This Management Discussion and Analysis ("MD&A") should be read in conjunction with Aurcana Corporation's (the "Company" or "Aurcana") unaudited consolidated financial statements for the three months ended March 31, 2009 and 2008 and the related notes thereto, which have been prepared in accordance with Canadian generally accepted accounting principles. This MD&A should also be read in conjunction with the audited consolidated financial statements and the notes thereto, for the year ended 31 December 2008, and related management discussion and analysis. This information can be found on SEDAR at www.sedar.com and on our Company website www.aurcana.com. The reader should be aware that historical results are not necessarily indicative of future performance.

The effective date of this MD&A is **May 29, 2009.**

Forward Looking Statements: This report contains "forward-looking statements", including, but not limited to, statements regarding the Company's expectations as to the market price of minerals, strategic plans, future commercial production, production targets and timetables, mine operating costs, capital expenditures, work programs, exploration budgets and mineral reserve and resource estimates. Forward-looking statements express, as at the date of this report, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results. Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements and Aurcana assumes no obligation to update forward-looking information in light of actual events or results.

Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, factors associated with fluctuations in the market price of minerals, mining industry risks and hazards, environmental risks and hazards, uncertainty as to calculation of mineral reserves and resources, requirement of additional financing, risks of delays in construction and other risks. Actual results may differ materially from those currently anticipated in such statements.

The forward looking information in this MD&A is based on management's current expectations and Aurcana assumes no obligations to update such information to reflect later events or developments, except as required by law. Additional information, about the risks and uncertainties of the Company's business is provided in its disclosure materials, include its most recent annual and quarterly filings, filed with the securities regulatory authorities in Canada available at www.sedar.com.

Basis of Presentation: The accompanying financial statements of Aurcana have been prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities and commitments in the ordinary course of business. At March 31, 2009, the Company has recurring losses and an accumulated deficit of $46,028,633. Management believes that the going concern assumption is appropriate for these financial statements. If this assumption were not appropriate, adjustments to the carrying amounts of the assets and liabilities, revenues and expenses and the balance sheet classifications used may be necessary.

Nature of Business: Aurcana was incorporated under the laws of Ontario on October 12, 1917 under the name "Cane Silver Mines Limited" and was continued under the Canadian Business Corporations Act on September 14, 1998 under the name Aurcana Corporation. Aurcana is a reporting issuer in British Columbia, Alberta and Ontario. The Company is listed on the TSX Venture Exchange ("TSX-VE") under the symbol AUN and was recently elevated to Tier 1 Status in October 2008.

The principal focus of the Company is the operation and development of mineral properties, primarily, Silver-Copper-Zinc-Lead mines. The Company is currently operating the La Negra mine, through its 80% joint venture share in Real de Maconi S.A. de C.V. in the state of Queretaro. The Company began recognizing revenues from the La Negra mine on 01 July 2007, upon reaching consistent production targets beyond 75% of production in the month of June. As well the Company is presently evaluating the Shafter silver mine in Texas.

Highlights:

Results of Operations

The first quarter of 2009 represents a period of reconstruction for the Company. Metal concentrate prices appear to have begun to recover, and the Company started to adjust its cost structure, both on the operational and administrative side. The Company had a net loss and comprehensive loss for the quarter ended March 31, 2009 of $879,946 (2008- $438,474) or $0.00 per share (2008 - $0.00).

The most significant items during the quarter were:

- Collected IVA of MP$25 million (approximately $1.9 million) which was applied to the operations at La Negra;
- Operational issues due to low metal prices continued to be a focus of the Companyat the La Negra mine;
- Negotiations with our principal concentrate buyer regarding pricing and debt continued throughout the quarter; and
- Negotiations with respect to our silver off-take agreement continued.

La Negra

- 69,366 tonnes of ore processed during 1st quarter;
- Copper concentrate produced 2,146 tonnes during the 1st quarter (2,869 tonnes sold);
- Zinc concentrate produced 812 tonnes during the 1st quarter (1,045 tonnes sold);
- Silver produced 166,031 ounces (190,647 ounces sold);
- The difference between production and shipment in all cases reflects the interruption of shipments due to holidays and delays at year end.

Shafter

- In July 2008, the Company completed the acquisition of the Shafter silver mine, from Silver Standard Resources Inc. for $38.7 million;
- The project has much of the infrastructure in place and the Company is moving forward with the pre-feasibility study and permitting; and
- In July 2008 Tetra Tech Inc., of Golden Colorado completed a NI 43-101 compliant report confirming a measured and indicated resource of 24.6 million ounces of silver and an inferred resource of 22.8 million ounces of silver using a four ounce per ton cut off. The full report can be viewed on the Aurcana website www.aurcana.com or on SEDAR www.sedar.com.

