

INTERNATIONAL GOLD MINING LIMITED

Management Discussion and Analysis (Form 51-102F1)

**For the three months ended December 31, 2008
Information as of February 23, 2009 unless otherwise stated**

Note to Reader

The following management discussion and analysis of the financial condition and results of International Gold Mining Limited ("IGL" or the "Company") operations should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2008, together with the notes thereto, as well as, the Company's previous financial and MD&A reports. These annual audited financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Forward-Looking Information

This discussion includes certain statements that may be deemed "forward-looking statements." All statements in this discussion, other than statements of historical facts that address future production, reserve potential, exploration drilling, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Business of the Company

IGL is a diverse mineral resource company that is focusing its core capabilities around identifying, securing and bringing to production small to medium mining operations.

Since listing in mid 2007, IGL has gone about the business of aggregating mining and exploration opportunities in Australia and Tanzania as well as value adding the British King gold mine to a stage of production and identifying and acquiring a substantial portfolio of uranium exploration areas in Tanzania.

The Company intends to concentrate its activities on uranium exploration and is currently seeking expressions of interests for sale of its gold mines; British King and Eureka. Sale proceeds will be utilized to expand its uranium exploration activities.

Exploration and Development Update

During the 3-month period ended December 31, 2008, the Company:

- a) Continued production of gold from the British King mine.
- b) Evaluated and is seeking a development partner for the Eureka Gold Mine.
- c) Continued its exploration program in Tanzania.

d) Continued to evaluate new projects to add to the Company portfolio.

Summary of Projects

BRITISH KING GOLD MINE

As previously reported, the Company has commenced production of development gold ore from the British King gold mine in Western Australia. The Company has entered into an agreement with a third-party processor adjacent to the mine for the sale of gold ore. During the quarter ended December 31, 2008, 452 tonnes of development gold ore was sold to the third-party processor. The bulk sample grade was agreed to be 6 grams per tonne, for the purposes of sale.

Over the last 12 months, the Company has been seeking a long term ore processing group to toll-treat gold ore from the British King. The closure of many independent mills in the Western Australian Goldfields, combined with the high fuel and oil prices, has hindered this process. The Company is investigating ore processing options that will result in greater gold recoveries from the gold resource at the British King mine.

Mining contractor, Roxbury Mining Services Pty Ltd, is mining development gold ore at the British King mine. One mining crew is producing the next small tonnage ore parcel for sale to the third-party processor. Another crew is focused on mine development to open up a new Level 4 of the mine for production, which will allow the mining of ore bodies below 75 to 125 meters.

The Company is currently receiving expressions of interest for the sale of the British King gold mine project. Expressions of interest are encouraging, given the current market interest in near term gold producing companies.

EUREKA GOLD MINE

The Company is currently receiving expressions of interest for sale of the Eureka gold mine. Expressions of interest are encouraging, given the current market interest in near term gold producing companies.

The 2006 *Eureka Prospect, Preliminary Optimization Study*, produced by MineComp Pty Ltd, identified that historic/current resource grades, combined with lower mining costs and a high gold price, will underpin the viability of this mine.

During 2008, it was reported that design and development planning was completed for the dewatering of the previous mine pit and the associated settlement pond. This work will allow access to the two development declines constructed in 2000, targeting a high grade zone to the north and a depth to the previous working. This initial development work will not be detrimental to any plan cutback and open cut mining potential at Eureka.

Again, gold ore processing needs to be considered and an investigation has commenced as to the commercial benefits of a small processing plant located at the mine site to treat the gold ore.

EXPLORATION ACTIVITIES - TANZANIA

Tanzanian Properties Acquired

In November 2007, the Company announced that it had entered into two joint venture agreements on six tenements in the East Africa Republic of Tanzania to explore for uranium and gold. Three of these tenements are located within the large Bahi Swamp and Singida uranium provinces in Central Tanzania, adjacent to ASX listed Uranex NL's Bahi 'C1' prospect. The other three tenements are located in Northern Tanzania, within the "Mara Greenstone Belt", a multi-million ounce gold producing province on the eastern side of Lake Victoria near the Kenyan Border.

The details of these agreements and the geological prospectively of these ventures were the subject of a TSX-V press release on November 8, 2007.

