PC GOLD INC.
(the "Company")

FORM 51-102F1
MANAGEMENT'S DISCUSSION & ANALYSIS

Date

This MD&A is dated May 4, 2009 and should be read in conjunction with the financial statements for the 9 months ended March 31, 2009.

Overview

The Company was incorporated under the laws of Ontario on October 17, 2007 to consolidate leasehold ownership interests in, explore and develop, the Pickle Crow Gold Mine Property ("the Property") in northwestern Ontario. The Pickle Crow Property is the Company's sole property.

Acquisition
On May 13, 2008, further to a Property Acquisition Agreement with Premier Gold Mines Limited and Donald M. Ross In Trust (together, "the Vendors"), dated December 21, 2007, the Company acquired a 100% interest in a mining lease expiring July 31, 2067 which covers the Pickle Crow Property, consisting at the time of acquisition of 98 patented mineral claims totaling 1,533 hectares located in Connell and McCullagh Townships, Patricia Mining Division, near the town of Pickle Lake, Ontario, hosting the past producing Pickle Crow gold mine, together with all surface infrastructure including a mill, stockpiles, equipment and tailings.

On June 23, 2008, the Company announced that it had staked an additional 2,579 hectares of ground in the heart of the Pickle Lake mining camp, increasing the size of its land package by more than two and a half times from 1,533 hectares to a total of 4,112 hectares. With the recent acquisition of a non-contiguous 5 hectare claim just south of the main lease block, the property size presently stands at 4,117 hectares. The Company commands a dominant position in the historical core areas of the camp. This includes holding 100% of what was historically the camp's most productive asset.

The Pickle Crow Property
The Pickle Crow Property hosts the past-producing Pickle Crow Gold Mine. The mine lies within the prolific Uchi geological subprovince, which also hosts the rich gold mines of Red Lake. The Pickle Crow Mine was a well known asset when in production and remains well known in the industry today. Operating continuously from April 1935 through September 1966, the mine produced in total 45 tonnes (1,446,214 Troy oz.) of gold and 5.25 tonnes (168,757 Troy oz.) of silver from 2,785,488 tonnes (3,070,475 tons) of ore milled. Average recovered grade over the life of the mine was 16.14 g/t Au (0.47 oz/T Au) and 1.88 g/t Ag (0.06 oz/T Ag).

Faced with a declining real gold price (US $35/oz.) and increasing costs from deepening operations, the mine recorded its first operational loss in 1964, and closed in 1966 with mineralization in place, productive veins open to depth, and zones of iron formation hosted gold within the workings. The Pickle Crow Property lay dormant for many years, but saw extensive work by various operators through the course of the 1980's, 1990's and first part of this decade. This historical work, which included several non-NI 43-101 compliant estimates of the volume of gold mineralization hosted by the Property, outlined substantial zones of auriferous material within the area of, or in close proximity to, the historical workings.

These historical estimates, which can be viewed in Section 5.4 of the Pickle Crow Property NI 43-101 Technical Report (available from www.sedar.com), prepared by independent consultants MPH Consulting Limited of Toronto ("MPH"), range from a general inventory in place on mine closure (PCGM, September 1966) of 140,000 tonnes averaging 11.31 g/t Au (46,190 oz. Au) to a global calculation (Noramco, April 1988) totalling 5,731,050 tonnes at 7.26 g/t Au (1,213,919 oz. Au). These estimates are historical in nature and pre-date and are non-compliant with NI 43-101. The Company is not treating these historical estimates as current mineral resources or reserves and has not undertaken any independent investigation of the estimates nor independently analyzed the results of the previous exploration work in order to verify the historical resource figures. These historical estimates should therefore not be relied upon. The Company does however believe that these historical estimates provide a conceptual indication of the potential of the gold mineralized zones on the Pickle Crow Property and are relevant to ongoing exploration, and that it is reasonable to suggest they may be brought into compliance with the NI 43-101 standard, in whole or in part, through implementation of the exploration program now underway.

