

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis ("MD&A"), prepared as of May 14, 2009 (the "Report Date"), reviews the activities of Endurance Gold Corporation ("Endurance", or the "Company") and compares the financial results for the three month period ended March 31, 2009 with the comparable period in 2008. In order to gain a more complete understanding of Endurance's financial condition and results of operations, this MD&A should be read in conjunction with the audited and unaudited consolidated financial statements and accompanying notes for all relevant periods, copies of which are filed on the SEDAR website at www.sedar.com.

Overview

The Company is engaged in the exploration and development of mineral properties in Canada and in the United States of America. The Company's shares are listed on the TSX Venture Exchange (the "Exchange"), trading under the symbol "EDG". Endurance Resources Inc., a 100% owned subsidiary of the Company, was formed in October 2008 to facilitate the Company's activities in the United States of America.

The Company is in the process of exploring its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts expended by the Company on acquiring and exploring mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the acquisition and/or development of the mineral properties and upon future profitable production.

Carter Coal Property Acquisition, West Virginia

In February 2009, the Company, through its 100% owned U.S. subsidiary, Endurance Resources Inc. ("ERI"), executed a one year Option to Lease Agreement to explore for and potentially develop and mine metallurgical coal on the Carter Land Company's 2,600 acre privately owned property, located three miles south of the town of Iaeger, in southern West Virginia, USA. Consideration totaling US\$24,000, of which US\$12,000 has been paid, is due in two six month installments. The Option provides the Company a one year period in which to explore for and potentially define resources on the large property, at which point it may execute a five year mining lease, automatically renewable for an additional five years, in which to commence mining commercially viable coal deposits. Terms of the lease are an annual Advance Royalty Payment of US\$24,000, credited against a royalty payable to the Lessor, of five percent (5%) of the average gross selling price per net ton of coal mined from underground and eight percent (8%) on coal mined from open pit operations. A Finder's Fee is payable to individuals who identified the project and assisted in securing the Option to Lease Agreement. The fee is payable in two tranches, 200,000 shares (issued with a value of \$5,000) upon acceptance by the Exchange of the transaction, and the remaining 200,000 shares upon execution of the Lease Agreement. The transaction was approved by the Exchange on March 31, 2009.

The property covers a portion of the historic Flat Top-Pocahontas Coal Field, which has seen in excess of 3.5 billion tons of coal production dating back to the 1880's, and is one of the highest quality metallurgical coal fields in the world. Because of the long mining history in the region, coal bed deposit setting and stratigraphy are well documented. Based on historic mining operations on the property itself, and in the immediate area, as well as gas well drill logs and West Virginia Geological Survey mapping data, the potential for five coal seams are believed to exist on the property, encompassed within a vertical stratigraphic sedimentary package of approximately 1,000 feet. That succession ranges from approximately 1,800 feet above sea-level ("ASL"), that is approximately 200 feet below height of land, to 800 feet ASL, that is approximately 200 feet below local river drainage. Several of these beds would be accessible by adit entry at their respective outcropping elevations. All coal seams are essentially flat lying.

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Please refer to Endurance News Release 09-01 dated February 20, 2009 for additional property details.

Endurance has initiated the permitting process in advance of a diamond drilling program on the property, scheduled for June 2009.

Natrona Gold Project, Wyoming

In February 2009, the Company, through ERI, acquired by staking a 100% interest in five properties totaling 45 claims and 930 acres in the Rattlesnake Hills area of Wyoming. The properties are located in close proximity to the recently announced gold discovery by Evolving Gold Corporation on the North Stock Target of its Discovery Project. At that location, announced drill results include intercepts of 2.92 grams per tonne gold ("gpt Au") over 146.3 metres (Hole RSC-003), 2.74 gpt Au over 131.1 metres (Hole RSC-007), and 0.90 gpt Au over a composite interval of 359.6 metres (Hole RSC-012). The Endurance properties cover areas mapped as being underlain by Tertiary alkalic intrusions, emplaced into PreCambrian aged metavolcanics. The geological environment is identical to that hosting the Evolving Gold discoveries. The Company plans to complete a first pass reconnaissance scale evaluation of the properties in the second quarter of 2009.

Financing Activities

During the current quarter, the Company completed a non-brokered private placement of 8,000,000 Units at a price of \$0.05 per Unit with four directors, an officer and a consultant of the Company. Each Unit comprises of one common share and one share purchase warrant, each such warrant entitling the holder to acquire one common share of the Company for a period of up to twelve months from closing at a price of \$0.10 per share. The proceeds will be used to advance the Carter Metallurgical Coal Project, the Natrona Gold Project, and for general working capital.

Exploration Activities

The Company incurred approximately \$74,000 (\$85,000 in 2008) in exploration expenditures during the first quarter of 2009. The costs were primarily related to the acquisitions of the Carter and Natrona Projects, discussed above.