Additional Tenements Purchased

On May 15, 2008 the Company announced that it had entered into an agreement with a private party to purchase a further 906 square kilometres of tenements in the uranium rich province at Lake Bahi in Tanzania, East Africa. This purchase brought the total land holdings of the Company in four tenements in the Bahi/Manyoni uranium belt to 2,365 square kilometres.

Two of these tenements abut the western boundary and one tenement abuts the southern boundary of the Uranex NL tenement that contains the Manyoni C1 uranium deposit where recent announcements to the Australian Stock Exchange have reported intersections of 2.25m of 9.3 kg/t U_3O_8 , 2.00m of 3.8 kg/t U_3O_8 , and 2.00m of 2.6 kg/t U_3O_8 .

Commencement of Exploration

On May 29, 2008 the Company announced that it had commenced exploration on its tenements located in the Bahi/Manyoni uranium belt of Central Tanzania in East Africa.

Prior to this announcement the Company spent six weeks working extensively to obtain the necessary clearances from the relevant Government Departments, Regional Commissioners and Local Villages to commence work on all its tenements located in the Bahi/Mayoni and Singida regions. Over 80 villages were physically visited by IGL personnel during this process.

Following clearance for the Company to commence its exploration program, it established a regional base at Dodoma, the legislative capital of Tanzania, which is also located in Central Tanzania, close to the Bahi/Manyoni tenements.

Discovery of First Anomaly

On June 12, 2008 the Company reported early success at Bahi/Manyoni in discovery of its first anomaly. Significant surface readings at this uranium mineralized anomaly to date have yielded some exciting results, with readings up to 2.4kg/t, eU_3O_8 , and with many more readings going between 0.30 kg/t eU_3O_8 and 0.60 kg/t eU_3O_8 . The footprint of this high grade zone of surface uranium mineralization extends over approximately 1,600 meters, has a width of nearly 300 meters, and is open at both ends. The Company believes that this significant surface uranium mineralized anomaly lends itself to rapid delineation by detailed drilling and sampling. This new uranium mineralized anomaly is located approximately 20 kilometres North - West of the Uranex NL Manyoni C1 Uranium deposit.

Discovery of Second Anomaly

On July 15, 2008 the Company reported further success at Bahi/Manyoni. Further to the initial exploration success announced on June 12, 2008 the Company discovered a second surface uranium mineralized anomaly 3 kilometres South/South East of the initial discovery. Surface readings at this new uranium mineralized anomaly have to date yielded some significant results with readings ranging up to 0.81 kg/t, eU_3O_8 . The foot print of this new surface anomaly has now been expanded out to cover an area of approximately 1,000 meters in length and some 400 meters in width; this anomaly remains open at both ends. The Company believes that both this new surface anomaly, and the previously announced uranium mineralized anomaly (approximately 1,600 meters in length and 300 meters in width, which is open at both ends, and which has uranium values ranging up to 2.4kg/t, eU_3O_8), both lend themselves to rapid delineation by detailed drilling and sampling.

The discovery of these two surface uranium mineralized anomalies so close together, with negligible stripping ratio, within 20 kilometres of infrastructure, such as a government owned railway line, grid power, and potentially economic uranium values at the surface, has created an excellent exploration opportunity for the Company at a fairly early stage of its Tanzanian exploration program.

This new anomaly is located 3 kilometres South/South East of the initial discovery and approximately 17 kilometres West/North West of the Uranex NL owned Manyoni C1 uranium deposit. The Company has still not ruled out the possibility of the two anomalies being joined, as the current trend of both anomalies appears to be headed towards each other, and exploration work is continuing in this area.

Joint Venture

On September 4, 2008 the Company signed a Letter of Intent (LOI) to enter into an agreement with Australian Stock Exchange listed Atomic Resources to Joint Venture into five uranium tenements totalling 846 square kilometres in the East African Republic of Tanzania.

Two of the tenements totalling 135 square kilometres are located in the rich Bahi/Manyoni uranium province. The Company now has in excess of 2,500 square kilometres of tenements in this exciting uranium province where the Company announced on July 15, 2008 the discovery of a high grade uranium mineralised anomaly (now known as the Mkiwa Uranium Anomaly) located near Manyoni.