At the Pickle Crow Property, the high grade veins from which the historical production was drawn are known from the historical drilling record to remain open to depth. Of these known veins within the now flooded Pickle Crow Mine workings proper, a greater number are present within the mine workings than were initially apparent on surface, indicating a robust mineralized system which may be intensifying with depth. Moreover, several substantial zones of gold in iron formation, not historically mined, remain in place both within the area of the historical workings, and to depth. The unexplored block of virgin ground beneath the historical workings to depths of 2,500 metres vertically from surface is therefore considered to be as prospective from an exploration standpoint as the shallower areas mined in the past. There are, in addition, several areas on the Property which host near surface mineralization or remain prospective. Consequently, there is believed to be considerable potential to expand the Property's known zones of gold mineralization, and to make new discoveries.

A major exploration and development program on the Pickle Crow Property was called for by MPH in the NI 43-101 Technical Report. This program commenced late in 2007 with a preparatory program of data compilation, digitization and 3D modeling which is serving as a guide for exploration drilling and will be used to facilitate a future NI 43-101 compliant resource calculation. Between June and October, 2008, the Company completed extensive upgrades to roads and bridges to ensure reliable, safe access to the Property, renovated the former Pickle Lake Hotel to serve as accommodation for drill crews and exploration personnel, constructed winterized core cutting and logging facilities, installed outdoor core racks, renovated the gatehouse at the Pickle Crow minesite to serve as an exploration field office, and completed the construction of an on-site mine dry facility. In August, 2008 the Company also had the Property mapped with an airborne LiDAR (Light Detection And Ranging) system to provide precise topographic control and photo imagery to aid exploration. The Pickle Crow Property is now a turn-key site capable of sustaining year-round exploration activities in all weather conditions.

The principal objectives of the overall exploration program are to define and expand known gold zones within or in close proximity to the mine's workings and to extend those zones, and make new discoveries, in the virgin ground beneath the old mine, where the system lies open. To oversee this effort, the Company has contracted Fladgate Exploration Consulting Corporation of Thunder Bay, Ontario.

Environment

The Company is presently engaged with the Ontario Ministry of Northern Development and Mines in a process to complete a certified amendment to the Pickle Crow Production Closure Plan dated June and July 2002 respectively. This process, which is expected to include a review of the environmental condition of the Property by an independent environmental consulting firm and an assessment of the potential costs of remediating historical open pits, tailings areas, and mill and other infrastructure sites, will determine what new funds, if any, in addition to those already held by the Ministry on the Company's behalf, may be required to cover rehabilitation of the mine site following a permanent closure of the Pickle Crow Property.

Drilling

In August 2008 the Company launched a Phase I surface based diamond drilling program on the Pickle Crow Property, commencing with a single drill targeting near surface areas. A second drill capable of down-hole depths to 2,500 metres was added to the program in September. Major Drilling Group International was contracted by the Company to carry out the work.

In preparation for the Phase I drilling program, PC Gold implemented a rigorous quality assurance / quality control (QA/QC) program to ensure best practices in sampling and analysis of drill core. The QA/QC program was established under the direct oversight of Mr. Neil Pettigrew, the Company's Vice President, Exploration, and Qualified Person as defined by National Instrument 43-101. The details of this QA/QC program can be viewed on the Company's website at www.pcgold.ca. The Company also contracted ALS Chemex of Thunder Bay, Ontario and Vancouver, British Columbia, to carry out the necessary analyses.

The objectives of the Phase I drilling program were to provide an initial assessment of some eleven different vein and iron formation hosted gold targets spread across predominantly near-surface areas of the Shaft 1, Shaft 3 and Albany Shaft areas of the Property, but also targeting the important No. 5 Gold Zone at depth in the vicinity of Shaft 1. The primary intent of this work was to attempt to confirm the historical drill results from these target areas so that the historical data could be used with confidence, in combination with the Company's own Phase I drilling data, in the 3D mine modeling process now underway. A secondary objective, crucial to future efforts to evaluate the deep exploration potential of the Property, was to demonstrate that the Company could successfully drill deep holes to more than 1,000 metres vertically from surface. Both these objectives were ultimately realized.

The active drilling portion of the Phase I drilling program concluded on about November 15, 2008, after the completion of 29 NQ diameter diamond drill holes totaling 8,519 metres. Assay results were put out in four news releases between October 29, 2008 and February 10, 2009.