Results of Operations

Three months ended March 31, 2009

The Company's net loss for the three month period ended March 31, 2009 was \$115,254 or \$0.00 per common share, as compared to a net loss of \$83,891 or \$0.00 per common share for the same quarter in 2008. The net loss in the current quarter is inclusive of interest income of \$409 (\$10,691 in 2008), a realized loss on sales of marketable securities of \$nil (\$2,810 in 2008), an unrealized gain on marketable securities of \$21,977 (\$28,900 in 2008), and a write down of \$nil (\$4,501 in 2008) in mineral property costs.

General and administrative expenses before other items for the three month ended March 31, 2009, totaled \$137,640 (\$116,171 in 2008), \$21,469 higher than comparable expenses incurred in the same quarter of last year. The variance was mainly attributable to:

- Stock-based compensation expense (a non-cash charge) of \$74,970 (\$nil in 2008), incurred as a result of the vesting of 1,700,000 (nil in 2008) stock options granted during the current quarter.
- Corporate communications expense decreased by \$35,525 to \$1,482 (\$37,007 in 2008). The decrease in corporate communications expense was due to the reduction in investor relations activities as a result of cost containment measures implemented since the second half of 2008.

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- Business development and property investigation expenses decreased by \$6,074 to \$5,484 (\$11,558 in 2008). The decrease in business development and property investigation expense was primarily due to the Company curtailing its exploration activities to preserve working capital.
- Management fees totaled \$26,500 (\$36,500 in 2008), a decrease of \$10,000. During the current quarter an additional \$8,500 (\$10,500 in 2008) in management fees were capitalized to mineral properties. The decrease in management fees expense was a result of reduction in fees by the President of the Company.

Summary of Quarterly Results

Results for the eight most recent quarters ending with the March 31, 2009 quarter are summarized in the table below.

Quarter Ended:	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30
Year:	2009	2008	2008	2008	2008	2007	2007	2007
Net sales or total revenue (000s)	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil	\$Nil
Income (loss) from continuing operations:								
(i) in total (000s)	\$(115)	\$(636)	\$(1,141)	\$(164)	\$(84)	\$95	\$(68)	\$(64)
(ii) per share ⁽¹⁾	\$(0.00)	\$(0.02)	\$(0.04)	\$(0.01)	\$(0.00)	\$0.00	\$(0.00)	\$(0.00)
Net income or loss:								
(i) in total (000s)	\$(115)	\$(636)	\$(1,141)	\$(164)	\$(84)	\$95	\$(68)	\$(64)
(ii) per share ⁽¹⁾	\$(0.00)	\$(0.02)	\$(0.04)	\$(0.01)	\$(0.00)	\$0.00	\$(0.00)	\$(0.00)

(1) Basic and diluted losses per share are the same, as the effect of potential issuances of shares under stock option agreements would be anti-dilutive.

- The net loss reported in the first quarter of 2009 includes a stock-based compensation expense of \$74,970 incurred as a result of the vesting of 1,700,000 stock options granted, and an unrealized gain on marketable securities of \$21,977.
- The net loss reported in the fourth quarter of 2008 includes a write-down of \$717,388 in mineral property costs, an unrealized loss on marketable securities of \$30,332, and a future income tax recovery of \$196,500 due to an adjustment related to the renouncement of \$998,200 of flow-through expenditures to investors in the prior year.
- The net loss reported in the third quarter of 2008 includes a write-down of \$1,010,191 in mineral property costs and an unrealized loss on marketable securities of \$68,000.
- The net loss reported in the second quarter of 2008 includes a write-down of \$87 in mineral property costs, an unrealized loss on marketable securities of \$66,900 and a stock-based compensation expense of \$10,230 incurred as a result of the vesting of 150,000 stock options granted.
- The net loss reported in the first quarter of 2008 includes a write-down of \$4,501 in mineral property costs and an unrealized gain on marketable securities of \$28,900.
- The net income in the fourth quarter of 2007 includes a potential future tax effect and an adjustment of \$225,196 related to the renouncement of \$998,200 of flow-through expenditures to investors in December 2007, and a stock-based compensation expense of \$30,925 as a result of the vesting of 250,000 stock options granted.
- The net income in the third quarter of 2007 includes a write-down of \$46,005 in mineral property costs.
- The net loss reported in the second quarter of 2007 includes a stock-based compensation expense of \$6,520 incurred as a result of vesting of 50,000 stock options granted.

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The operating results of junior exploration companies typically demonstrate wide variations from period to period. These variances arise from fluctuations in such costs as stock-based compensation, exploration costs expensed or written down, professional fees, listing and transfer agent fees, corporation communications and office expenses. Management of the Company believe that meaningful information about our operations cannot be derived from an analysis of quarterly fluctuations unless the reader examines in more detail the information presented in the quarterly and annual financial statements. See "Results of Operations".

Liquidity and Capital Resources

The mineral properties of the Company are in the exploration stage and, as a result, the Company has no operations that generate cash flow. The Company finances its activities primarily by the sale of its equity securities or from the sale of an interest in its properties in whole or in part.

