as well as on site to maintain a high level of applicability of this training. In addition, to further reduce potential risk of inadvertent discharges to the environment, the Company has retained professional engineering firms to conduct external reviews of its facilities, operating processes, procedures and systems.

RESULTS OF OPERATIONS

The Company reports its results of operations based on Canadian Generally Accepted Accounting Principles ("GAAP").

FINANCIAL

For the quarter ended March 31, 2009, the Company recorded a net loss of \$1.0 million, or \$0.01 per share. This compares to net earnings of \$0.4 million, or \$0.00 per share, after a \$2.2 million non-cash recovery related to income tax benefits arising from the issuance of flow-through shares, for the comparable period in 2008.

Revenue

Gold revenue from the Company's Seabee Operation for the quarter ended March 31, 2009 increased 42 percent to \$11.5 million from \$8.1 million reported in the first quarter of 2008. The increase was a result of increased gold sales volume (Q1 2009 – 10,070 ounces; Q1 2008 – 8,819 ounces) combined with a 24 percent increase in Canadian dollar gold prices realized: Q1 2009 - \$1,146 (US \$920); Q1 2008 - \$921 (US \$918).

Expenditures

For the three months ended March 31, 2009, total mine operating costs increased 20 percent to \$7.7 million from \$6.4 million for the same period last year. Consistent with the past several quarters, operating costs have been under pressure due to increasing labour and consumable material costs. These higher operating costs divided by slightly improved gold sales volume resulted in a six percent increase in Canadian dollar cash operating cost per ounce: Q1 2009 – CDN \$768 (US \$617); Q1 2008 – CDN \$729 (US \$725).

Total Cash Costs per Gold Ounce Sold⁽¹⁾

	Three months ended	
	Mar 31 2009	Mar 31 2008
Cash operating cost (CDN\$ thousands)	\$ 7,736	\$ 6,425
Divided by ounces sold	10,070	8,819
Total cash cost per ounce (CDN\$)	\$ 768	\$ 729
CDN\$ Exchange Rate	1.2453	1.0042
Total cash cost per ounce (US\$)	\$ 617	\$ 725

⁽¹⁾ Cash cost per gold ounce sold is a non-GAAP performance measure. For an explanation of the use of non-GAAP performance, please refer to "Non-GAAP Performance Measures".

Depreciation, Depletion and Accretion

During the first quarter of 2009, depreciation, depletion and accretion was \$4.2 million, a 62 percent increase from the \$2.6 million reported for the comparable period in 2008. These results were due to a higher asset base combined with fewer reserve tonnes at the Seabee Operation.

General and Administrative Expense

For the quarter ended March 31, 2009, general and administrative costs of \$1.0 million were relatively unchanged period over period.

Interest and Other

For the quarter ended March 31, 2009, interest and other expenses increased to \$0.3 million (Q1 2008 – \$0.2 million). This increase is mainly attributable to gains resulting from gold derivative contracts offset by the interest paid on the Company's 12 percent senior secured debentures.

Income Taxes

The income tax recovery of \$2.2 million noted in the first quarter of 2008 was the estimated income tax benefit arising from the issuance of flow-through shares. As there were no flow-through shares issued in 2008, there is no similar benefit for 2009.

Liquidity & Financial Resources

At March 31, 2009, the Company had working capital of \$15.5 million (December 31, 2008 - \$19.2 million). Included in working capital at March 31, 2009 are the demand loans of \$3.4 million (December 31, 2008 - \$4.0 million). These are demand loans and have been classified as current liabilities. The decrease in working capital is attributable to capital investment at the Company's Seabee and Madsen properties as well as demand loan and debenture interest repayments.

Earnings before interest, taxes, depreciation and amortization (EBITDA)⁽¹⁾ was \$2.8 million (Q1 2008 - \$0.6 million).

⁽¹⁾ For an explanation of the use of non-GAAP performance, please refer to "Non-GAAP Performance Measures".

Working Capital and Current Ratios

Dollars, in thousands of CDN dollars	Mar 31 2009	Dec 31 2008	Percent Increase (Decrease) 2009 2008	
Current assets	35,321	36,719	(4)	21
Current liabilities	19,871	17,511	13	73
Working capital	15,450	19,208	(20)	(50)
Current ratio	1.8	2.1	(14)	(30)

The Company's typical cash requirement over the first and second quarters of each year is significant because of the winter ice road resupply for the Seabee Mining Operation, which includes restocking diesel, propane and other large consumables as well as the continued upgrading of the mining fleet and mine infrastructure. In December 2008, the Company sold certain of its natural gas interests in Alberta for gross proceeds of \$11.2 million. Proceeds from the sale were used to support the Madsen exploration program and for general corporate purposes. The Company is continuing to investigate its options with respect to divesting its non-core assets including its remaining oil & natural gas assets, the proceeds of which may decrease the need for additional short-term capital.

Investing

Mineral property expenditures during the first three months of 2009 were \$8.1 million, a \$0.5 million increase from the same period in 2008. Year to date, expenditures were comprised of the following: Seabee mine development of *Claude Resources Inc.*

\$2.7 million (Q1 2008 - \$2.1 million); exploration costs, focusing primarily on the Madsen exploration project, of \$2.7 million (Q1 2008 - \$2.4 million); and property, plant and equipment expenditures of \$2.7 million (Q1 2008 - \$3.1 million). Property, plant and equipment expenditures include mining equipment, camp infrastructure and Madsen dewatering charges.

Financing

Financing activities during the first quarter of 2009 included the issuance of 421,056 common shares pursuant to the Company's Employee Share Purchase Plan.

The \$0.4 million increase in Royalty obligations and \$0.2 million decrease in deferred revenue was a result of the accrual of interest expense and amortization of certain fees relating to the Red Mile royalty transactions.