Phase I Drill Program Key Outcomes

The Company has been very pleased with the results of the Phase I drilling program, which broadly confirmed the historical records both from drill hole data and chip samples from workings. This included frequent high-grade intercepts over narrow intervals typical of the 31 years of successful historical production at the Pickle Crow gold mine, including, for example, 1.00 metre of 30.10 g/t (0.88 opt) Au in PC-08-007, and 0.5 metre of 108.5 g/t (3.17 opt) in PC-08-010. Moderate grades over intermediate intervals were also encountered in some holes, such as 6.18 metres of 6.21 g/t (0.18 opt) and 8.33 metres of 5.08 g/t (0.15 opt) in PC-08-010.

A particularly compelling confirmation of the historical data was received from hole PC-08-020. The historical record indicates that previous operators in the shallow Albany Shaft area on the northeastern portion of the Property developed three levels to a depth of 625 feet (190 m) along a considerable portion of the strike of the high-grade No. 14 – No. 16 vein system, but did not actually mine the structure. To test the historical record, the Company targeted hole PC-08-020 to penetrate between the 150 and 190 metre levels of the Albany workings, on the expectation that the No. 14 – No. 16 vein system would be intersected. As announced January 22, 2009, hole PC-08-020 successfully intersected the No. 14 – No. 16 vein, returning 3.90 metres of 17.39 g/t (12.8 feet of 0.51 opt) gold. Unexpectedly, PC-08-020 also encountered closer to surface in the same hole, two other zones carrying strong values over mineable widths: a second zone comprising 13.50 metres of 4.03 g/t (44.3 feet of 0.12 opt) gold (uncut), including 3.80 metres of 9.13 g/t (12.5 feet of 0.27 opt) gold, and a third zone comprising 5.30 metres of 4.99 g/t (17.4 feet of 0.15 opt) gold (note: true widths are estimated at 50-70% of the widths shown).

The broadly successful replication of historical results not only in PC-08-020 but in many of the other holes of the Phase I program means that data from some 3,500 historical diamond drill holes on the Property can now be used with confidence in 3D modeling and future studies aimed at advancing the Property.

The Phase I drilling was also able to confirm that known gold zones are in place within or in close proximity to the workings, and that they remain open for expansion. This includes portions of two of the historically most productive high-grade veins, the No. 1 and No. 5.

The technical success of the deepest diamond drill hole drilled to date on the Property, hole PC-08-014A and its subsequent wedge holes, was also encouraging as it demonstrated the Company can successfully drill deep targets from surface. Moreover, PC-08-014A also confirmed the Company’s understanding, developed from 3D modeling, that carefully designed individual deep holes can successfully penetrate multiple mineralized structures and targets hosted within the Pickle Crow system. PC-08-014A achieved four important outcomes, including the intersection of three high-grade vein structures, as follows:

- Cutting the western extension of the historically important No. 1 Vein, which it intersected approximately 400 metres (1,312 feet) lateral to and west of, the 503 metre (1,650 foot) level workings, returning 0.50 metres (1.6 feet) of 5.96 g/t (0.17 opt) gold;
- Intersecting further down the hole from 555 to 571 metres, the first ultramafic volcanics ever identified on the Property, with positive implications for Red Lake style mafic-ultramafic contact targets where known gold bearing structures, such as the one which hosts the No. 1 Vein, pass through the ultramafics;
- Intersecting the high-grade No. 5 Vein and associated gold bearing banded iron formation, returning 4.20 metres (13.8 feet) of 8.20 g/t (0.24 opt) gold (uncut) including 0.60 metres (2.0 feet) of 52.7 g/t (1.54 opt) gold; and, lastly
- Intersecting the high-grade No. 11 Vein some 25 metres into the footwall of the No. 5 vein, cut below the 900 metre (2,950 foot) level in Shaft 1, returning 0.50 metres (1.6 feet) of 31.90 g/t (0.93 opt) gold. The discovery of the No. 11 Vein at a vertical depth of over 900 metres is important, as it was previously known only from historical near-surface drilling above the 750 foot (229 metre) level.

The ability to penetrate multiple structures with single deep drill holes, as demonstrated by hole PC-08-014A, is an important exploration advantage at Pickle Crow.