Rosario

- The Company ceased operations at site on October 31, 2008 and entered negotiations for joint venture opportunities in order for Management to focus on the recently acquired Shafter Project and the La Negra project.
- Subsequent to quarter end, the Company announced entering into an agreement to sell the Rosario property for $250,000, one million shares of Silvermex Resources, and the assumption of all future property payments. Additional consideration $3 million and 1 million shares is to be paid in installments upon production or within 24 months.

Corporate

- In March 2009 Aurcana appointed Ricardo Rodriguez as a director;
- In May 2009, Aurcana appointed Lenic Rodriguez as President and Chief Executive Officer of the Company.

Overall Performance: Aurcana is engaged in the business of mining, exploration and development of mineral properties. The principal focus is the operation and development of mineral properties, primarily silver operations located in Mexico and the United States. The Company is currently operating the La Negra silver-copper-zinc-lead mine (“La Negra”), located in the state of Queretaro, through its 80% joint venture share in Real de Maconi S.A. de C.V. In addition to the Mexico operations, the Company recently acquired the Shafter Silver Mine located in Presidio County, southwest Texas which is held through the Company’s 100% owned US subsidiary Silver Assets Inc.

Loss

The Company had a net loss and comprehensive loss for the quarter ended March 31, 2009 of $879,946 (2008- $438,474) or $0.00 per share (2008 - $0.00).

Revenue

During the quarter ended March 31, 2009, the Company realized revenues from the sale of 2,869 tonnes of copper content (2008- 2,443 tonnes) , 1,045 tonnes of zinc content (2008 - 670 tonnes) and 190,647 ounces of silver (2008 – 125,528 ounces) for total net revenues of $3,387,366 (2008 - $3,347,273). The average price for sales of copper, zinc and silver during the period were Cu - $1.56, Ag - $12.60 and Zn $0.53.

Metal prices, while recovering, continue to be a significant factor in the profitability of the Company.

The Company renegotiated the terms of its agreement with its concentrate buyer this quarter, to set a one month term for final pricing with the possibility of locking in prices when the company deems this to be favourable. This reduces the potential for significant loss exposure in a rapidly changing market for concentrate such as those experienced in 2008. The precipitous decline in metal prices in 2008 resulted in a large number of open contracts for shipments being effectively repriced at the lower prices in effect at settlement. This resulted in an adjustment to sales of approximately US$4.8 million (approximately $5.1 million Canadian). This adjustment was reflected in the 2008 financial statements of the Company, and negotiations are continuing as of the date of this report with respect to the final amount and terms of the additional debt created by this repricing of shipments.

Sale of Silver

In June 2008, Aurcana agreed to sell to Silver Wheaton (Caymans) Ltd. (“Silver Wheaton”) 50% of the silver metal to be produced from ore extracted during the mine-life from Aurcana’s 80% share of silver production at La Negra. The sale was made in consideration of a prepayment to Cane Silver Inc., a 100% owned subsidiary of Aurcana, of US$25 million in cash, plus a fee per ounce of payable silver to be delivered to Silver Wheaton of the lesser of US$3.90 (subject to an inflationary adjustment beginning after year three) and the prevailing market price per ounce.

The following table reconciles movements on deferred revenue associated with the Silver Wheaton transaction:

	US Dollars	Canadian Dollars
Balance, December 31, 2007	$ -	$ -
Sale advance	25,000,000	25,331,192
Repayments	(986,298)	(1,052,074)
Unrealized foreign exchange loss	-	5,084,837
Balance, December 31, 2008	$ 24,013,702	$ 29,363,955
Repayments	(1,175,525)	(1,469,171)
Unrealized foreign exchange loss	-	643,802
Balance, December 31, 2008	$ 22,838,177	$ 28,538,586

The denomination of the deferred revenue liability in US dollars continue to cause realized and unrealized foreign exchange losses this quarter. Any further weakening in the Canadian dollar will result in further losses, while a strengthening will result in gains; consequently it is not possible to determine the extent of any additional gains or losses.

During the quarter, due to ongoing negotiations surrounding the re-pricing of shipments with our concentrate buyer, and other factors, the Company fell into arrears on its payments of refined silver produced from its La Negra project to Silver Wheaton pursuant to the terms of the Silver off take Agreement with Silver Wheaton. The Company and Silver Wheaton are discussing alternatives to remedy this situation; however no definitive agreement has been reached. The balance owing of US $971,680 (approximately $1.2 million) has been added to accounts payable in the quarterly financial statements.