During the first three months of this year, the Company repaid \$0.5 million of its outstanding demand loans . The proceeds and repayments of capital lease obligations relate primarily to production equipment.

On April 9, 2009, the Company completed a private placement offering whereby a total of 8,599,100 units and 5,333,000 flow-through shares were issued at a price of \$0.75 and \$0.80, respectively. Gross proceeds from the offering was \$10.7 million. The units issued included one-half of one transferable common share purchase warrant which entitles the holder to acquire one common share of the Company at a price of \$0.90 for a period of 18 months subsequent to the completion of the offering.

Capital Structure

The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders. 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. In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets or incur debt. The Company is not subject to externally imposed capital requirements.

The Company utilizes a combination of short-term and long-term debt and equity to finance its operations and exploration. Short-term debt facilities include access to a \$3.5 million operating line of credit

The Capital structure is a follows:

Capital Structure, in thousands of CDN dollars	Interest	Maturity	Mar 31 2009	Dec 31 2008
Operating line of credit ⁽¹⁾	Prime + 1.25%		\$ 695	\$ -
Demand loan # 1	5.99%	Feb/2010	1,031	1,302
Demand loan # 2	Prime + 1.50%	Aug/2011	2,417	2,667
Debenture	12%	May/2013	16,636	16,575
Total debt			\$ 20,779	\$ 20,544
Shareholders' equity			\$ 86,562	\$ 87,072
Total debt to capital			.24	.24

⁽¹⁾ Short-term debt facilities include access to a \$3.5 million operating line of credit.

On April 20, 2009, the Company announced an offer to purchase a portion of its outstanding 12 percent senior secured debentures. A total of \$10.5 million has been deposited in trust to facilitate this offer to purchase. The funds represent approximately 58 percent of the total principal amount of the debentures. The offer to purchase is being made on a pro rata basis to all debenture holders and expires at the close of business on May 25, 2009.

Derivative Instruments and Hedging Activities

To mitigate the effects of price fluctuations in revenue, Claude may undertake hedging transactions, from time to time, in respect of the price of gold and foreign exchange rates.

Contractual Obligations

At March 31, 2009, there were no significant changes to the Company's contractual obligations from those reported in the Management's Discussion and Analysis for the year ended December 31, 2008.

BALANCE SHEET

The Company's total assets were \$218.7 million at March 31, 2009, compared to \$215.4 million at year-end 2008. The \$3.3 million increase is primarily comprised of the following: a \$2.6 million increase in Accounts receivable – attributable to the timing of the sale and receipt of proceeds from the Company's gold sales; an \$8.5 million increase in Inventories and stockpiled ore – largely a result of the annual winter ice road resupply whereby the Company purchases large consumable items utilized by the Seabee Operation; a \$4.0 million increase in Mineral properties primarily comprised of development and property, plant and equipment additions at the Seabee Operation as well as exploration and mine dewatering costs at the Madsen property; and, offsetting these, an \$8.4 million decrease in Cash and cash equivalents largely due to the annual winter ice road resupply and a \$4.2 million decrease in Interest receivable on restricted promissory notes, a result of the interest earned during 2008 being used to satisfy the royalty obligation incurred during 2008.

Total liabilities were \$132.2 million at March 31, 2009, compared to \$128.4 million at December 31, 2008. The \$3.8 million increase was primarily comprised of the following: a \$0.7 million increase in Bank indebtedness; an increase of \$5.9 million in Accounts payable and accrued liabilities, largely due to the Seabee winter ice road resupply; a \$1.1 million increase in Obligations under capital lease and a \$0.4 increase in Royalty obligations. Offsetting these was a \$4.1 million decrease in Interest payable on royalty obligations offset using the interest received from the restricted promissory notes; a \$0.5 million decrease in Demand loans; and a \$0.4 million decrease in Assets held for sale.

Shareholders' equity decreased by \$0.5 million to \$86.6 million at the end of the first quarter 2009, from \$87.1 million at December 31, 2008. This result is primarily attributable to the following: an increase in Share capital of \$0.1 million and a \$0.3 million increase in Contributed surplus. Offsetting these, a \$1.0 million decrease in Retained earnings which was due to the loss incurred by the Company during the period.

SELECTED QUARTERLY FINANCIAL DATA

The following table provides summary financial data for the Company's last eight quarters:

Quarterly Information								
Unaudited (\$ millions)	Mar 31 2009	Dec 31 2008	Sept 30 2008	Jun 30 2008	Mar 31 2008	Dec 31 2007	Sep 30 2007	Jun 30 2007
Gold sales	11.5	12.1	10.9	9.9	8.1	11.0	8.2	5.0
Net earnings (loss)	(1.0)	2.4	(1.7)	(0.8)	0.4	(1.8)	(1.8)	(3.4)
Net earnings (loss) per share ⁽¹⁾	(0.01)	0.03	(0.02)	(0.01)	0.00	(0.02)	(0.02)	(0.04)
Average realized gold price (CDN\$ per ounce)	1,146	990	888	915	922	776	720	695
Average realized gold price (US\$ per ounce)	920	816	853	906	918	790	689	633
Ounces sold ⁽²⁾	10,100	12,200	12,300	10,800	8,800	14,200	11,400	7,100
Tonnes milled ⁽³⁾	54,200	61,500	57,800	58,000	51,100	65,500	65,700	49,400
Ounces produced ⁽³⁾	10,600	13,600	12,000	11,500	8,400	12,200	15,100	9,800
Grade processed (grams per tonne)	6.36	7.09	6.77	6.45	5.37	6.08	7.46	6.38
Cash cost per ounce ⁽⁴⁾ (CDN\$ per ounce)	768	683	757	750	729	610	591	726
CDN\$/US\$ Exchange	1.2453	1.2124	1.0418	1.0100	1.0042	0.9818	1.0448	1.0984

⁽¹⁾ Basic and diluted, calculated based on the number of shares issued and outstanding during the quarter.