In addition to the positive outcomes delivered by deep hole PC-08-014A and its wedges, and previously discussed shallow Albany hole PC-08-020, the Phase I program also resulted in the discovery, in hole PC-08-027, the final hole of the program, of three new high-grade gold zones within strongly sulphidized (pyrrhotite replacing magnetite) banded iron formation. PC-08-027 was designed to test an area relatively close to both surface and underground workings north of the Albany Shaft, that had not seen historical drilling. Visual inspection of the core in the field suggested excellent potential for gold, and subsequent assays bore this out, with intersections of 0.80 metres of 23.75 g/t gold (uncut) including 36.00 g/t (1.05 opt) over 0.50 metres (1.6 feet) (Zone 1); 2.93 metres of 5.55 g/t gold (uncut) including 26.60 g/t (0.78 opt) over 0.44 metres (1.4 feet) (Zone 2); and 7.95 metres of 3.01 g/t gold (uncut) including 23.30 g/t (0.68 opt) over 0.60 metres (2.0 feet) (Zone 3). Hole PC-08-027 is located proximal to a major untested fold hinge in iron formation, and will be followed up in the next phase of drilling planned for the Property.

The Phase I drilling program results in the Albany Shaft area are considered significant not only for the strong values encountered in holes PC-08-020 and PC-08-027, but for the fact that the seven holes drilled into the Albany Shaft area during the program were able to demonstrate broad continuity in the partially developed, but unmined, high grade No. 14 – No. 16 vein system along approximately a 330 metre strike length in a southwest-northeast direction and up to 450 metres (1,476 feet) down-dip from outcrop.

Concurrent with the evaluation and interpretation of the Phase I drilling results, substantive progress was made during the quarter on digitization of historical data sets, and further development and refinement of the 3D model for the Property. A preliminary version of this model was displayed publicly at the Company's booth during the annual PDAC convention early in March. At quarter's end, the information was being used to develop targets and guide detailed planning for an anticipated Phase II drilling program which is expected to get underway in the near future.

Notwithstanding the continuing difficult economic circumstances in the January – March quarter, management continued to find the market strongly receptive to the exploration potential of the Pickle Crow Property, and management's vision for evaluating that potential. This was demonstrated most convincingly by the March 12, 2009 closing of a $2,000,000 million private placement, the net proceeds of which will largely be used to launch the Phase II drill program.

Management was active during the quarter marketing and promoting the Company at trade shows in Vancouver and Toronto, and also carried out in mid March the first road show south of the border, to independent money managers and institutions in Atlanta, New York and Boston. A series of "virtual" presentations have also been undertaken with success, targeting investor audiences in the U.S. and Europe. In addition, selective advertising, primarily web-based, has been put in place with the intent of building awareness of the Company and its activities, and channeling investor interest to the Company website at www.pcgold.ca.

Risks and Uncertainties

The Company is in the exploration stage and has not yet determined whether its mineral resource properties contain reserves that are economically recoverable. The continued operations of the Company and the recoverability of amounts shown for mineral resource properties is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties.

The Company is subject to numerous risk factors that may affect its business prospects in the future. These risks include, but are not limited to, the Company's access to additional capital to fund future activities, its reliance on the Pickle Crow Property as its sole asset, the loss of its mineral property or the inability to obtain exploration licences, the inherently risky nature of the Company's activities, price fluctuations for gold and silver, title risks, political and regulatory risks related to prospecting, development, mining, labour standards, occupational health and safety, waste disposal, land use, water use, environmental protection, land claims of indigenous people and other matters, statutory and regulatory compliance, the adequacy and availability of insurance coverage, competition for equipment and skilled personnel, liquidity risk, and the Company's dependence upon key employees and consultants.

Results of Operations

9 months ended March 31

	2009 $	2008 $ (note 1)
General and administrative expenses		
Professional fees	40,438	10,330
Salaries and benefits	230,890	-
Consulting fees	36,000	45,320
Directors' fees	70,333	-
Stock-based compensation	264,743	-
Premises	15,245	4,321
Office, general and administration	37,318	5,627
Public company costs	67,091	-
Investor relations	218,364	4,353
Travel	12,781	7,043
Amortization	16,020	937
	1,009,223	77,931
Loss before the following item	(1,009,223)	(77,931)
Interest income	49,389	4,386
Loss for the period	(959,834)	(73,546)

1. The Company commenced operations on October 17, 2007 and the figures presented are for the period October 17, 2007 to March 31, 2008.