Cost of Sales

The cost of sales in the quarter continued to be higher than comparable quarter of 2008, at $2,790,341 (2008 - $2,311,463). While sales were similar for Q1 2009 compared to Q1 2008, the tonnage required to reach those sales was higher. As production costs track the tonnage produced, this results in relatively higher costs compared to sales.

Management is continuing to work to reduce costs. Subsequent to the quarter end, the operator agreement with Reyna was not renewed, and the Company moved to take operational control of the mine.

La Negra Mine

We continue to encounter additional mineralized mantos between or as extensions of known ore zones which continues to add to the life of the La Negra Mine. In 2008 63,000 tonnes were mined that were not in the reserve base (approximately 30%). Operationally, La Negra has the benefit of multiple zones that have existing development and are primarily copper-silver. A new mine plan was prepared in order to mine from areas that require minimal development but also have higher grades of silver and copper. To maximize the value of the ore being sent to the mill the new mine plan selectively produced from these higher grade sources.

With the dramatic fall in metal prices in 2008, Aurcana and its partner, Reyna Mining and Engineering, examined all aspects of the La Negra mine to reduce costs and increase efficiency in order to survive during the recession. The operation is under constant review to monitor the results in these metal markets. We commenced the implementation of operational and cost cutting measures. All exploration drilling and any mine development not directly associated with immediate production was suspended in order to reduce costs. The mine was successful in renegotiating some contracts; in particular it's concentrate off-take agreements, electricity rates, and some suppliers. La Negra purchased supplies at deeply discounted rates from local mines that had suspended operations. The Company completed an NI 43-101 compliant reserve estimation on the Alacran deposit by independent consultants Wardrop Engineering Inc. The report increased the total of mineable reserves to 434,825, a 98% increase from historically reported reserves. The previous historical reported reserve was established in 2000. We also completed a NI43-101 compliant resource estimate, on the Monica deposit, completed by Geosim services Inc. calculated a resource of 587,698 tonnes (measured 403,497 tonnes and indicated 184,201 tonnes). This represents a 1,115% increase from the historical reserve figure of 48,300 tonnes. La Negra management reduced capital expenditures relating to its tailings facilities by working with outside consultants. Following the recommendation of the consultant the current tailings facility was upgraded at a cost of US$240,000 which has extended the life of the tailings facility for another ten years at a production rate of 1000 tonnes per day. A jumbo drill and two scoop trams were purchased to expand the Company's ability to exploit multiple ore bodies, resulting in efficiencies in blending and recovering ore.

During the quarter, the Company struggled to keep the mine operational. Average metal prices reached a low in late December and started to increase during the quarter, but significant increases only occurred subsequent to the quarter end in May, 2009. As a result production was curtailed at the mine due to a shortage of funds, parts and supplies, and trucking capacity.

With the receipt of the IVA refund in March, many of these constraints started to be reduced. Subsequent to the quarter end, in April, the Company agreed with its principal concentrate purchaser to bill a domestic Mexican subsidiary, allowing the mine to charge IVA on its sales. This will eliminate a significant cash drain on the mine, allowing for the offset of future IVA receipts and disbursements instead of waiting for refunds.

In spite of the above, production levels were close to those of the previous quarter.

Production at La Negra the lasts even quarters (Commercial production commenced in Q3 2007)

Quarter Ended	March 31 2009	Dec 31 2008	Sept 30 2008	June 30 2008	March 31 2008	Dec 31 2007	Sept 30 2007
Inventory (start of period)							
Ore stockpiles (tonnes)	720	835	812	3,662	4,878	6,580	35,843
Zinc concentrate (tonnes)	350	110	8	101	111	49	-
Copper/silver concentrate (tonnes)	370	195	7	5	20	99	150
Production							
Ore mined (tonnes)	69,366	73,666	84,042	78,732	70,344	77,162	45,540
Ore milled	69,555	70,236	81,989	73,768	71,874	78,836	72,742
Average grade							
Zinc	0.94%	1.60%	1.04%	0.73%	0.96%	1.28%	0.75%
Copper	0.65%	0.77%	0.74%	0.74%	0.91%	0.73%	0.80%
Silver (g/t)	99	85	74	67	77	64	68
Zinc concentrate (tonnes)	812	1318	996	439	670	1,184	536
Containing zinc metal (tonnes)	358	573	452	178	301	497	188
Copper concentrate (tonnes)	2,146	2,608	2,661	2,354	2,443	2,028	2,482
Containing copper metal (tonnes)	390	445	504	428	497	435	422
Silver (ounces)	166,031	145,032	138,931	105,362	125,528	110,725	117,476
Ore stockpiles (tonnes)	1220	720	835	812	3,662	4,878	6,580
Zinc concentrate (tonnes)	371	520	108	8	101	111	49
Copper/silver concentrate (tonnes)	310	450	12	7	5	20	99
Sales							
Zinc concentrate (DMT)	1,045	1,063	993	454	609	1,122	487
Payable zinc metal (tonnes)	331	339	363	162	224	347	143
Copper concentrate (DMT)	2,869	2,595	2,614	2,434	2,314	2,107	2,533
Payable copper metal (tonnes)	432	385	463	412	436	375	392
Payable Silver (ounces)	190,647	117,393	124,572	100,780	109,210	91,549	96,065