Work at Mkiwa (Manyoni) relating to aerial radiometrics and follow up ground spectrometer work, has resulted in a surface uranium anomaly footprint being expanded out to 1,600 metres in length by 400 metres in width, and with grades ranging up to 2.4 kg/t eU₃O₈.

The other three tenements totalling 711 square kilometres are located in the Ruvuma uranium province not far from the towns of Songea and Tunduru in Southern Tanzania, and in close proximity to the border with Mozambique.

This area typically contains the Karoo age sediments, an important host for roll front style uranium deposits, and equivalent to those hosting the Madaba and Mkuju uranium deposits in Southern Tanzania, and the Kayelekera uranium deposit on the opposite side of Lake Nyasa in Northern Malawi.

These deposits are not located within IGL's project area, but provide important model types for potential discoveries in the Company's leases covering similar geology.

Aerial Radiometric data obtained by the Company has identified a number of aerial radiometric anomalies within the project areas. The Company intends to commence follow up ground work on some of these project areas in the current field exploration season.

Letter of Intent Terms of agreement (all amounts in Australian dollars)

The LOI envisages the terms of agreement set out below.

Stage one - IGL is to spend \$350,000 in exploration over twelve months to earn a 51% interest in the tenements, at which time a joint venture agreement will be entered into.

Stage two – IGL is to spend a further \$350,000 on exploration over the second 12 month period, to earn a further 29 % interest, which would take IGL's total interest to 80%. Alternatively, after IGL has earned their first 51% interest, Atomic Resources can elect to contribute on a dollar for dollar basis, with no further dilution provision.

Stage three – If Atomic Resources does not wish to participate after IGL has earned a 51% interest and IGL's share has reached 80%, Atomic can again elect to contribute their remaining 20%,

interest on a dollar for dollar basis, or alternatively IGL can elect to acquire the remaining 20% for \$1,000,000.

The structure of this agreement provides the opportunity for IGL to expand on its success so far in exploring its uranium tenement positions in Tanzania, and at the same time allows for Atomic to maintain a participating interest in any successful exploration, if it so desires.

On September 16, 2008 the Company announced that it had encountered further exploration success at its uranium project located in the Bahi/Manyoni uranium province in the East African Republic of Tanzania. As reported in earlier announcements the Company had identified two surface uranium mineralized anomalies that were approximately three kilometres apart. The Company had suspected the two anomalies to be connected, but until now the ground in between had remained untested.

The ground between these two anomalies has now been infill tested with on ground spectrometer radiometric surveys and the result of this detailed ground analysis is that the two previously announced anomalies have been found to actually be joined into one large highly promising uranium mineralized anomaly, which is now to be known as the Mkiwa Uranium Anomaly. Surface spectrometer readings at this exciting uranium mineralized anomaly have to date yielded some significant results with a large portion of the ground spectrometer results ranging between 0.2kg/t eU3O8 and 0.6 kg/t eU3O8 but with other spectrometer readings ranging up to a high of 2.4 kg/t eU3O8.

The foot print of this Mkiwa surface uranium anomaly has now been expanded out to cover an area of approximately 5,000 metres in length and in places up to 1,500 metres in width. This anomaly remains open to the South Eastern end; however it seems to terminate at the North Western end.

The discovery of such a large uranium mineralized anomaly, with such high surface values that would lend itself to negligible stripping ratios, within 20 kilometres of infrastructure, such as a government owned railway line and grid power, has created an excellent exploration opportunity for the Company at such an early stage of its Tanzanian exploration programs.

Recent Developments

The Company is currently undertaking a detailed data review of its joint venture areas to identify exploration areas most prospective for exploration.

MINERALS PROPERTIES (all amounts in Australian dollars)

The Company's 100% owned Eureka and British King Gold projects now consist of:

Exploration Licence	Holder	Shares Held	Status	Grant Date	Expiry Date	Area (Ha)	Annual Rent – next rental year	Minimum Annual Expenditure	Registered Encumbrances / Dealings
Eureka Tenements:									
M24/189	ARL	100	Live	15/02/1988	14/02/2009	218.15	\$3,035.34	\$21,900	Bond 209889 Agreement 367H/890
M24/584	Devonport	100	Live	25/10/2000	24/10/2021	110.50	\$1,538.46	\$11,100	Application to amend 393H/045
M24/585	Devonport	100	Live	25/10/2000	24/10/2021	104.50	\$1,455.30	\$10,500	Application to amend 393H/045
M24/586	Devonport	100	Live	25/10/2000	24/10/2021	130.00	\$1,801.80	\$13,000	Application to amend 393H/045
British King Tenements:									
M37/030	IGL	100	Live	04/07/1984	03/07/2026	9.5785	\$ 138.60	\$10,000	Bond 246118 Agreement 527H/867 Application to amend 324H/889 Plaint LE38/890 to remove caveat Renewal of term LE120/045 Transfer/ devolution 11H/056
L37/162	IGL	100	Live	25/10/2006	24/10/2027	6.80	\$93.17	N/A	N/A
PLA37/7026	IGL	100	Live	16/05/2011	15/05/2011	10.00	\$22.00	\$2,000	N/A
ELA37/882	IGL	100	Live	26/03/2008	25/03/2013	47 BL	\$5,350	\$47,000	N/A

CORPORATE UPDATE

Private Placement

On November 14, 2008 the Company announced that it had received regulatory approval and closed Tranche 1 of its non-brokered private placement consisting of 7,673,425 common shares at a price of CAN \$0.06 per share, for gross proceeds of up to CAN \$460,406. These shares were issued on January 7, 2009.

On February 9, 2009, the Company announced that subject to regulatory approval it had successfully completed Tranche 2 of its non-brokered private placement consisting of 928,453 common shares at a price of CAN \$0.06 per share, for gross proceeds of up to CAN \$55,707.

The Company will now proceed with Tranche 3 of its non – brokered private placement for the remaining 2,398,122 shares. To date, the Company has placed a total of 8,601,878 common shares, for gross proceeds totalling up to CAN \$516,113.

The gross proceeds from the private placement will be used for ongoing exploration on the Company's uranium projects located in the East African Republic of Tanzania and to provide the company with additional working capital.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risk factors due to the nature of its business and the present stage of development. The following risk factors should be considered:

General

The Company is an Australian junior mineral exploration and development company listed on the TSX Venture Exchange and engaged in the exploration and development of mineral properties located in Western Australia and Tanzania. It has not yet determined whether all of its properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for resource assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties. The Company's ability to continue its operations is dependent on its ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. In order to continue developing its mineral properties, management is actively pursuing such additional sources of financing that may be required.

The Financial Statements and discussion and analysis of the financial condition, changes in financial condition and results of operations of the Company for the quarter ended December 31, 2008 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

The amount of the Company's administrative expenditures is related to the level of financing and exploration and development activities that are being conducted, which in turn may depend on the Company's recent exploration and development experience and prospects, as well as the general market conditions relating to the availability of funding for exploration and development-stage resource companies. Consequently, the Company does not acquire properties or conduct exploration and development work on them on a pre-determined basis and as a result there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with prior years may not be meaningful.

Trends

The Company's financial success is dependent upon the discovery of commercial mineral resources on the British King and Eureka Gold deposits which could be economically viable to develop. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control, such as the market value of the products produced. Other than as disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's sales or revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

Competitive Conditions

The resource industry is intensively competitive in all of its phases. The Company competes with other mining companies for the acquisition of mineral claims and other mining interests as well as

for the recruitment and retention of qualified employees and contractors. The Company competes with many other companies that have substantially greater financial resources than the Company and our ability to compete is dependent of being able to raise additional funds as and when required.

Environmental Factors and Protection Requirements

The Company currently conducts exploration and development activities in Western Australia and Tanzania. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. There is no assurance that regulatory and environmental approvals will be obtained on a timely basis or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the properties which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties. The Company is currently engaged in exploration with nil to minimal environmental impact.

Mineral Exploration and Development

The Company's properties are in the exploration and development stage. Development of the Company's properties will only proceed upon obtaining satisfactory exploration results. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that mineral exploration and development activities will result in the discovery of an ore body of commercial minerals on any of the Company's properties. Several years may pass between the discovery of a deposit and its exploitation. Most exploration projects do not result in the discovery of commercially mineralized deposits.