The Company was incorporated on October 17, 2007 and the results of operations for the period October 17, 2007 to March 31, 2008 reflect expenditures incurred in respect of the organization of the Company and the generation and negotiation of the acquisition of the Pickle Crow Property, which was completed on May 13, 2008.

3 months ended March 31

	2009 $	2008 $
General and administrative expenses		
Professional fees	15,396	7,000
Salaries and benefits	70,547	-
Consulting fees	12,000	45,320
Directors' fees	22,250	-
Stock-based compensation	88,248	-
Premises	5,045	4,321
Office, general and administration	14,091	4,912
Public company costs	45,346	-
Investor relations	61,705	4,353
Travel	1,225	675
Amortization	5,340	937
	341,193	67,518
Loss before the following item	(341,193)	(67,518)
Interest income	4,026	4,386
Loss for the period	(337,167)	(63,132)

The Company was incorporated on October 17, 2007 and the results of operations for the period October 17, 2007 to March 31, 2008 reflect expenditures incurred in respect of the organization of the Company and the generation and negotiation of the acquisition of the Pickle Crow Property, which was completed on May 13, 2008.

Summary of Quarterly Results

The summary of quarterly results has been prepared in accordance with Canadian generally accepted accounting principles.

	Q2 2008 $ (note 1)	Q3 2008 $	Q4 2008 $	Q1 2009 $	Q2 2009 $	Q3 2009 $
Interest revenue	-	4,386	18,089	31,101	14,262	4,026
Loss						
- Total	10,413	63,132	1,481,385	311,770	310,897	337,167
- Per share	0.01	0.02	0.09	0.01	0.01	0.01

1. The Company commenced operations on October 17, 2007 and the figures presented are for the period October 17, 2007 to December 31, 2007.

The Company was incorporated on October 17, 2007 and the results of operations for the second and third quarter of 2008 reflect expenditures incurred in respect of the organization of the Company and the generation and negotiation of the acquisition of the Pickle Crow Property, which was completed on May 13, 2008.

The loss of $1,481,385 for the fourth quarter of 2008 includes stock-based compensation of $1,246,372 for stock options granted during the period.

Overall Performance

Net loss for the 9 months ended March 31, 2009 was $959,834, which included $280,763 related to non-cash charges for stock compensation and amortization.

Exploration expenses capitalized to the Company's mineral resource property totalled $4,990,673.

Liquidity and Capital Resources

The Company is not in commercial production on its mineral resource property, and accordingly, the Company has no revenues. The Company finances its operations by raising capital in the equity markets.

On March 12, 2009 the Company completed a private placement of 4,000,000 units at a price of $0.50 per unit for gross proceeds of $2,000,000. Each unit consisted of one common share and one-half of one warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.70 per common share until March 12, 2010. In connection with the offering, the Company issued to the agents 50,000 common shares with a value of $25,000 and 285,000 common share purchase warrants entitling the holder to purchase one common share at $0.70 per common share until March 12, 2010.

As at March 31, 2009, working capital of $3,063,731 included cash of $3,082,437. The Company intends to use the funds to explore its Pickle Crow Property, and has invested these funds in an interest-bearing current account at a Canadian chartered bank until they are required. The investment of these funds resulted in revenue of $49,389 for the 9 months ended March 31, 2009. The Company has no exposure to asset–backed commercial paper.

