ROMIOS GOLD RESOURCES INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended March 31, 2011
(unaudited)

Romios Gold Resources Inc.
(the "Company")
NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements.

DATED this 20th day of May, 2011.

ROMIOS GOLD RESOURCES INC.

Per: *(signed) "Tom Drivas"*
Name: Tom Drivas
Title: Chief Executive Officer

Per: *(signed) "Michael D'Amico"*
Name: Michael D'Amico
Title: Chief Financial Officer

Romios Gold Resources Inc.

Consolidated Balance Sheets

(unaudited)

As at	March 31 2011 $	June 30 2010 $
Assets		
Current		
Cash and cash equivalents	**3,673,457**	885,067
Cash and cash equivalents for future exploration activities (note 3)	**61,025**	847,857
Accounts receivable	**167,709**	49,874
Prepaid expenses	**53,382**	64,994
	3,955,574	1,847,792
Mineral properties		
Acquisition costs (note 4)	**2,143,755**	2,044,017
Deferred exploration expenditures (note 4)	**13,901,446**	11,626,774
	20,000,775	15,518,583
Liabilities		
Current		
Accounts payable & accruals	**194,829**	445,834
Common shares subscribed, not issued	-	60,000
	194,829	505,834
Future income tax	**2,480,046**	2,480,046
	2,674,875	2,985,880
Contingencies and commitments (note 10)		
Shareholders' equity		
Share capital (note 5(a))	**21,376,271**	16,129,071
Warrants (note 5(c))	**137,939**	42,442
Contributed surplus (note 5(d))	**3,425,033**	3,277,190
Deficit	**(7,613,342)**	(6,916,000)
	17,325,900	12,532,703
	20,000,775	15,518,583
	-	-

The accompanying notes are an integral part of these financial statements

APPROVED ON BEHALF OF THE BOARD

"Signed"
Anastasios (Tom) Drivas

"Signed"
William R. Johnstone

Romios Gold Resources Inc.

Consolidated Statements of Loss, Comprehensive Loss and Deficit

(unaudited)

	For the three months ended March 31		For the nine months ended March 31	
	2011	2010	**2011**	2010
	$	$	**$**	$
Expenses				
Professional fees	**67,448**	59,665	**182,155**	181,919
Management fees and salaries	**37,767**	37,500	**112,767**	112,922
Office and general	**43,407**	51,491	**82,855**	82,316
Shareholder communication	**65,566**	20,131	**181,131**	65,637
Abandonments and write-offs	**-**	-	**-**	6,342
Stock based compensation	**34,775**	4,073	**147,495**	23,060
Loss for the period before the following	**(248,963)**	(172,859)	**(706,403)**	(472,195)
Interest income	**3,622**	1,769	**9,061**	9,642
Net loss and comprehensive loss	**(245,341)**	(171,090)	**(697,342)**	(462,553)
Deficit, beginning of period	**(7,368,001)**	(6,857,219)	**(6,916,000)**	6,565,756
Deficit, end of the period	**(7,613,342)**	(7,028,309)	**(7,613,342)**	7,028,309
Weighted average number of shares outstanding	**119,162,499**	101,718,479	**118,516,651**	93,026,444
Basic and diluted loss per share	**0**	0	**0**	0
Weighted average number of shares outstanding	**119,162,499**	101,718,479	**118,516,651**	93,026,444
Basic and diluted loss per share	**(0.00)**	(0.00)	**(0.01)**	(0.00)

Romios Gold Resources Inc.