⁽²⁾ Excludes ounces sold from Santoy 7 and Porky Lake bulk samples.

⁽³⁾ Includes ounces produced and tonnes milled from Santoy 7 and Porky Lake bulk samples.

⁽⁴⁾ For an explanation of non-GAAP performance measures refer to "Non-GAAP Performance Measures".

The financial results for the last eight quarters reflect the following general trends: relatively constant gold sales over the period; improvement in average realized gold prices aided by the weakening Canadian dollar; relatively constant gold production notwithstanding Q1 2008; relatively stable grade processed; increasing cash cost per ounce – a result of increased mine operating costs offset by increased gold sales volume.

CRITICAL ACCOUNTING ESTIMATES

Certain of the Company's accounting policies require that Management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. For a discussion of those estimates, please refer to the Company's Management's Discussion and Analysis for the year ended December 31, 2008, available at www.sedar.com.

RISKS AND UNCERTAINTIES

Risks and uncertainties related to economic and industry factors are described in detail in the Company's Annual Information Form and remain substantially unchanged.

KEY SENSITIVITIES

Earnings from Claude's gold operation is sensitive to fluctuations in both commodity and currency prices. The key factors and their approximate effect on earnings, earnings per share and cash flow are as follows:

Gold

For a US \$10 price movement in gold price per ounce, earnings and cash flow will have a corresponding movement of CDN \$0.5 million, or \$0.01 per share. For a \$0.01 movement in the US\$/CDN\$ exchange rate, earnings and cash flow will have a corresponding movement of \$0.6 million, or \$0.01 per share.

OUTSTANDING SHARE DATA

At March 31, 2009, there were 97,533,086 common shares outstanding. This compares to 97,112,030 shares outstanding as at March 31, 2008. Subsequent to the balance sheet date, Claude issued 8,599,100 shares pursuant to the completion of the private placement announced on April 9, 2009. An additional 5,333,000 flow-through shares were issued pursuant to this same transaction. At May 13, 2009, there were 111,465,186 common shares issued and outstanding.

In addition, at March 31, 2009 there were 4.1 million director, officer, key employee and consultant stock options and 1.8 million warrants outstanding, with exercise prices ranging from \$0.34 to \$2.10 per share. This compares to 3.5 million director, officers, key employee and consultant stock options outstanding at December 31, 2008 with exercise prices ranging from \$0.34 to \$2.10 per share.

ASSETS HELD FOR SALE AND RELATED OPERATIONS

During the third quarter of 2008, the Company announced plans to divest of its oil and natural gas assets (see Media Release dated July 14, 2008: "*Claude Resources Inc. – Puts Oil & Natural Gas Assets on the Market*"). As required by Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3475: *Disposal of Long-Lived Assets and Discontinued Operations* - the related assets and liabilities have been reported as Assets held for sale and Liabilities related to assets held for sale in separate captions in the unaudited consolidated balance sheets and the related results of operations have been presented as operations held for sale in the unaudited consolidated statements of earnings (loss) and cash flows for all periods presented. Refer to Note 4 to these unaudited consolidated financial statements for detailed information relating to the operations held for sale.

Provided below is Management's discussion and analysis as it relates to its oil and natural gas operations:

Net oil, ngl's and natural gas revenue for the quarter ended March 31, 2009 decreased 57 percent to \$0.3 million from \$0.7 million reported for the same period in 2008. This result was attributable to a decrease in petroleum and natural gas prices realized, normal production declines and the disposition of the Company's working interest share

in the Edson property. In addition, net revenues were impacted by the sale of one third of the Company's working interest in its Alberta oil and natural gas properties in exchange for the elimination of a 70% overriding royalty.

Oil, ngls and natural gas operating costs for the first three months of 2009 decreased 60 percent period over period to \$0.2 million (Q1 2008 - \$0.5 million). This was largely the result of the divestiture of one third of the Company's working interest in its Alberta assets and the divestiture of the Company's Edson assets.

CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

Refer to Note 2 to these unaudited interim consolidated financial statements for information pertaining to accounting changes effective January 1, 2009.

The following summarizes future accounting policy changes that will be relevant to the Company's consolidated financial statements subsequent to March 31, 2009:

International Financial Reporting Standards (IFRS)

The Canadian Accounting Standards Board (AcSB) has confirmed that Canadian publicly accountable enterprises will be required to adopt IFRS effective January 1, 2011. An April 2008 exposure draft issued by the CICA, *Adopting IFRS in Canada*, makes possible the early adoption of IFRS by Canadian entities.

In January 2008, the United States Securities and Exchange Commission ("SEC") issued a final rule that would allow some foreign private issuers to use IFRS, without reconciliation to US GAAP. The Company does not plan to adopt IFRS prior to the CICA mandatory deadline of January 1, 2011.

Although IFRS employs a conceptual framework that is similar to Canadian GAAP, there are significant differences in recognition, measurement and disclosure.

In order to plan for and to achieve a smooth transition to IFRS, Claude has established a project team to assess the potential impacts of the transition to IFRS. The project team has developed a detailed plan to ensure compliance with the new standards. Regular progress reports on the status of Claude's IFRS implementation project are provided to Senior Management and to the Audit Committee. A major public accounting firm has been engaged to provide technical accounting advice and project management guidance in the conversion to IFRS.