Future cash requirements will depend primarily on the extent of future expenditures on the Company's exploration program, and to a lesser degree outlays on general and administrative expenses, including promotional activities. In keeping with the recommendations of the NI-43-101 Technical Report on the Pickle Crow Property, the Company is engaged in a multi-phase exploration and development program at Pickle Crow, and will in future require additional capital beyond its current resources in order to fully execute on its vision. However, the Company has considerable discretion in terms of the scale and rate at which it unfolds its exploration activities, can tailor its program expenditures to its ability to raise funds from capital markets and, on an ongoing basis, pays careful attention to costs throughout its operations, the net effect of which is to ensure the Company has sufficient funds to maintain itself. In light of continuing difficult market conditions during the quarter, including ongoing tightness in credit and capital markets, the Company has been especially cognizant of the need to conserve its capital resources. The success of the March 12, 2009 $2,000,000 private placement has underscored the Company's ability to raise money in current markets, and has ensured that the Company has sufficient funds to maintain itself at its present rate of cash consumption for approximately the next fourteen months. Should the Company's anticipated rate of program expenditures increase, as is likely to be the case, it would plan to raise the additional exploration capital required in advance of the need. In the event such capital was not available, the Company would continue to conserve capital resources and maintain exploration activities at a low level, thereby ensuring its continuance as a going concern for an extended period.

Transactions with Related Parties

For the 9 months ended March 31, 2009, consulting fees of $45,000 were expensed for two companies controlled by officers of the Company and salaries & benefits included $165,000 paid or payable to a director and officer of the Company. Mineral resource property included $2,234,195 of exploration expenditures paid or payable to Fladgate Exploration Consulting ("Fladgate"). An officer of the Company is an officer of Fladgate. These transactions were in the normal course of business and are recorded at an exchange value established and agreed upon by the related parties.

Accounts payable and accrued liabilities included $58,582 due to Fladgate.

Critical Accounting Estimates

Mineral resource property
Costs relating to the acquisition, exploration and development of a mineral resource property are deferred until the property is brought into commercial production, at which time they are amortized over the estimated useful life of the property on a unit-of-production basis. The cost of a mineral resource property includes the cash consideration and the fair value of shares issued on the date the property was acquired. The proceeds from options granted on the property are credited to the cost of the property. When a property is determined to be non-commercial, non-productive or its value impaired, those costs in excess of estimated recoveries are charged to operations.

The recoverability of amounts shown for a mineral resource property is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource property, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource property.

The amount shown for mineral resource property does not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for mineral resource property.

Stock-based compensation
Stock-based compensation is determined using the Black-Scholes option pricing model, which requires the input of subjective assumptions, including the expected price volatility of the Company's common shares and the expected life of the options. Changes in these input assumptions can materially affect the estimate of fair value.

Changes in Accounting Policies Including Initial Adoption

On July 1, 2008, the Company adopted amendments to CICA Handbook Section 1400, "General Standards of Financial Statement Presentation" which includes requirements to assess and disclose an entity's ability to continue as a going concern; disclosure of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern; disclosure of when financial statements are not prepared on a going concern basis, together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern. Beyond additional disclosure, the adoption of this new accounting standard did not have an effect on the Company's financial statements.

On March 27, 2009, the Company adopted CICA Emerging Issues Committee EIC-174, "Mining Exploration Costs". EIC-174 provides guidance on the capitalization of exploration costs related to mineral properties, when impairment should be assessed to determine whether a writedown is required and the conditions that indicate impairment. The adoption of EIC-174 did not have an effect on the Company's financial statements.

Future accounting changes

On July 1, 2009, the Company will adopt CICA Handbook Section 3031, "Inventories", which will replace Section 3030. The new standard requires that inventories be measured at the lower of cost and the net realizable value, provides guidelines on determining cost, prohibits the use of the last-in, first-out method (LIFO) and requires the reversal of a previous write-down when the value of inventories increases.

On July 1, 2009, the Company will adopt CICA Handbook Section 3064, "Goodwill and Intangible Assets" which will replace Section 3062. The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred. Concurrent with the introduction of this standard, the CICA withdrew EIC27, Revenues and Expenses during the pre-operating period.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

International Financial Reporting Standards ("IFRS"):

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles ("GAAP") with IFRS over an expected five year transitional period.

In February 2008, the CICA Accounting Standards Board confirmed that the changeover to IFRS from Canadian GAAP will be required for publicly accountable enterprises, effective for the interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations. The Company continues to monitor and assess the impact of the convergence of Canadian GAAP and IFRS on its financial statements. The Company has not completed development of its IFRS changeover plan, which will include project structure governance, resourcing and training, analysis of key GAAP differences and a phased plan to assess accounting policies under IFRS as well as potential IFRS 1 ("First Time Adoption of IFRS") exemptions. The Company hopes to complete its project scoping, which will include a timetable for assessing the impact on data systems, internal controls over financial reporting and business activities, such as financing and compensation arrangements, during 2009.