Operating Hazards and Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labor disruptions, flooding, explosions, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are some of the risks involved in the operation of mines and the conduct of exploration programs. Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Economics of Developing Mineral Properties

Substantial expenditures are required to establish reserves through drilling, to develop processes to extract minerals and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The marketability of any minerals acquired or discovered may be

affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Commodity Prices

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of minerals or interests related thereto. The price of various minerals have fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of mineral substitutes, mineral stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of various minerals, and therefore the economic viability of the Company's operations cannot accurately be predicted.

Currency Risk

The Company's revenues and expenses will be incurred in Australian dollars, though its financings are completed in Canadian dollars. Although the Company has taken certain steps to help mitigate foreign currency fluctuations, there is no assurance that the activities or products are or will continue to be effective. Accordingly, the inability of the Company to obtain or to put in place effective hedges could materially increase exposure to fluctuations in the value of the Canadian dollar relative to the Australian dollar. This could adversely affect the Company's financial position and operating results.

Title

There is no guarantee that title to properties in which the Company has a material interest will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects. No native title claims were lodged by the due date, which has enabled the Company to apply for mining leases.

Governmental Regulation

Operations, development and exploration on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labor; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulations, if any, will not adversely affect the Company's operations. Changes in such regulations could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted. If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labor standards, environmental protection, mine safety and other matters. In addition, new laws or regulations governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess.

Management and Directors

The Company is dependent on a relatively small number of directors: Alan Phillips, David Taylor, Bruce Burrell; and officers.

Conflicts of Interest

Certain officers and directors of the Company are officers and/or directors of, or are associated with, other natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest from time to time. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

Limited Operating History: Losses

The Company has experienced losses in previous years of its operations. There can be no assurance that the Company will operate profitably in the future, if at all. As at December 31, 2008 the Company's deficit was \$14,499,668.

Price Fluctuations: Share Price Volatility

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many mineral exploration companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. This has been particularly exacerbated by current global economic conditions. In particular, during the quarter ended December 31, 2008, the per share price of the Company's shares fluctuated from a high of \$0.08 to a low of \$0.02. There can be no assurance that continual fluctuations in price will not occur.

Market Conditions

Global Economy

World growth is projected to fall to ½ percent in 2009, its lowest rate since World War II. Despite wide-ranging policy actions, financial strains remain acute, pulling down the real economy. A sustained economic recovery will not be possible until the financial sector's functionality is restored and credit markets are unclogged.

Financial market conditions have remained extremely difficult for a longer period than envisaged in the November 2008 WEO Update, despite wide-ranging policy measures to provide additional capital and reduce credit risks. Since end-October, in advanced economies, spreads in funding markets have only gradually narrowed despite government guarantees, and those in many credit markets remain close to their peaks. In emerging economies, despite some recent moderation, sovereign and corporate spreads are still elevated. As economic prospects have deteriorated, equity markets in both advanced and emerging economies have made little or no gains. Currency markets have been volatile.

Financial markets are expected to remain strained during 2009. In the advanced economies, market conditions will likely continue to be difficult until forceful policy actions are implemented to restructure the financial sector, resolve the uncertainty about losses, and break the adverse feedback loop with the slowing real economy. In emerging economies, financing conditions will likely remain acute for some time especially for corporate sectors that have very high rollover requirements.

(Source: IMF World Economic Outlook Update, January 28, 2009 www.imf.org)

Gold Market

The gold price rose for the eighth consecutive year in 2008, amid one of the most tumultuous years in financial markets since the Great Depression. Gold ended the year at US\$869.75/oz, on the London PM fix, \$36/oz higher than end-2007, while the average gold price rose by \$175.33/oz to US\$871.85/oz. Gold's performance is especially impressive considering the massive wealth destruction that took place elsewhere in financial markets. Global equities and many commodities, for example, lost approximately half their value over the course of last year.

The gold price reached a new record in the first quarter of the year, of US \$1011/oz on March 17, on the London PM fix, driven by safe-haven inflows in the run up to the Bear Stearns crisis. It tested this record again in the third quarter, trading as high as US \$986/oz on 15 July, the day after the US Treasury and Federal Reserve Bank announced plans for a joint bailout of mortgage giants Fannie Mae and Freddie Mac. The gold price traded lower for the next two months, before spiking back up to \$905/oz on September 29, the day the US House of Representatives rejected a US \$700 billion rescue plan for the US financial system. This followed two weeks of disastrous news from the financial sector, with Lehman Brothers, Merrill Lynch, AIG and Washington Mutual all announcing that they could no longer function in the current credit environment. Lehman Brothers was allowed to fail, Merrill Lynch was taken over by Bank of America, and AIG and Washington Mutual were bailed out by the US government.