The Company's implementation project consists of three primary phases:

- **Phase 1: Preliminary Study and Diagnostic.** This phase included performing a high-level impact assessment to identify key areas that may be impacted by the adoption of IFRS. This analysis resulted in the prioritization of areas to be evaluated in the next phase of the project plan. The information obtained from the assessment was also used to develop a detailed plan for convergence and implementation. During phase 1, an analysis was also performed to assess whether information technology systems used to collect and report financial data required modification in order to meet new reporting requirements under IFRS.
- **Phase 2: Detailed Component Evaluation.** In this phase, further evaluation of the financial statement areas impacted by IFRS will be completed. This will involve a more detailed, systematic gap analysis of accounting and disclosure differences between Canadian GAAP and IFRS. This detailed assessment will facilitate final decisions around accounting policies and overall conversion strategy. This phase also involves specification of changes required to existing business processes and procedures.
- **Phase 3: Implementation and Review.** This phase includes the execution of changes to business processes and procedures impacted by Claude's transition to IFRS and formal approval of recommended accounting policy changes. Also included in this phase is the delivery of necessary IFRS training to Claude's Audit Committee, Board of Directors and staff. This phase will culminate with the collection of financial information necessary to compile IFRS compliant financial statements, commencing in 2011.

Claude completed the preliminary study and diagnostic phase during the fourth quarter of 2008 and is now in the detailed component evaluation phase. Claude's analysis of the areas that may be impacted by the adoption of IFRS

has identified a number of differences. Claude is currently assessing the impact of the adoption of IFRS on its results of operations, financial position and financial statement disclosures. In addition, Claude continues to assess the impact of the conversion on internal controls over financial reporting and disclosure controls and procedures. Claude has and will continue to invest in training and resources throughout the transition period.

Non-controlling Interest

Effective January 1, 2011, the Company will be required to adopt CICA Handbook Section 1602, *Non-controlling Interests*, which with CICA Handbook Section 1601, will supersede the existing business combinations standard. This section establishes the standards for the accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. A non-controlling interest in a subsidiary will be required to be classified as a separate component of equity under this standard. The Company is reviewing the impact that this standard will have on its consolidated financial statements.

Business Combinations

Effective January 1, 2011, the Company will be required to adopt CICA Handbook Section 1582, *Business Combinations*, which will supersede the existing business combinations standard. This section requires assets and liabilities acquired in a business combination, contingent consideration and certain acquired contingencies to be measured at their fair values as of the date of acquisition. In addition, acquisition-related and restructuring costs are to be recognized separately from the business combination and included in the statement of earnings. The Company is reviewing the impact this standard will have on its consolidated financial statements.

NON-GAAP PERFORMANCE MEASURES

The Company utilizes non-GAAP performance measures as supplemental indicators of operating performance and financial position. These non-GAAP performance measures are used internally by the Company for comparing actual results from one period to another. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, such information is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Earnings Before Interest, Income Taxes, Depreciation and Amortization (EBITDA)

Claude uses EBITDA as a supplemental financial measure of its operational performance. Management believes EBITDA to be an important measure of its capacity to generate income from operations as it excludes the effects of items which primarily reflect the impact of long-term investment decisions and finance strategies, rather than the performance of the Company's day-to-day operations. The Company measures EBITDA as net income before operations held for sale, as reported in accordance with GAAP, plus income taxes, interest expense, and depreciation, depletion and accretion.

The Company believes that this measurement is useful in measuring the Company's ability to service debt and to meet other payment obligations or as a valuation measurement. The following table provides a reconciliation of the Company's calculation of EBITDA:

Dollars, in thousands of CDN dollars	Mar 31 2009	Mar 31 2008
Earnings (loss) from continued operations	(1,034)	461
Income taxes	-	(2,240)
Interest and other	(304)	(182)
Depreciation, depletion and accretion	4,156	2,556
EBITDA	2,818	595

As compared to net earnings (loss) according to GAAP, EBITDA is limited in that it does not reflect the periodic costs of certain capitalized assets used in generating revenues, or the non-cash charges associated with impairments
Claude Resources Inc.

and shutdown-related costs, or gain on sale of long-term investments. Management evaluates such items through other financial measures such as capital expenditures and cash flow provided by operating activities.

Cash Operating Cost Per Ounce

The Company reports its operating, depreciation and depletion costs on a per-ounce sold basis, based on uniform standards developed by the Gold Institute. Management uses this measure to analyze the profitability, compared to average realized gold prices, of its Seabee Operation. Investors are cautioned that the above measures may not be comparable to similarly titled measures of other companies, should these companies not follow the Gold Institute standards.

OUTLOOK

For 2009, the Company will continue to focus on the following:

- i) Advancing the 22,000 metre underground and 10,500 metre surface exploration drill programs at the Company's 100 percent owned Madsen exploration property with a continuation of the shaft dewatering program;
- ii) Complete a National Instrument 43-101 resource estimate at Madsen;
- iii) At the Seabee Operations, continue Seabee Mine/Deep exploration and development to increase or sustain reserves and resources;
- iv) Further develop satellite deposits at the Seabee Operations, by continuing with an underground bulk sampling program at Porky West and, pending environment approval and permits, moving Santoy 8 towards commercial production; and
- v) Invest in capital projects and equipment to increase both production and productivity at the Seabee Operation.

As discussed previously, due to an interruption to production attributable to machine maintenance and to the loss of a remote scoop, the Company maintained production tonnage by accessing lower grade ore material. As a result, Claude is revising its 2009 production output to between 46,000 to 50,000 ounces with operating costs of approximately \$31.0 to \$33.0 million.

Capital is expected to remain at current year levels as a result of added investment at Madsen and the continued upgrades at the Seabee Operations.