Consolidated Statements of Cash Flows

(unaudited)

	For the three months ended March 31		For the nine months ended March 31	
	2011	2010	**2011**	2010
	$	$	**$**	$
Operating activities				
Net loss for the period	**(7,161,341)**	(171,090)	**(7,613,342)**	7,028,309
Items not affecting cash:				
Stock based compensation	**34,775**	4,073	**147,495**	23,060
	(7,126,566)	(167,017)	**(7,465,847)**	7,051,369
Net change in non-cash working capital				
Accounts receivable	**(91,585)**	4,429	**(117,835)**	63,535
Prepaid expenses	**18,951**	9,945	**11,611**	49,751
Accounts payable and accrued liabilities	**63,127**	4,185	**(311,004)**	(6,513)
	(7,136,074)	(148,458)	**(7,883,076)**	7,158,142
Investing activities				
Mineral property acquisition costs	**(0)**	(173)	**(60,438)**	(1,973)
Deferred exploration expenditures	**(143,112)**	(204,048)	**(2,274,672)**	(1,718,294)
	(143,112)	(204,221)	**(2,335,110)**	(1,720,267)
Financing activities				
Private placement of common shares	**1,336,000**	30,000	**3,411,555**	2,337,242
Common share value recorded in the prior period	**-**	(24,000)	**-**	
Exercise of options and warrants	**871,498**	-	**1,774,094**	-
Share issue expense	**(84,070)**	-	**(175,850)**	(141,215)
Value of warrants issued	**-**	-	**293,945**	101,060
	2,123,428	6,000	**5,303,744**	2,297,087
Change in cash and cash equivalents	**(5,155,759)**	(346,679)	**(4,914,442)**	7,734,962
Cash and cash equivalents, beginning of period	**1,974,241**	1,948,979	**1,732,924**	1,358,200
Cash and cash equivalents, end of period	**(3,181,518)**	1,602,300	**(3,181,518)**	9,093,162
Cash comprises:				
Cash and cash equivalents	**3,673,457**	409,115	**3,673,457**	409,115
Cash and cash equivalents for future exploration activities	**61,025**	1,193,185	**61,025**	1,193,185

1. Nature of operations

Romios Gold Resources Inc. (“Romios” or "the Company") has interests in resource properties and is in the process of determining whether its properties contain resources that are economically recoverable.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company’s management. The Company’s independent auditor has not performed a review of these consolidated interim financial statements.

These interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at March 31, 2011 the Company had no sources of operating cash flows. The Company will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. The Company had working capital of $3,760,745 as at March 31, 2011, and has incurred losses since inception, resulting in an accumulated deficit of $7,613,342 as at March 31, 2011. The Company’s ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Company will be successful in this regard, and therefore, there is doubt regarding the Company’s ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These interim consolidated financial statements do not reflect adjustments that would be necessary if the “going concern” assumption were not appropriate. If the “going concern” assumption were not appropriate for these interim consolidated financial statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

The recoverability of expenditures on its resource properties and related deferred exploration expenditures is dependent upon the existence of resources that are economically recoverable, confirmation of the Company's ownership interests in the claims, the ability of the Company to obtain necessary financing to complete the exploration and the development of the properties, and upon future profitable production or proceeds from disposition thereof.

2. Summary of significant accounting policies

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) with respect to preparation of interim financial statements on a basis consistent with the Company’s audited annual financial statements as at and for the year ended June 30, 2010 and should be read in conjunction with those statements as they do not contain all information or disclosure to be in accordance with Canadian generally accepted accounting principles for annual financial reporting. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the three months ended March 31, 2011, may not be indicative of the results that may be expected for the year ending June 30, 2011.

Use of estimates and assumptions

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Future changes in accounting policy

Business combinations
In January 2009, the CICA issued Section 1582, Business Combinations, replacing Section 1581 of the same name. The new section will apply prospectively to business combinations for which the acquisition date is on or after January 1, 2011. Section 1582, which provides the Canadian equivalent to International Financial Reporting Standard 3, Business Combinations, establishes standards for the accounting for a business combination. Section 1582 requires business acquisitions (including non-controlling interests and contingent consideration) to be measured at fair value on the acquisition date, generally requires acquisition-related costs to be expensed, requires gains from bargain purchases to be recorded in net earnings, and expands the definition of a business. As Section 1582 will apply only to future business combinations, it will not have a significant effect on the Company's consolidated financial statements prior to such acquisitions.