The Company does not use debt financing to fund its property acquisitions and exploration activities and has no current plans to use debt financing.

The Company has no stand-by credit facilities, or any off-balance sheet arrangements and it does not use hedges or other financial derivatives.

Cash and Financial Conditions

The Company's cash position was \$374,401 at March 31, 2009 (\$89,211 at December 31, 2008), an increase of \$285,190. The Company had working capital of \$378,660 at March 31, 2009, as compared to \$93,514 at December 31, 2008.

The Company's current working capital position may not provide it with sufficient liquidity to meet its current and future exploration activities. The development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the equity markets. There can be no assurance that the Company will succeed in obtaining additional financing now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in its properties.

Investing Activities

During the quarter ended March 31, 2009, the Company's cash flow used for investing activities was \$65,198 (\$97,249 in 2008) in mineral properties, all of which represented acquisition and exploration costs that were capitalized.

Financing Activities

During the current quarter, the Company completed a non-brokered private placement financing on March 31, 2009, receiving gross proceeds in the aggregate amount of \$400,000 by issuing 8,000,000 units ("Units") at a price of \$0.05 per Unit. Each Unit consists of one common share and one share purchase warrant entitling the holder to purchase one common share of the Company for a period of twelve months from closing at a price of \$0.10 per share.

There was no financing activity during the same quarter in 2008.

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Outstanding share data as at the Report Date:

On the Report Date, the Company had 35,412,586 common shares outstanding or 45,712,586 shares on a fully diluted basis as follows:

	No. of Shares	Exercise Price	Expiry Date
Stock options	2,300,000	\$0.10 - \$0.23	March 26, 2010 to February 14, 2014
Warrants	8,000,000	\$0.10	March 31, 2010

Transactions with related parties

Included in accounts payable and accrued liabilities is \$29,388 (2008 - \$16,847) due to related parties. Amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

During the quarter ended March 31, 2009, the Company entered into the following related party transactions:

- a) Paid or accrued to companies controlled by an officer and a director of the Company an aggregate of \$8,500 (2008 - \$10,500) for geological fees included in general exploration and mineral property expenses and \$26,500 (2008 - \$36,500) for management fees.
- b) Paid a company controlled by a Company director an aggregate of \$nil (2008 - \$2,850) for consulting fees.
- c) Paid a company with a common director an aggregate of \$7,046 (2008 - \$5,872) for rent.
- d) Certain directors and an officer of the Company subscribed for a total of 7,500,000 non-brokered private placement units of the Company at a price of \$0.05 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each share purchase warrant is exercisable at \$0.10 into one common share until March 31, 2010.

The amounts charged to the Company for the transactions provided have been determined by negotiations amongst the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations and were measured at the same value as if the transactions had occurred with non-related parties.

Changes in Accounting Policies

Goodwill and intangible assets

The Canadian Accounting Standards Board ("AcSB") issued CICA Handbook Section 3064 which replaces Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Standards concerning goodwill remain unchanged from the standards included in the previous Section 3062. The section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2008. Adoption of this standard did not have a material impact on the Company's consolidated financial statements.

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Recent Accounting Pronouncements

International financial reporting standards ("IFRS")

In 2006, the 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 GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

Business Combinations, Consolidations, Non-Controlling Interests

In January 2009, the CICA issued Handbook Sections 1582 *Business Combinations*, 1601 *Consolidated Financial Statements* and 1602 *Non-controlling Interests* which replace CICA Handbook Sections 1581 *Business Combinations* and 1600 *Consolidated Financial Statements*. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. These Sections are applicable for interim and annual consolidated financial statements for fiscal years beginning January 1, 2011. Early adoption of these Sections is permitted and all these Sections must be adopted concurrently. The Company has not yet determined the impact of the adoption of these standards on its consolidated financial statements.

Outlook

The Company completed a non-brokered private placement in March 2009 raising gross proceeds of \$400,000. The funds will be used to advance the Carter Coal Property, where a drilling effort is expected to commence in June 2009, on receipt of all applicable permits. A portion of the funds will also be used to complete a first pass reconnaissance exploration program on the Rattlesnake Hills properties in Natrona County, Wyoming, and for general working capital.

The Company will need to raise additional funds in the short term, both to significantly advance its property portfolio, and to meet all 2009 estimated G & A expenditures. Additional funding would also allow the on-going review of potential new acquisitions, in a climate where numerous exceptional opportunities exist. The Company is working to secure those funds, both from conventional equity financing sources, and from private investors and major mining corporations. Failure to raise such funds on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in its properties.

Forward-Looking Statements

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Ontario Securities Act. This includes statements concerning the Company's plans at its mineral properties, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to

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access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs; inability to fund the Company's share of costs incurred under joint venture agreements to which it is a party, and reduction or elimination of its joint venture interest as a result; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs on the Company's proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company's properties, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each management's discussion and analysis of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.