At current gold prices and forecast production, Management believes operating cash flows may not be sufficient to fund the continued exploration at Madsen. To this end, the Company closed a private placement offering subsequent to the Balance Sheet date. Further, the Company intends to continue divesting its remaining non core assets, the proceeds of which may decrease the need for additional capital to be raised.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

As of March 31, 2009, we evaluated our disclosure controls and procedures as defined in the rules issued by the US Securities and Exchange Commission and the Canadian Securities Administrators. This evaluation was carried out under the supervision and participation of Management, including the President and Chief Executive Officer and the Chief Financial Officer. Based on that evaluation, the President and Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective.

No significant changes were made in Claude's internal controls over financial reporting during the period ended March 31, 2009 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking statements" that are based on Claude's expectations, estimates and projections as of the dates the statements were made. Generally, these forward-looking statements can be identified by the use of terminology such as "outlook", "anticipate", "project", "forecast", "target", "believe", "estimate",

“expect”, “intent”, “should”, “could” and similar expressions. These forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such factors include, but are not limited to, gold price and foreign currency exchange rate volatility and to uncertainties and costs related to exploration and development activities, production rates, cash and total costs of production, or the ability to obtain necessary permitting or financing.

A discussion of these and other factors that may affect Claude's actual results, performance, achievements or financial position is contained in the filings by Claude Resources Inc. with the Canadian provincial securities commissions and the United States Securities and Exchange Commission.

This list is not exhaustive of the factors that may affect Claude's forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on forward-looking statements. Claude does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities law.

ADDITIONAL INFORMATION

Additional information related to the Company, including its annual information form (Form 40F in the US), is available on Canadian (www.sedar.com) and US (www.sec.gov) securities regulatory authorities websites. Certain documents are also available on the Company's website at www.claudresources.com.

NOTICE OF AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Management of Claude Resources Inc. is responsible for the preparation of the accompanying unaudited interim consolidated financial statements. The unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and are considered by Management to present fairly the financial position, operating results and cash flows of the Company.

The Company's independent auditor has not performed a review of these financial statements, in accordance with standards established by the Canadian Institute of Chartered Accountants. These unaudited financial statements include all adjustments, consisting of normal and recurring items that Management considers necessary for a fair presentation of the consolidated financial position, results of operations and cash flows.



Neil McMillan
Chief Executive Officer



Rick Johnson, CA
Chief Financial Officer

Date: May 13, 2009

Consolidated Balance Sheets

(Canadian Dollars in Thousands - Unaudited)

	March 31	December 31
	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	\$ -	\$ 8,390
Accounts receivable	2,899	275
Interest receivable on restricted promissory notes	671	4,830
Inventories and stockpiled ore	18,521	10,028
Shrinkage stope platform costs (Note 3)	12,316	12,091
Prepays	714	193
Assets held for sale (Note 4)	200	912
	35,321	36,719
Mineral properties	93,008	89,038
Assets held for sale (Note 4)	4,944	4,857
Investments (Note 5)	629	607
Restricted promissory notes	82,568	81,938
Deposits for reclamation costs	2,277	2,277
	\$ 218,747	\$ 215,436
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank indebtedness	\$ 695	\$ -
Accounts payable and accrued liabilities	11,712	5,794
Interest payable on royalty obligations	652	4,709
Demand loans (Note 6)	3,448	3,969
Liabilities related to assets held for sale (Note 4)	374	732
Other current liabilities	2,990	2,307
	19,871	17,511
Obligations under capital lease	2,757	1,614
Debenture (Note 7)	16,636	16,575
Royalty obligations	83,554	83,130
Deferred revenue	6,216	6,434
Liabilities related to assets held for sale (Note 4)	348	342
Asset retirement obligations	2,803	2,758
	132,185	128,364
Shareholders' equity:		
Share capital (Note 8)	84,104	83,960
Contributed surplus	2,023	1,748
Retained earnings	909	1,896
Accumulated other comprehensive loss	(474)	(532)
	86,562	87,072
Subsequent event (Note 13)		
	\$ 218,747	\$ 215,436

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

Consolidated Statements of Earnings (Loss)

(Canadian Dollars in Thousands, except per share amounts - Unaudited)

	Three Months Ended	
	March 31	
	2009	2008
Revenue	\$ 11,537	\$ 8,126
Expenses:		
Operating expenses	7,736	6,425
Depreciation, depletion and accretion	4,156	2,556
General and administrative	962	1,106
Interest and other	(304)	(182)
Loss on sale of investments	21	-
	12,571	9,905
Loss from continuing operations before income taxes	(1,034)	(1,779)
Income taxes (Note 9)	-	2,240
Earnings (loss) from continuing operations	(1,034)	461
Earnings (loss) from operations held for sale (Note 4)	47	(16)
Net earnings (loss)	\$ (987)	\$ 445
Net earnings (loss) per share		
Basic and diluted		
From continuing operations	\$ (0.01)	\$ 0.00
Net earnings (loss)	\$ (0.01)	\$ 0.00
Weighted average number of shares outstanding (000's)		
Basic	97,341	97,063
Diluted	97,341	97,476

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

Consolidated Statements of Shareholders' Equity

(Canadian Dollars in Thousands - Unaudited)

	Three Months Ended	
	March 31	
	2009	2008
Share Capital		
Balance, beginning of period	\$ 83,960	\$ 85,591
Common shares issued	(33)	(26)
Flow-through renunciation	-	(2,240)
Other	177	159
Balance, end of period	\$ 84,104	\$ 83,484
Contributed Surplus		
Balance, beginning of period	\$ 1,748	\$ 1,308
Stock-based compensation	300	168
Other	(25)	(9)
Balance, end of period	\$ 2,023	\$ 1,467
Retained Earnings		
Balance, beginning of period	\$ 1,896	\$ 1,513
Net earnings (loss)	(987)	445
Balance, end of period	\$ 909	\$ 1,958
Accumulated other comprehensive loss		
Balance, beginning of period	\$ (532)	\$ (305)
Other comprehensive gain (loss) (Note 5)	58	(285)
Balance, end of period	\$ (474)	\$ (590)
Total retained earnings and accumulated other comprehensive loss	\$ 435	\$ 1,368
Shareholders' equity, end of period	\$ 86,562	\$ 86,319