After a brief pull back, gold spiked back to US \$903.50/oz on October 8, as six of the world's leading central banks made an unprecedented coordinated emergency cut in interest rates, in a clear signal of just how bad financial and economic conditions had become. This was followed by a sharp sell-off, taking the gold price to an annual low of US \$712.50/oz on October 24. However, gold ended the year on a firm footing, rallying by around \$150/oz in the final two months of the year, to close at US \$869.75/oz, up 4% from end-2007, on the London PM fix.

Gold's price performance is especially impressive when juxtaposed against other commodities. It was one of the only one to increase in price last year. The sharpest declines were posted in lead, nickel, copper and oil, which fell by 63%, 58%, 57% and 56% respectively. Each of the other precious metals also fell sharply (silver -27%, palladium -49% and platinum -39%).

(Source: World Gold Council Gold Investment Digest, January 2009 www.gold.org)

Uranium Market

The long-term prospects of the radioactive metal remain promising.

The market should remain in balance from 2009 through 2017. But from 2018 onward, projections indicate a potential for "severe and growing" deficits as more nuclear reactors are built and supply problems persist.

New supplies needed to fill the gap after 2017 will require a uranium price above US \$80 a pound to give producers and explorers the motivation to get new projects on-stream. Below US \$75, the capital markets will not be too willing to fund projects.

Analysts believe that the prevailing uranium price [about US \$53 a pound] is too low to stimulate sufficient demand to cover future reactor requirements.

Analysts believe that 2007 was the "peak" year for uranium prices. That was when a run on the metal by hedge funds sent the spot price up to ridiculous levels above US \$130 a pound.

Analysts are forecasting an average spot price of US \$60 a pound in 2009, growing to US \$75 in 2011 and US \$80 in 2013.

(Source: RBC Capital Markets analysts Adam Schatzker and Fraser Phillips, 2008)

SUMMARY OF QUARTERLY INFORMATION (all amounts in Australian dollars)

The following table sets forth a comparison of revenues and earnings for the previous 6 quarters ending with December 31, 2008. This financial information is derived from the financial statements of the Company. The Company prepares financial information according to Canadian Generally Accepted Accounting Principles ("GAAP") and all information is reported in Australian \$. The Company did not become a reporting issuer until June 1, 2007.

Australian \$	Quarter to December 31, 2008	Quarter to September 30, 2008	Quarter to June 30, 2008	Quarter to March 31, 2008	Quarter to December 31, 2007	Quarter to September 30, 2007
Income from continuing operations	55,617	34,104	57,512	1,205,280	90,470	3,471
Net profit/loss for the period	(277,863)	(555,710)	(1,056,563)	242,155	(461,308)	(299,871)
Net profit/loss per basic and diluted share	(0.00)	(0.00)	(0.01)	0.28	(0.00)	(0.00)

The Company has not recognized any revenue or incurred any loss from discontinued operations or extraordinary items since becoming a reporting issuer.

During the last 6 quarters, the company has consistently reported net losses apart from the quarter ended March 31, 2008 when it realized a profit of \$1,136,786 from sale of its shares in Macarthur Minerals Limited. The most significant factor affecting quarterly losses during the last 6 quarters is continuing administrative expenses, which includes filing fees, investor relations, professional fees, management fees, travel and accommodation and stock-based compensation.

Apart from the sale of shares in 2008, income is predominantly derived from interest income. Interest income is dependent upon interest rates and the amount of financing raised each year by the Company. Interest rates will vary due to market conditions and the Company has no control over the fluctuation of rates.

No cash dividends have been declared or paid since the date of incorporation and the Company has no present intention of paying dividends on its common shares. The Company anticipates that all available funds will be invested to finance the growth of its business.

RESULTS OF OPERATIONS AND FINANCIAL CONDITION (all amounts in Australian dollars)

Exploration and Development Expenses

For the last quarter ended December 31, 2008 the Company expended \$59,534 on exploration and development activities. This compares with \$39,088 for the corresponding quarter ended December 31, 2007. Exploration and development expenditure for the quarter ended December 31, 2008 is mainly comprised of field work including spectrometer ground work in Tanzania.