Consolidated financial statements and non-controlling Interests
In January 2009, the CICA issued Sections 1601 "Consolidated Financial Statements", and 1602, "Non-controlling Interests", which replaces existing guidance. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards are effective on or after the beginning of the first annual reporting period beginning on or after January 2011 with earlier application permitted.

Impairment

Mineral properties are reviewed on a quarterly basis and when changes in circumstances suggest their carrying value may become impaired. Management considers mineral properties to be impaired if the carrying value exceeds the estimated undiscounted future projected cash flows from the use of the property and its related assets and their eventual disposition. If impairment is deemed to exist, the property and its related assets will be written down to fair value. Fair value is generally determined using a discounted cash flow analysis. Management determined that there was no impairment of carrying value on its properties.

3. Cash and cash equivalents

Cash and cash equivalents and cash and cash equivalents held for future exploration consists of cash and investments in Canadian Chartered Bank demand money market funds.

On July 5, 2010, the Company completed a private placement of 5,066,667 flow-through shares for gross proceeds of $760,000, on July 15 the Company completed a private placement of 2,250,000 flow-through shares for gross proceeds of $337,500 and on August 31, 2010 the Company completed a private placement of 2,000,000 flow-through shares for gross proceeds of $300,000. These funds were committed to be expended on Canadian Exploration Expenditures ("CEE") and are therefore not available for current working capital purposes. During the nine months to March 31, 2011, the Company spent a total of $2,274,672 on exploration activities, including committed funds raised in the prior fiscal year, leaving a balance of $61,025 at March 31, 2011 to be spent on CEE.

4. Mineral properties

Acquisition costs

	British Columbia $	Quebec $	Nevada, USA $	Total $
Balance, June 30, 2009	1,962,469	23,100	-	1,985,569
Total additions for the period	37,973	20,475	-	58,448
Balance, June 30, 2010	2,000,442	43,575	-	2,044,017
Total additions for the period	29,850	31,422	38,466	99,738
Balance March 31, 2011	2,030,292	74,997	38,466	2,143,755

Nevada

On August 7, 2010, the Company exercised an option and acquired sixty-four acres adjacent to their existing claims in Nevada for total consideration and costs of $38,466.

Deferred exploration expenditures

	British Columbia	Quebec*	Total
Balance, June 30, 2010	10,973,965	652,809	11,626,774
Additions:			
Assessment filings	12,270	1,580	13,850
Assaying	103,703	31,068	134,771
Contract flying	519,114	-	519,114
Drilling	648,316	138,250	786,566
Field communications	3,242	-	3,242
Contract labour	274,148	66,725	340,873
Subcontract labour	83,512	-	83,512
Camp costs	177,940	-	177,940
Other	199,994	14,810	214,804
Total additions for the period	2,022,239	252,433	2,274,672
Balance, March 31, 2011	12,996,204	905,242	13,901,446

***Amount shown is net of $345,328 received from the province of Quebec.**

British Columbia

On March 1, 2005, the Company acquired, through an exchange of shares, a 100% interest in McLymont Mines Inc. ("MMI"), a company whose only significant asset is an interest in the Newmont Lake Property in British Columbia.

In 2006, the Company acquired an option agreement with Galore Creek Staking Syndicate, 2003 to acquire a 100% interest in 5 land tenures (2,693 hectares) located in the Liard Mining Division of British Columbia, known as the Trek Property.