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

Consolidated Statements of Comprehensive Income (Loss)

(Canadian Dollars in Thousands - Unaudited)

	Three Months Ended	
	March 31	
	2009	2008
Net earnings (loss)	\$ (987)	\$ 445
Other comprehensive loss		
Unrealized gain (loss) on available-for-securities (Note 5)	58	(285)
Total comprehensive income (loss)	\$ (929)	\$ 160

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

Consolidated Statements of Cash Flows

(Canadian Dollars in Thousands - Unaudited)

Three Months Ended
March 31
2009 **2008**

Cash provided from (used in):**Operations:**

Net earnings (loss) from continuing operations	\$	(1,034)	\$	461
Non-cash items:				
Depreciation, depletion and accretion		4,156		2,556
Loss on sale of investments		21		-
Stock-based compensation		300		168
Interest and other		61		-
Income taxes		-		(2,240)
Net changes in non-cash working capital:				
Accounts receivable		1,535		2,663
Inventories and stockpiled ore		(8,493)		(8,950)
Shrinkage stope platform costs		(225)		(2,655)
Prepays		(521)		212
Accounts payable and accrued liabilities		1,861		8,206
Cash provided by (used in) continuing operations		(2,339)		421
Cash provided by operations held for sale (Note 4)		407		154
		(1,932)		575

Investing:

Mineral properties		(8,081)		(7,603)
Assets held for sale		(87)		(213)
Restricted promissory notes		(630)		(332)
Investments		15		-
Cash used in investing		(8,783)		(8,148)

Financing:

Issue of common shares, net of issue costs		118		124
Royalty obligations		424		351
Deferred revenue		(207)		(352)
Bank indebtedness		695		3,988
Demand loan repayments		(521)		(506)
Obligations under capital lease:				
Proceeds		2,353		1,673
Repayment		(537)		(333)
Cash provided from financing activities		2,325		4,945

Decrease in cash and cash equivalents		(8,390)		(2,628)
Cash and cash equivalents, beginning of period		8,390		2,628
Cash and cash equivalents, end of period	\$	-	\$	-

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

Notes to Consolidated Financial Statements

For the Three Months Ended March 31, 2009

(Canadian Dollars in Thousands, except as otherwise noted)

(Unaudited)

Note 1 - Basis of Presentation

These unaudited interim consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles (Canadian GAAP) for interim financial statements. The preparation of financial data within these statements is based on accounting policies and practices consistent with those used in the preparation of the most recent audited annual consolidated financial statements. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended December 31, 2008, as they do not contain all disclosures required by Canadian GAAP for annual financial statements.

In the opinion of Management, all adjustments (including reclassifications and normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at March 31, 2009, and for comparative periods presented, have been made.

Note 2 - Significant Accounting Policies

These unaudited interim consolidated financial statements are prepared following accounting policies consistent with the Company's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2008. Effective January 1, 2009, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

(a) Section 3064, "Goodwill and Intangible Assets"

This new standard replaces the previous goodwill and intangible asset standard and revises the requirement for recognition, measurement, presentation, and disclosure of intangible assets. The adoption of this standard has had no impact on the Company's financial statements.

(b) Section 1400, "General Standards of Financial Statement Presentation"

This standard includes requirements for Management to assess and disclose an entity's ability to continue as a going concern. This standard applies to interim and financial statements relating to fiscal years beginning on or after January 1, 2009. The adoption of this standard has had no impact on the Company's financial statements.

Note 3 - Shrinkage Stope Platform Costs

Shrinkage stope platform costs represent ore that is being used to gain access to further ore or are costs incurred to access ore within the long-hole stope. This ore is expected to be processed in the following 12 months. The processing of this broken ore occurs in accordance with a mine plan based on the known mineral reserves and current mill capacity. The timing of processing of ore has not been significantly affected by historic prices of gold.

Note 4 - Assets Held for Sale and Related Operations

During the third quarter of 2008, the Company adopted a formal plan to dispose of its oil & natural gas properties. The related assets and liabilities of the remaining oil & natural gas properties have been reported as Assets held for sale and Liabilities related to assets held for sale in separate captions in the consolidated balance sheets and the related results of operations have been presented as operations held for sale in the consolidated statements of earnings and cash flows for all periods presented.

The Assets held for sale and the related liabilities were as follows:

	March 31 2009	December 31 2008
Assets		
Accounts receivable	\$ -	\$ 770
Prepays	200	142
	200	912
Oil & natural gas properties	4,797	4,715
Deposits for reclamation costs	147	142
	4,944	4,857
	\$ 5,144	\$ 5,769
Liabilities		
Accounts payable and accrued liabilities	\$ 374	\$ 732
Asset retirement obligations	348	342
	\$ 722	\$ 1,074

Notes to Consolidated Financial Statements

For the Three Months Ended March 31, 2009

(Canadian Dollars in Thousands, except as otherwise noted)

(Unaudited)

The results of these operations were as follows:

	Three Months Ended	
	March 31 2009	March 31 2008
Revenue		
Oil & natural gas (net of royalties)	\$ 297	\$ 701
Expenses		
Operating expenses	244	514
Depreciation, depletion and accretion	6	203
	250	717
Net earnings (loss) from operations held for sale	\$ 47	\$ (16)

The cash flows from operations held for sale were as follows:

	Three Months Ended	
	March 31 2009	March 31 2008
Net earnings (loss) from operations held for sale	\$ 47	\$ (16)
Adjustments for:		
Depreciation, depletion and accretion	6	203
Decrease in receivables	770	43
Increase in prepaids	(58)	-
Decrease in accounts payable and accrued liabilities	(358)	(76)
	\$ 407	\$ 154

Note 5 - Investments

Investments are classified as available-for-sale securities and are initially measured at fair value; measurement in subsequent reporting periods is also at fair value. Unrealized gains or losses from such revaluations are included in other comprehensive income. If available-for-sale securities are disposed of, or there is an impairment in value that is other than a temporary decline, these amounts are transferred from other comprehensive income (loss) to net earnings.