Financial Instruments and Other Instruments

The carrying value of cash, receivables and accounts payable and accrued liabilities approximates fair value due to the short-term nature of these financial instruments.

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

Currency risk
As the majority of the Company's expenditures are in Canadian dollars, the Company limits it exposure to currency risk by maintaining its cash and cash equivalents in Canadian dollars.

Credit risk
Credit risk is the risk of a loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Company limits its exposure to credit risk by holding its cash in deposits with high credit quality Canadian financial institutions and holding no asset-backed commercial paper.

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

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.

Commodity price risk
The Company is exposed to commodity price risk with respect to gold and silver prices. A significant decline in gold and silver prices may affect the Company's ability to obtain capital for the exploration and development of its mineral resource property.

Controls and Procedures

The Chief Executive Officer and Chief Financial Officer have designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is made known to them by others within the Company, particularly during the period in which the interim filings are being prepared. The Chief Executive Officer and Chief Financial Officer have also designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of the financial statements in accordance with Canadian generally accepted accounting principles.

The Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures and assessed the design of the Company's internal controls over financial reporting. As the Company has a limited number of personnel, management has concluded that a weakness exists in the design of internal controls over financial reporting caused by a lack of adequate segregation of duties. This weakness has the potential to result in material misstatements in the Company's financial statements and should also be considered a weakness in its disclosure controls and procedures. Management has concluded that taking into account the present stage of the Company's development and the best interests of its shareholders, the Company does not have sufficient size and scale to warrant the hiring of additional personnel to correct this weakness at this time. To help mitigate the impact of this weakness and to ensure quality financial reporting, there are supervisory controls exercised by management and audit committee oversight.

In order to reduce its expenses, the unaudited financial statements have not been reviewed by the Company's auditors. This change in the Company's internal control over financial reporting that occurred during the Company's most recent interim period has materially affected, or is reasonable likely to materially affect, the Company's internal control over financial reporting.

Disclosure of Outstanding Share Data (as at May 4, 2009)

Shares
Authorized:
Unlimited number of common shares.

Outstanding:
29,750,000 common shares.

Warrants
Outstanding:
805,000 warrants entitling the holder to purchase one common share at a price of $1.00 per common share until May 13, 2010.

2,375,000 warrants entitling the holder to purchase one common share at a price of $1.40 per common share until May 13, 2010.

2,285,000 warrants entitling the holder to purchase one common share at a price of $0.70 per common share until March 12, 2010.

Stock options
Authorized:
2,570,000 stock options.

Outstanding:

Exercise price	Options outstanding	Options exercisable	Expiry date
$1.00	2,115,000	1,288,333	May 13, 2013
$1.08	400,000	300,000	May 28, 2013
	2,515,000	1,588,333	

At May 4, 2009, there are 55,000 options available to be granted under the stock option plan.

Forward-Looking Statements

All statements made in this MD&A, other than statements of historical fact, are forward-looking statements. The words “anticipate”, “believe”, “estimate”, “expect”, “intend”, “may”, “plan”, “will”, “would”, “should”, “guidance”, “potential”, “continue”, “project”, “forecast”, “confident”, “prospects”, and similar expressions typically are used to identify forward-looking statements. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the Company’s business and the industry and markets in which it operates. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or implied by these forward-looking statements due to a number of factors, including but not limited to the Company’s access to additional capital to fund future activities, the loss of its mineral property or the inability to obtain exploration and development licences, the inherently risky nature of the Company’s activities, land claims of indigenous peoples in the area in which the Company carries on operations, title risks, statutory and regulatory compliance risks, the adequacy and availability of insurance coverage, the Company’s dependence upon key employees and consultants, and fluctuations in the price of gold and silver. These risks, as well as others, could cause actual results and events to vary significantly. The Company expressly disclaims any intent or obligation to update these forward-looking statements, unless the Company specifically states otherwise.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com, and at www.pcgold.ca.