Rosario Project

During 2008 the Company completed 3,825 metres of diamond drilling at Rosario. The drill program commenced on April 1, 2008, with the objective to confirm the extent of mineralization associated with the San Francisco and Yecora vein systems with surface diamond drill holes which occur adjacent to the high grade San Juan vein. The program consisted of five drill holes from 2 drill stations on the San Francisco vein, one on the Yecora vein and one hole at San Juan. In addition, 8 holes were drilled at the Plomosas mine, four from surface and four from underground.

Underground drilling encountered weak Pb-ZN stockwork mineralization in the Plomosas Vein Structure target zone. Surface drilling to test the Plomosa Vein System down dip of the 775 level encountered strongly chlorititized and silicified andesite with spotty amounts of galena, sphalerite and chalcopyrite. Assay results received in the fourth quarter indicate that Hole AU08 PLS-02 intersected weak gold mineralization over an interval approximating 30m, which included 2.66 m of 3.86 g/t Au, 43 g/t Ag, 2.81% Pb, 7.68% Zn, 0.20% Cu. Underground sampling of the walls and pillars in the 775 level of the mine was completed in the fourth quarter. A channel sampling program was completed in November 2008. Analytical results are very encouraging and support a possible continuation of the well mineralized stockwork/vein syle mineralization. As the Company turns its focus on to its Shafter Project in Texas, and its La Negra mining operation, management has put its Rosario project on care and maintenance. A small workforce will be kept at Rosario to provide security and to maintain the camp. Aurcana has been approached by several parties regarding a transaction for the Rosario project and as proposals are received they will be reviewed to maximize the value of Rosario in the current market. As of year end the Company wrote down the value of the Rosario project by approximately $4 million to its estimated sale value in the current market.

Subsequent to quarter end, the Company announced entering into an agreement to sell the Rosario property for $250,000, one million shares of Silvermex Resources, and the assumption of all future property payments. Additional consideration $3 million and 1 million shares is to be paid in installments upon production or within 24 months.

Shafter Project

On July 17, 2008, Aurcana closed the acquisition of a 100% interest in the Shafter silver mine ("Shafter") located in southwest Texas from Silver Standard Resources Inc. ("Silver Standard"). Aurcana paid Silver Standard US $23 million in cash; issued 15 million Aurcana common shares and a $10 million convertible debenture paying a 3% coupon. The debenture has a three year term and is convertible into 6.62 million Aurcana common shares at $1.51 per share. The Company has recorded the fair value of the conversion option to be $941,060 and has recorded this amount in "contributed surplus". The convertible liability has also been discounted by $1,220,940 to yield an effective interest rate of 12% on the debt portion of the instrument. The Company used the Black-Scholes model to value the conversion option using the following assumptions; risk-free interest rate of 3.2%; expected stock price volatility of 87.74%; expected dividend yield of 0.00%; and an expected life of 3 years. A financial advisor to the Company on the Silver Wheaton deal was paid a financial advisory fee of 2.5% of the $25,000,000 cash payment payable through the issuance of 1,040,000 (fair value as of transaction date: $488,500) common shares of the Company (issued).

Shafter is located in Presidio County, southwest Texas.

The Company's preliminary purchase price allocation for its 100% interest on the acquisition of Shafter is as follows:

Purchase price		
Cash	$	23,000,000
Issuance of 15 million shares		6,900,000
Issuance of debentures		10,000,000
Discount of debt portion		(1,220,940)
	$	38,679,060

Fair market value of net assets acquired

Cash		6,339
Land and buildings		173,245
Equipment		671,335
Mineral property		54,083,508
		54,934,427
Accounts payable and accrued liabilities		(58,176)
Future income tax liability		(16,197,191)
Purchase price allocated	$	38,679,060

In July, Tetra Tech completed an independent NI 43-101 Report using an economic cut off of four ounces per ton.