	March 31 2009	December 31 2008
Available-for-sale securities, beginning of period	\$ 607	\$ 1,140
Acquisition of available-for-sale securities	-	73
Disposal of available-for-sale securities	(36)	(379)
Mark-to-market gain (loss) for the period	58	(227)
Available-for-sale securities, end of period	\$ 629	\$ 607

By holding these investments, the Company is exposed to various risk factors including market price risk and liquidity risk.

Note 6 - Demand Loans

	March 31 2009	December 31 2008
Demand loan, repayable in monthly payments of \$96,514 including interest at 5.99%, due February 2010	\$ 1,031	\$ 1,302
Demand loan, repayable in monthly payments of \$83,333 plus interest at prime plus 1.5%, due August 2011	2,417	2,667
	\$ 3,448	\$ 3,969

The demand loans are secured by a general security agreement covering all assets of the Company, excluding oil & natural gas assets in Alberta.

Notes to Consolidated Financial Statements

For the Three Months Ended March 31, 2009

(Canadian Dollars in Thousands, except as otherwise noted)

(Unaudited)

Note 7 - Debenture

The debenture features a 12% interest rate, five year term with monthly interest only payments. Debenture holders also received warrants in the amount of 10% of the debenture purchase. Each warrant entitles the holder to acquire one common share at an exercise price of \$1.60 per common share for a period of five years from the date of closing. The fair value of the warrants associated with the debenture on the date of issuance was \$550,000. This amount is reflected in share capital. The debenture is secured by a general security agreement covering all of the Company's assets and contains early retraction and redemption provisions. The general security interest, excluding the Alberta oil & natural gas assets, is subordinated to all bank debt.

The Company incurred \$1.7 million of debt issue costs associated with the completion of this debenture offering. As per Company policy, these costs reduce the carrying value of the debenture and will be amortized using the effective interest rate method at an effective rate of 14.7% over the five year term of the liability.

	March 31 2009	December 31 2008
Debenture payable	\$ 18,095	\$ 18,095
Less:		
Debt issue costs	(1,123)	(1,123)
Warrant valuation	(550)	(550)
	16,422	16,422
Add: amortization of debt issue costs	214	153
	\$ 16,636	\$ 16,575

On April 20, 2009, the Company announced an offer to purchase a portion of its outstanding debentures. A total of \$10.5 million has been deposited in trust to facilitate this transaction. The funds represent approximately 58 percent of the total principal amount of the debentures. The offer to purchase is being made to all debenture holders, on a pro rata basis, and expires at the close of business on May 25, 2009.

Note 8 - Share Capital

At March 31, 2009 there were 97,533,086 common shares outstanding.

a) Issue of shares

During the period ended March 31, 2009, the Company issued 421,056 common shares pursuant to the Company's Employee Share Purchase Plan.

b) Stock Option Incentive Plan

The Company has established a share option plan under which options may be granted to directors, officers, key employees and consultants to purchase up to an aggregate of 9% of the issued and outstanding common shares. Options granted have an exercise price of the prior day's closing price of the common shares on the stock exchange on which the shares are traded. The majority of the options granted vest over two years and expire ten years from the date of the grant of the option.

For options outstanding at March 31, 2009 weighted average exercise prices are as follows:

	March 31 2009	Average Price	December 31 2008	Average Price
Beginning of period	3,541,335	\$ 1.19	3,636,667	\$ 1.27
Options granted	586,828	0.76	583,000	0.92
Options exercised	-	-	-	-
Options lapsed	-	-	(678,332)	1.38
End of period	4,128,163	\$ 1.13	3,541,335	\$ 1.19

For options outstanding at March 31, 2009, the range of exercise prices, the weighted average exercise price and the weighted average remaining contractual life are as follows:

Option Price Per Share	Number	Weighted Average Exercise Price	Weighted Average Remaining Life
\$0.34-\$1.02	1,679,496	\$ 0.70	7.01 years
\$1.11-\$1.47	1,490,333	1.25	3.84 years
\$1.54-\$2.10	958,334	1.69	7.64 years
	4,128,163	\$ 1.13	6.01 years

The fair value of stock options issued in the period was estimated using the Black-Scholes option pricing model with assumptions of six year weighted average expected option life, no expected forfeiture rate, 55.85% to 59.48% volatility and interest rates ranging from 2.1% to 2.2%. For the period ended March 31, 2009, the compensation cost recorded in respect of stock options issued was \$300,000 (March 31, 2008 - \$168,000).

Notes to Consolidated Financial Statements

For the Three Months Ended March 31, 2009

(Canadian Dollars in Thousands, except as otherwise noted)

(Unaudited)

Note 9 - Income Taxes

From time to time, the Company may finance a portion of its exploration activities through the issue of flow-through shares. The Company estimates the tax cost of expenditures renounced to subscribers on the date the deductions are renounced. Share capital is reduced and future income tax liabilities are increased by the estimated tax benefits renounced. The Company has unrecorded tax benefits on loss carryforwards and tax pools in excess of book values available for deduction against which a valuation has been provided. In these circumstances, the future tax liability reduces the valuation allowance and this reduction is recognized in earnings: 2009 - \$0.0 million; 2008 - \$2.2 million.