For the six months ended December 31, 2008 the Company expended \$249,243 on exploration and development costs, compared with \$249,004 for the six months ended December 31, 2007.

Exploration and development costs increased for the six months ended December 31, 2008 owing to increased field work in Tanzania.

Expensed and capitalized exploration and development costs, on a property by property basis are as follows:

Australian \$	Quarter to December 31, 2008	Quarter to December 31, 2007	6 months to December 31, 2008	6 months to December 31, 2007
Expenses				
British King mine	-	-	-	-
Eureka mine	-	-	-	-
Tanzania	59,534	31,421	243,697	141,338
Capitalized expenses				
British King mine	29,577	65,135	29,772	549,117
Eureka mine	6,396	10,446	13,165	14,657
Tanzania	-	-	-	-

Administrative Expenses

For the quarter ended December 31, 2008 the Company incurred administrative expenses of \$333,480, compared to \$359,940 for the quarter ended December 31, 2007, a decrease of 7.4%.

The largest elements of expenses for the quarter ended December 31, 2008 was amortization of \$60,844, office and miscellaneous expenses of \$62,626, professional fees of \$57,888 and salaries and management fees of \$47,600. Compared to the quarter ended December 31, 2007 amortization increased due to write off of British King Mine over its estimated life of 8 years, professional fees, salaries and management fees decreased due to legal costs paid relating to the Tarong legal settlement.

For the six months ended December 31, 2008 the Company incurred administrative expenses of \$923,294, compared to \$822,685 for the six months ended December 31, 2007. During the six months ended December 31, 2008 amortization increased due to write off of British King Mine over its estimated life of 8 years and property investigation costs increased due to exploration in Tanzania.

Income

Income is mainly comprised of consulting fees, rents and interest income. For the quarter ended December 31, 2008 the Company earned income of \$55,617, compared to \$90,470 for the quarter ended December 31, 2007. For the six months ended December 31, 2008 the Company earned income of \$89,721, compared to \$93,941 for the six months ended December 31, 2007.

Interest income is dependent upon interest rates and the amount of financing raised each year by the Company. Interest rates will vary due to market conditions and the Company has no control over the fluctuation of rates.

Income Taxes

In the quarter ended December 31, 2007 the Company made provision for future income tax liability of \$191,838. This provision relates to the fair value increase of shares. No such provision has been made for the quarter ended December 31, 2008 as the shares were sold in March 2008.

A provision for future income tax liability of \$32,435 was made for the six months ended December 31, 2007 but none for the six months ended December 31, 2008.

Net Losses

The loss for the quarter ended December 31, 2008 was \$277,863 compared with the corresponding quarter ended December 31, 2007 of \$461,308. The net loss for the quarter ended December 31, 2008, although less than for the quarter ended December 31, 2007 was relatively consistent after the corresponding 2007 quarter provision for future income tax liability.

The loss for the six months ended December 31, 2008 was \$833,573, compared with the corresponding six months ended December 31, 2007 of \$761,179.

Change in Financial Position

At December 31, 2008 the Company had total assets of \$4,410,673 compared to \$4,484,393 at June 30, 2008. Apart from change in the cash balance, total assets and liabilities remain relatively unchanged. The Company had a cash balance of \$34,087 at December 31, 2008 compared to a cash balance of \$253,939 at June 30, 2008.

At December 31, 2008 the Company had a net working capital deficiency of \$131,145, compared with a net working capital deficiency of \$18,779 at June 30, 2008. The increase in the net working capital deficiency results from decreased cash holdings.

LIQUIDITY AND CAPITAL RESOURCES

The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to acquire, explore and develop mineral properties. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may consequently have its interest in the properties subject to such agreements jeopardized. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

The Company is dependent on raising funds by the issuance of shares or disposing of interests in its mineral properties (by options, joint ventures or outright sales) in order to finance further acquisitions, undertake exploration and development of mineral properties and meet general and administrative expenses in the immediate and long term. There can be no assurance that the Company will be successful in raising their required financing.

Apart from the initiatives discussed above, the Company is not aware of any trends, commitments or events that may affect its liquidity in the foreseeable future. The Company has not made any commitments for capital expenditures. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of raising additional funds through private placements and its planned exploration programs.