Tetra Tech 43-101 Compliant Resource

Resources	Tons	Silver oz/ton	Contained Silver Ounces
Measured	883,000	8.50	7,500,000
Indicated	2,017,000	8.48	17,100,000
Measured and Indicated	2,900,000	8.48	24,600,000
Inferred	2,167,000	10.52	22,800,000

Assumes a 4.0 opt silver cut-off

Silver was mined in the Shafter region from 1883 until 1942, when the mine was closed, not from lack of ore, but by the War Act. Historically reported total production during that period was 35 million ounces of silver from 2.3 million tons of ore, at an average grade of 15.24 ounces per ton.

Aurcana acquired the Shafter silver mine in July, 2008. All necessary infrastructure is in place with a major power line and paved highway crossing the property, an electrical sub-station on site, a 1,050 foot shaft serviced by a 80 ton per hour hoist and 5,100 feet of underground development.

In 2008 the Company appointed a project manager for Shafter and work is underway on an internal scoping study and pre-feasibility study. The results of the scoping study and tradeoffs will be used to guide a pre-feasibility study which the Company expects to be finished in May 2009. The pre-feasibility study will include trade off studies in mine, mill and infrastructure to optimize production capacity and maximize the project's economic return. The study will investigate the use of a decline to access the deposit, and mechanized room and pillar extraction. The decline will facilitate the efficient movement of supplies and large equipment for production and will allow the existing shaft to be dedicated to hoisting ore for the nearby mill. Initial calculations indicate that daily production could be sustained at a rate of up to 1,500 tons per day. The decline also potentially allows for early production and cash flow, as it will initially target resource blocks in the upper levels of the mine which are located above the water table, and allow delaying of the mine dewatering.

Market Trends

Copper prices had seen an overall increase in price since 2003 of US$1.30/lb to US$3.23/lb in 2007 and with declines in commodities and overall financial markets in mid 2008, copper was at $1.31 on December 31, 2008 and $2.17 as at the date of this report.

Zinc prices have essentially followed the same trend with prices in 2003 of US$0.47/lb increasing to US$1.68/lb in June 2007 and with the same decline seen with most commodities prices was at $0.51 on December 31, 2008 and $0.68 as at the date of this report.

Silver prices saw a dramatic increase from average prices of US$4.87/ounce in 2003 to US$13.38 in 2007 with a drop in price to $10.79/ounce at December 31, 2008 and $15.60 as at the date of this report.

As the Company was in the initial production stages on September 30, 2007 management at the time did not enter into any hedging facilities for its copper/zinc/silver concentrates until it could see grade and throughput to be consistent with production expectations and as such is relying on the current market prices for its sales of concentrate which could have a high sensitivity impact on its revenues. The Company is currently reviewing its options with respect to hedging in 2009.

Results of Operations : The Company's operating loss for the quarter ended March 31 ,2009 was $509,492 and its net loss and comprehensive loss was $879,946 ($0.00 loss per share) compared to $1,265,480 and $438,417 ($0.00 per share) respectively in the first quarter of 2008.

Revenues for the quarter ended March 31, 2009 were $3,387,366 (2008: $3,347,273) and the cost of sales was $2,790,341 (2008: $2,311,463). The Company's gross margin was a profit of $597,025 (2008: $1,035,810).

Continuing factors in the sales results are the lower, albeit recovering metal concentrate prices. The mine did not meet the budgeted production tonnes due to a number of factors discussed above. Operating costs were higher than anticipated, for the same level of sales revenue.

Non cash operating expenses for the quarter ended March 31,2009 include depletion of mineral properties of $367,914 (2008: $559,585), amortization of $136,587 (2008: $134,650) and accretion of ARO of $13,416 (2008: $14,400) and stock based compensation $4,087 (2008: $77,433).

Administrative expenses for the quarter ended March 31 2009 totaled $498,207 (20087: $281,965):

	Quarter ended March 31,			
		2009		2008
Management fees	$	122,000	$	50,000
Rent and overhead		21,000		19,000
Travel and accommodation		7,000		41,000
Licenses		-		30,000
Office		27,000		22,000
Insurance		9,000		25,000
Consulting		147,000		95,000
Maintenance of Rosario mine		135,000		-
	$	468,000	$	282,000

The increase in management fees and consulting fees relates to fees paid to the President and to Reyna Mining as the operator of the Company's La Negra mine. Maintenance fees at Rosario include expenditures which would previously have been capitalized during the development of the project.

Professional fees

The Company incurred professional fees for the quarter of $2,196 (2008: $36,511). The decrease in expenditures was the result of lower legal and accounting fees due to reduced activity in theses areas.