Note 10 - Financial Instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks by virtue of its activities. The overall financial risk management program focuses on preservation of capital and protecting current and future Company assets and cash flows by reducing exposure to risks posed by the uncertainties and volatilities of financial markets.

The Board of Directors has responsibility to ensure that an adequate financial risk management policy is established and to approve the policy.

The Company's Audit Committee oversees Management's compliance with the Company's financial risk management policy, approves financial risk management programs, and receives and reviews reports on management compliance with the policy.

The types of risk exposure and the way in which such exposures are managed are as follows:

Credit Risk - The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents, receivables, and commodity and currency instruments. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents and reclamation deposits with high-credit quality financial institutions. Sales of commodities are to entities considered to be credit worthy. The Company does not have financial assets that are invested in asset backed commercial paper.

Liquidity Risk - The Company ensures that there is sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash and cash equivalents. The Company believes operating cash flows may not be sufficient to fund the continued exploration at its Madsen exploration project. The Company intends to continue divesting its non core assets, the proceeds of which may decrease the amount of additional capital to be raised. The Company's cash is invested in business accounts with quality financial institutions and which is available on demand for the Company's programs.

Market Risk - The significant market risk exposures to which the Company is exposed are foreign exchange risk, interest rate risk and commodity price risk. These are discussed further below:

Foreign exchange risk - The Company's revenues from the production and sale of gold are denominated in US dollars. However, the Company's operating expenses are primarily incurred in Canadian dollars and its liabilities are primarily denominated in Canadian dollars. The results of the Company's operations are subject to currency risks. The operating results and financial position of the Company are reported in Canadian dollars in the Company's consolidated financial statements. The fluctuation of the US dollar in relation to the Canadian dollar will consequently have an impact on the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity.

Interest rate risk - In respect to the Company's financial assets, the interest rate risk mainly arises from the interest rate impact on our cash and cash equivalents, reclamation deposits, and debt. In respect to financial liabilities, one of the Company's demand loans carries a floating interest rate with the balance of Company debt at fixed interest rates. The Company chooses to fix its interest costs to avoid variations in cash flows. Due to the greater proportion of fixed rate debt, a 1% change in interest rates would not materially impact earnings or cash flow.

Commodity price risk - The value of the Company's mineral resources is related to the price of gold and the outlook for this mineral. Gold prices historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to gold. The profitability of the Company's operations is highly correlated to the market price of gold. If the gold price declines below the cost of production at the Company's mines, for a prolonged period of time, it may not be economically feasible to continue production.

Fair Value - The Company has various financial instruments comprising of cash and cash equivalents, receivables, restricted promissory notes, reclamation deposits, accounts payable and accrued liabilities and short term debts.

Notes to Consolidated Financial Statements

For the Three Months Ended March 31, 2009

(Canadian Dollars in Thousands, except as otherwise noted)

(Unaudited)

The carrying amounts and fair values of financial assets and liabilities are as follows:

	March 31 2009		December 31 2008	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Loans and Receivables				
Accounts receivable ⁽¹⁾	2,899	2,899	275	275
Interest receivable on restricted promissory note ⁽¹⁾	671	671	4,830	4,830
Restricted promissory note ⁽²⁾	n/a	n/a	n/a	n/a
Available-for-sale financial assets				
Investments ⁽³⁾	629	629	607	607
Held-for-trading				
Cash and cash equivalents ⁽¹⁾	-	-	8,390	8,390
Reclamation deposits ⁽¹⁾	2,277	2,277	2,277	2,277
Other financial assets				
Assets held for sale (Note 4) ⁽¹⁾	147	147	912	912
Other financial liabilities				
Bank indebtedness ⁽¹⁾	695	695	-	-
Demand loans ⁽¹⁾	3,448	3,448	3,969	3,969
Payables and accrued liabilities ⁽¹⁾	11,712	11,712	5,794	5,794
Liabilities related to assets held for sale (Note 4) ⁽¹⁾	374	374	732	732
Interest payable on royalty obligations ⁽¹⁾	652	652	4,709	4,709
Debenture	16,636	18,095	16,575	18,095

⁽¹⁾ Due to the nature and / or short maturity of these financial instruments, carrying value approximated fair value

⁽²⁾ The cash flows associated with the restricted promissory notes and royalty obligations match. Due to the lack of comparable market information, the fair value of these instruments is not determinable

⁽³⁾ Based on quoted market prices

Note 11 - Capital Disclosures

The Company's objective when managing its capital is to safeguard its ability to continue as a going concern so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders. 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. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets or incur debt. The Company is not subject to externally imposed capital requirements.

The Company utilizes a combination of short-term and long-term debt and equity to finance its operations and exploration. The Company's capital structure at March 31, 2009 was as follows:

	March 31 2009	December 31 2008
Operating line of credit	\$ 695	\$ -
Demand loan #1	1,031	1,302
Demand loan #2	2,417	2,667
Debenture	16,636	16,575
Total debt	20,779	20,544
Less: cash and cash equivalents	-	8,390
Net debt	20,779	12,154
Shareholders' equity	86,562	87,072
Total capital	\$ 107,341	\$ 99,226

The Company is bound by and has met all covenants in these credit facilities.

Note 12 - Comparative Figures

Certain prior period balances have been reclassified to conform to the current year's financial statement presentation.

Note 13 - Subsequent Event

On April 9, 2009, the Company completed a financing for the issue of 8,599,100 units at a price of \$0.75 per unit for gross proceeds of \$6,449,325. Each unit consists of one common share of the Company and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of \$0.90 for a period of 18 months. The Company also completed a financing for the issue of 5,333,000 flow-through shares at a price of \$0.80 per share for gross proceeds of \$4,266,400.