At December 31, 2008, the Company's working capital position was \$(131,145).

Over the next 4 quarters (12-months), the Company anticipates that it will have on-going cash expenditure requirements consistent with the quarter ended December 31, 2008.

The Company anticipates that it will meet its cash commitments through further capital raisings and from the production and sale of gold from the British King gold mine, and alternatively the sale of that property and the Eureka gold mine. The Company is currently receiving expressions of interest for the sale of those properties.

The Company announced that, subject to regulatory approval, that it has successfully completed Tranche 2 of its non – brokered private placement for gross proceeds of up to CAN \$55,707. In addition, it will commence Tranche 3 of its private placement, which will potentially raise approximately a further CAN \$144,000. This will provide cash inflow of approximately CAN \$200,000 (AUD \$265,000) for the next quarter against reduced cash expenditure of approximately AUD \$220,000.

COMMITMENTS

At balance sheet date the Company had commitments to pay \$131,415 for an operating lease on office space expiring in 2011.

Certain future exploration expenditures are required to be undertaken by the Company as a minimum retention for exploration permits. These expenditures were set out in Note 15 to the Annual Financial Statements for June 30, 2008.

Apart from the above, the Company has no other material commitments at this time

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing, hedging or research and development services with the Company.

ACCOUNTING POLICIES

Accounting policies are listed in Note 2 to the Financial Statements for December 31, 2008.

RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- a) Paid or accrued \$71,980 (2007 - \$56,400) in consulting fees, wages, office and miscellaneous expenses to a director of the company and Macarthur Minerals Limited, a related party by way of common directors.

Included in deferred other creditors is \$160,743 (2007 - \$30,000) due to directors and former directors.

Included in non-current liabilities - loans payable at December 31, 2008 was \$1,000 (2007 - \$326,380) owed to companies owned by directors and former directors of the Company. The Company paid or accrued NIL (2007 – \$7,487) in interest expense related to the loans payable due to related parties.

These transactions were in the normal course of operations and, in management's opinion, were undertaken with the same terms and conditions as transactions with unrelated parties.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's size and the number of staff impact the Company's internal controls. Due to the limited number of staff, it is not possible to achieve complete segregation of duties. Similarly, the

Company must engage accounting assistance with respect to complex, non-routine accounting issues, Canadian GAAP matters, tax compliance and reporting for its international operations.

Notwithstanding these weaknesses, the Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements and that information is timely and accurately disclosed consistent with Canadian securities laws and regulations.

Although the identified weaknesses may be considered to increase the risk that a material misstatement in the Company's financial statements would not be prevented or detected, neither has resulted in a material misstatement in the financial statements.

The CEO and the CFO oversee all material transactions and related accounting records. The audit committee of the Company, with management, reviews the financial statements of the Company, on a quarterly basis.

While management and the board of directors of the Company work to mitigate the risk of a material misstatement in the Company's financial reporting, the Company's control system, no matter how well designed or implemented, can only provide reasonable, but not absolute, assurance of detecting, preventing and deterring errors and fraud.

FINANCIAL INSTRUMENTS

Fair value estimates of financial instruments are made at a specific point of time, based on relevant information about financial markets and specific financial instruments. At these estimates are subjective in nature, involving uncertainties and matter of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash, sundry receivables, and accounts payable and accrued liabilities and amounts due to related parties approximate their fair market value because of the short-term nature of these instruments.

OUTSTANDING SHARE DATA AS OF FEBRUARY 23, 2009:

Authorized and issued share capital:

Class	Par Value	Authorized Common shares (No par value)	Issued
Common	No par value	Unlimited	95,027,335

As at December 31, 2008, there were 12,562,500 stock options and nil warrants outstanding.

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Nicholas Revell. Mr Revell, BSc, is a member of AusIMM, and as the Company's Chief Geologist is a Qualified Person as defined in National Instrument 43-101. Mr Revell has sufficient experience relevant to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

OTHER INFORMATION

The Company's website address is www.internationalgoldmining.com. Other information relating to the Company may be found on SEDAR at www.sedar.com.

BY ORDER OF THE BOARD

"Alan Phillips"

Alan S. Phillips, Director
President and CEO

"Bruce Burrell"

Bruce Burrell
Director