Investor Relations

The Company incurred investor relation expenditures for the quarter year of $32,690 (2008: $97,484) These expenditures were reduced due to lower attendance at conferences and an emphasis on cost containment in the quarter.

Property evaluation

Property evaluation expenditures for the quarter of $73,045 (2008: $46,893) are in relation to consulting fees, site visits, maps and misc expenses that were incurred by the Company's head office for the Rosario, La Negra, and Shafter projects. The increase reflects additional activities primarily in the Shafter project.

Cash Flows

Cash flow from operating activities (before changes in non-cash working capital) for the quarter ended March 31 ,2009 was an inflow of $659,586 (2008: $4,376,742 cash outflow) due to the receipt of approximately $1.9 million of IVA from the Mexican government during the quarter.

The most significant non-cash items were the depletion of mineral properties of $367,914 (2008: $559,585) an unrealized foreign exchange loss of $226,292 (2008: $42,094), and amortization of $136,587 (2008 - $134,650).

Selected Annual Information

Fiscal Year Ended	December 2008	December 2007	December 2006
Total revenues	11,789,811	6,580,237	$Nil
Administrative expenses	1,890,546	1,497,591	314,774
Depletion of mineral properties	2,789,848	1,204,825	-
Stock-based compensation	438,183	2,666,149	1,228,677
Write off of mineral property costs	4,039,708	-	157,759
Loss from continuing operations	10,885,934	3,827,415	$2,246,865
Net loss	24,106,786	3,827,415	$2,246,865
Basic and diluted loss per share	(0.24)	(0.04)	$(0.04)
Total assets	81,169,336	35,857,695	$13,022,088
Current assets	7,466,544	16,006,902	2,219,637
Mineral properties	67,645,254	14,184,404	8,163,982
Current liabilities	5,098,374	3,855,490	3,141,823
Long-term financial liabilities	66,804,447	1,627,335	$1,606,129
Cash dividends declared	$Nil	$Nil	$Nil

Financial Data for the last Eight Quarters

Quarter Ended		March 31 2009		December 31 2008		Sept. 30 2008		June 30 2008
Total Revenues	$	3,387,366	$	1,388,542	$	3,848,356	$	3,205,640
Income (loss) before other items	$	(509,492)	$	(5,583,643)	$	(3,790,677)	$	(1,045,140)
Net Income (loss)	$	(879,946)	$	(18,960,624)	$	(3,745,500)	$	(962,245)
Income (loss) per share	$	(0.00)	$	(0.19)	$	(0.04)	$	(0.01)

		March 31 2008		December 31 2007		Sept. 30 2007		June 30 2007
Total Revenues	$	3,347,273	$	2,643,781	$	3,936,456	$	-
Income (loss) before other items	$	(229,670)	$	236,230	$	(144,422)	$	(164,761)
Net Income (loss)	$	(438,417)	$	236,230	$	(144,422)	$	102,261
Income (loss) per share	$	(0.00)	$	(0.00)	$	(0.00)	$	(0.00)

The results for the fourth quarter of 2008 reflect significant adjustments which were booked at year end related to price-adjusted sales which were under negotiation at year end, and the write down of the Rosario project. These results are not typical and are not indicative of future results.

Liquidity: At March 31, 2009 the Company had a working capital deficit of $1,541,348 (2008 – surplus of $3,262,648) which consisted of $2,394,070 held in cash and short term deposits, account receivables of $561,195 (trade) and $1,308,8232 (other) prepaid expenses of $133,712 and due from joint venture partner of $1,056,025. These amounts are offset by accounts payable of $3,110,009 and the current portion of the Company's notes payable of $4,811,740 in relation to equipment purchases at the La Negra mine and the final acquisition payment due to IMMSA in relation to the Company's Rosario project. The Company anticipates that this deficit will be reduced significantly by the assumption of $1.2 million of debt by the purchaser of Rosario, and the negotiations with Trafigura and Silver Wheaton which will likely move a significant portion of the current portion of long term debt to non-current.

The Company's long term debt relates to the convertible debenture with Silver Standard in relation to the Company's Shafter Project ($8,378,508) and unearned revenues in relation to the silver purchase agreement with Silver Wheaton ($28,538,586).

While the Company continues to make improvements at its La Negra mine the operation has yet to reach consistent profitability resulting in the Company not realizing any additional cash flows from the mine. The Company's source of liquidity has consisted primarily of cash from proceeds of equity issues and there can be no assurance that the Company will be able to continue to raise funds, in which case it may be unable to meet its obligations. Should Aurcana be unable to realize a profit on its assets and discharge its liabilities in the normal course of business, the realizable value of its assets may be materially less than the amounts recorded on the balance sheets.