4. Mineral properties (continued)

During the year ended June 30, 2008, the Company completed its obligations under an option agreement with Gulf International Minerals Inc. (“Gulf”) to earn a 50% interest in the Newmont Lake property in British Columbia, which consists of 18 mineral claims (6,175 hectares) in the Liard Mining Division of British Columbia. The Company also exercised its option to acquire an additional 25% interest in the property by issuing 2,777,778 common shares at a deemed value of $0.36 per share. Under an amendment dated May 12, 2010, the Company has an option until December 31, 2011 to acquire the remaining 25% interest, subject to a 1.5% net smelter return royalty, for payment of $2,000,000 in cash and/or shares. If the Company elects not to exercise the option, a 75/25 joint venture will be formed with Gulf. The Company also has the option to purchase 0.5% of the net smelter return royalty for $1,000,000.

During the year ended June 30, 2008, the Company completed its obligations under an option agreement with Roca Mines Inc. (“Roca”) to earn a 50% interest in 8 mineral properties (4,000 hectares) in the Liard Mining Division of British Columbia. On August 14, 2008 the Company entered into a joint venture with Roca for the further exploration and development on the property.

During the year ended June 30, 2006, the Company entered into an option agreement with Galore Creek Staking Syndicate, 2003 (“Galore Creek Syndicate”) to acquire a 100% interest, subject to a 2% net smelter returns royalty, in 2 land tenures (1,321 hectares) located in the Liard Mining Division of British Columbia, known as the RP Property. The agreement was amended February 24, 2010 and November 25, 2010 and now requires a payment of $115,000 cash ($15,000 paid to date with the remaining $100,000 due December 1, 2014). In addition, the Company must issue a total of 800,000 common shares of which 400,000 have been issued and the remaining 400,000 are to be issued as follows: 50,000 shares on each December 1, 2011 and 2012 with the remaining 300,000 common shares to be issued December 1, 2013. The revised expenditure commitments now include optional expenditure commitments on the property totaling $900,000, with $100,000 to be spent before December 1, 2012; an additional $300,000 before December 1, 2013; and an additional $500,000 before December 1, 2014. The amendment agreement also requires the expansion of the size of the property to a minimum of 248 contiguous cells (claim units) from the current 75 cells (claim units) prior to December 1, 2011. The Company retains the option to fulfill these obligations.

In 2006, the Company entered into an option agreement with Galore Creek Syndicate to acquire a 100% interest, subject to a 2% net smelter returns royalty, in 1 land tenure (614 hectares) located in the Liard Mining Division of British Columbia, known as the JW Property. The agreement was amended on February 24, 2010 and November 25, 2010 and now requires the payment of $115,000 cash, of which $15,000 has been paid with the remaining $100,000 due December 1, 2014, the issue of 700,000 common shares of which 300,000 common shares have been issued and certain expenditure requirements. The remaining 400,000 common shares are to be issued with the revised share issuance schedule as follows: 50,000 shares on each of December 1, 2011 and 2012; with the remaining 300,000 common shares to be issued December 1, 2013. The expenditure commitments have been replaced with optional expenditure commitments on the property totaling $1,400,000; with $100,000 to be spent before December 1, 2012; an additional $250,000 to be spent before December 1, 2013; an additional $450,000 before December 1, 2014; and an additional $600,000 before December 1, 2015. The amendment agreement also requires the expansion of the size of the property to a minimum of 220 contiguous cells (claim units) from the current 35 cells (claim units) prior to December 1, 2011. The Company retains the option to fulfill these obligations.

The Company also holds a 100% interest in 134 mineral properties in the Liard Mining Division of British Columbia.

Quebec

During the year ended June 30, 2009 the Company concluded an option agreement to acquire a molybdenum property that was the site of the former producing La Corne molybdenum mine approximately 30 kilometres from the town of Val d'Or, Quebec. The agreement provides for an initial payment schedule of $20,000 cash, completion of a minimum of $50,000 in exploration expenditures and the issuance of 650,000 shares of the Company over the three year period. As at January 14, 2011, the Company has issued 260,000 common shares as per the agreement. The agreement is subject to a 3% Net Smelter Return (NSR) retained by the vendors, of which half (1.5%) can be repurchased for $500,000. The amount expended to March 31, 2011 is $1,250,570.