Outstanding Share Capital: The Company is authorized to issue an unlimited number of common shares without par value.

As at March 31, 2009, the Company had 108,583,933 common shares issued and outstanding. As of the date of this report, the Company had 108,583,933 shares outstanding.

As at March 31, 2009, the Company had 8,400,000 share purchase options outstanding at various exercise prices and maturing at various future dates. As of the date of this report, there were 8,400,000 options outstanding.

As at March 31, 2009, the Company had no warrants outstanding as all warrants had expired or been exercised during the year. As of the date of this report no warrants were outstanding.

As of the date of this report, on a fully diluted basis, if all options were exercised, a total of 116,983,933 shares would be issued and outstanding.

Off-Balance Sheet Arrangements: The Company had no off-balance sheet arrangements as at September 30 2008 or as at the date hereof.

Transactions with Related Parties: During the quarter ended March 31, 2009, the Company paid or accrued

- Management fees of $47,600 (2008 - $58,000) to a company controlled by former common directors;
- Administrative management fees of $53,660 (2008 - $120,000) to a company controlled by a director.
- Technical and consulting services of $38,620 (2008 - $40,000) to a company controlled by a director;
- Consulting fees of $46,125 (2008 - $44,000) to officers and a company controlled by an officer.

As at March 31, 2009:

- Prepaid expenses and deposits included an amount of $nil (2008 - $8,925) for management fees paid to a company controlled by common directors; and

These fees were measured at the exchange amount, which is the amount agreed upon by the transacting parties.

Commitments:

Supply agreement

On November 14, 2006, Minera La Negra signed a purchase contract with Trafigura Beheer B.V. ("Trafigura") whereby Trafigura agreed to purchase 100%, evenly spread from January to December, of copper concentrate to be produced during the years 2007, 2008 and 2009 by the La Negra Mine. Prices are based on the published prices in the Metal Bulletin in London in US dollars.

Acquisition of Rosario property

The Company has commitments, through its subsidiary Aurcana de Mexico S.A. de C.S.V., on the acquisition of the Rosario property requiring payment of US$1,288,250 of which US$556,750 is payable during 2009 ($250,000 paid as of the date of this report) and $731,500 during 2010.

Office Lease

Effective May 1, 2007, the Company executed a lease for new office space for a period of 36 months, expiring on May 31, 2010. The minimum annual payments are $50,391 in 2009 and $21,180 in 2010.

Deferred Revenue

The Company has commitments to deliver 50% of its silver production from the La Negra property as payment for the funds received from the advance silver sale.

Changes in Accounting Policies:

These financial statements are presented in accordance with generally accepted accounting principals applicable in Canada, and have been prepared in accordance with the Significant Accounting Policies described in Note 2 of our audited financial statements for the year ended December 31, 2008 except as noted below.

Adoption of new accounting standards

Effective January 1, 2009, CICA Handbook Section 3064, "Goodwill and Intangible Assets", replaces Section 3062, "Goodwill and Intangible Assets," and CICA Section 3450, "Research and Development Costs," and EIC-27, "Revenues and Expenditures During the Pre-operating Period". The new Section also caused amendments to Accounting Guideline (AcG) 11, "Enterprises in the Development Stage," and CICA Section 1000, "Financial Statement Concepts." The Standard reinforces the principle-based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition; and clarifies the application of the concept of matching revenues and expenses such that the current practice of recognizing assets that may not meet the definition and recognition criteria are eliminated. The standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets, whether separately acquired or internally developed. The effect of this change is being evaluated by the Company.

Emerging Issues Committee Abstract EIC 173, "Credit Risk and the Fair Value of Financial Assets and Liabilities" was adopted effective January 20, 2009. The EIC determines that counterparty credit risk and an entity`s own credit risk should be taken into account in estimating the fair value of financial assets and liabilities, including derivatives. It was determined that this Abstract did not have a material impact on the consolidated financial statements of the Company, as the previously recognized fair values of financial assets and liabilities reflected an appropriate measure of the parties' credit risk.

Emerging Issues Committee Abstract EIC 174, "Impairment Testing of Mineral Exploration Properties" was adopted effective February 28, 2009. The EIC provides guidance on the appropriateness of capitalizing exploration costs prior to establishing mineral reserves and also provides additional guidance to evaluating capitalized exploration costs for possible impairment. The adoption of this Abstract did not have any impact on the Company`s consolidated financial statements since it is the Company's accounting policy to expense exploration costs incurred on any properties in the pre-feasibility stage.

Controls and Procedures: In connection with Exemption Orders issued in November 2007 and revised in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Risks and Uncertainties: The operations of Aurcana are speculative due to the high risk nature of its business which involves the copper and zinc production and exploration and development of mining properties. The following is a brief discussion of those distinctive or special characteristics of Aurcana's operations and industry which, may have a material impact on, or constitute risk factors in respect of Aurcana's financial performance.

Mining Risks and Insurance

The business of gold mining is subject to certain types of risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected changes to rock formations, changes in the regulatory environment, cave-ins and flooding. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. Any payments made with regards to such liabilities may have a material adverse effect on Aurcana's financial performance and results of operations. The Company carries insurance to protect itself against certain risks of mining and processing to the extent that is economically feasible but which may not provide adequate coverage in all circumstances.

Uncertainty of Mineral Reserves

Mineral reserves and mineral resources are estimates of the size and grade of deposits based on limited sampling and on certain assumptions and parameters. No assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery of gold will be realized. The ore grade actually recovered by the Company may differ from the estimated grades of the mineral reserves and mineral resources. Prolonged declines in the market price of copper or zinc may render mineral reserves containing relatively lower grades of mineralization uneconomic to exploit and could materially reduce the Company's reserves. Should such reductions occur, the Company could be required to take a material write-down of its investment in mining properties or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. Market price fluctuations, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and may ultimately result in a restatement of mineral resources. Short-term factors relating to mineral reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may impair the profitability of a mine in any particular accounting period.

The Company adjusts its mineral reserves annually by the amount extracted in the previous year, by the additions and reductions resulting from new geological information and interpretation, actual mining experience, and from changes in operating costs and metal prices. Mineral reserves are not revised in response to short-term cyclical price variations in metal markets.

Replacement of Mineral Reserves

There are a number of uncertainties inherent in any program relating to the location of economic mineral reserves, the development of appropriate metallurgical processes, the receipt of necessary governmental permits and the construction of mining and processing facilities and the appropriate financing thereof. Accordingly, there can be no assurance that the Company's programs will yield new mineral reserves to replace mined reserves and to expand current mineral reserves.

Reclamation Obligations

Reclamation requirements may change and do vary depending on the location and the government regulatory body, but they are similar in that they aim to minimize long term effects of exploration and mining disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree predisturbance land forms and vegetation. The Company calculates its estimates of the ultimate reclamation liability based on current laws and regulations and the expected future costs to be incurred in reclaiming, restoring and closing its operating mine site. It is possible that the Company's estimate of its ultimate reclamation liability could change in the near term due to possible changes in laws and regulations and changes in cost estimates

Exploration Risks

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration programs planned will result in a profitable commercial mining operation.

Whether any mineral deposit is commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Aurcana not receiving an adequate return on invested capital.

Conflicting Interests

Certain of the directors and officers of Aurcana also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by such directors and officers involving Aurcana will be made in accordance with their duties and obligations to deal fairly and in good faith to Aurcana and such other companies. In addition, such directors and officers are required to declare and refrain from voting on any matter in which such directors and officers may have a conflict of interest.

Permitting and Title

Aurcana's operations may require licenses and permits from various governmental authorities. There can be no assurance that Aurcana will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and production operations on Aurcana's properties.

Any of Aurcana's properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect or defects do exist, it is possible that Aurcana may lose all, or a portion, of its interest in the affected mineral claims. Aurcana has no present knowledge of any defect in the title of any of the properties in which the company has or may acquire an interest.

Management Services

The success of Aurcana depends to a large extent, on the ability and judgment of the senior management of Aurcana and upon Aurcana's ability to retain the services of senior management. The loss of their services may have a material adverse affect on Aurcana.

Market Influences

The Company's Common Shares are listed for trading on the TSX Venture Exchange. Shareholders of the Company may be unable to sell significant quantities of the Common Shares into the public trading markets without a significant reduction in the price of the shares, if at all. The market price of the Common Shares may be affected significantly by factors such as changes in the Company's operating results, the availability of financings, fluctuations in the price of metals, the interest of investors, traders and others in small exploration stage public companies such as the Company and general market conditions. In recent years the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly small capitalization exploration companies similar to the Company, have experienced wide fluctuations, which have not necessarily been related to the operating performances, underlying asset values or future prospects of such companies. There can be no assurance that future fluctuations in the price of the Company's shares will not occur.

Additional information on the Company can be found on SEDAR at **www.sedar.com** and on the Company's website at **www.aurcana.com**.