Ontario and Nevada

At June 30, 2009, the Company wrote down the carrying value of its Ontario and Nevada properties to a nominal amount as the Company's focus is currently on its BC and Quebec properties.

5. Share capital

(a) Common shares

The Company is authorized to issue an unlimited number of no par value common shares. The following table provides the details of changes in the number of issued common shares

	Number #	***Amount*** $
Balance, June 30, 2009	83,108,217	14,263,078
Common shares issued	7,780,933	856,427
Flow through common shares issued	10,633,329	1,577,500
Common shares issued for property acquisition	495,000	56,475
Share issue costs	-	(166,909)
Flow through share future income tax liability	-	(457,500)
Balance, June 30, 2010	102,017,479	16,129,071
Flow through common shares issued July 5, 2010	5,066,667	760,000
Common shares issued July 5, 2010	2,000,000	240,000
Flow through common shares issued July 15, 2010	2,250,000	337,500
Common shares issued July 15, 2010	1,100,000	132,000
Flow through common shares issued August 31, 2010	2,000,000	300,000
Common shares issued for property acquisition	360,000	39,300
Common shares issued December 15, 2010	3,000,000	600,000
Common shares issued March 28, 2011	4,453,333	1,336,000
Common shares issued on exercise of options	1,457,000	279,840
Common shares issued on exercise of broker warrants	1,941,666	285,000
Common shares issued on exercise of warrants	5,871,608	1,209,254
Contribution on exercise of warrants		198,101
Share issue costs	-	(469,795)
Balance, March 31, 2011	131,517,753	21,376,271

On July 5, 2010, the Company completed a private placement of 2,000,000 units priced at $0.12 per unit for gross proceeds of $240,000. Each unit consists of one common share and one common share purchase warrant with each warrant entitling the holder to acquire a further share at a price of $0.25 per share until the earlier of: (i) the date which is twelve (12) months following the closing; and (ii) in the event that the closing price of the common shares on the TSX Venture Exchange is at least $0.50 for ten (10) consecutive trading days, and the 10th trading day (the "Final Trading Day") is at least four (4) months from the Closing Date, the date which is thirty (30) days from the Final Trading Day (the "Trigger Date"). A cash fee of $12,600 and 150,000 broker warrants to acquire non flow-through common shares at a price of $0.12 per share for 12 months from closing was paid in respect of the closing.

On July 5, 2010, the Company completed a private placement of 5,066,667 flow-through units priced at $0.15 per unit for gross proceeds of $760,000. Each flow-through unit consists of one common share and one-half of a common share purchase warrant with each full warrant entitling the holder to acquire a further share at a price of $0.25 per share until the earlier of 12 months from closing and the Trigger Date. A cash fee of $49,000 and 466,667 broker warrants to acquire non flow-through common shares at a price of $0.15 per share for 12 months from closing was paid in respect of the closing.

On July 15, 2010, the Company announced that it completed an additional private placement of 1,100,000 units priced at $0.12 per unit for gross proceeds of $132,000. Each unit consists of one common share and one-common share purchase warrant with each warrant entitling the holder to acquire a further share at a price of $0.25 per share until the earlier of 12 months from closing and the Trigger Date. A cash fee of $8,400 and 100,000 broker warrants to acquire non flow-through common shares at a price of $0.12 per share for 12 months from closing was paid in respect of the closing.

On July 15, 2010, the Company announced that it completed an additional private placement of 2,250,000 flow-through units priced at $0.15 per unit for gross proceeds of $337,500. Each flow-through unit consists of one common share and one-half of a common share purchase warrant with each full warrant entitling the holder to acquire a further share at a price of $0.25 per share until the earlier of 12 months from closing and the Trigger Date. A cash fee of $21,780 and 200,000 compensation options to acquire units at a price of $0.15 per unit were issued. Each compensation unit is comprised of one common share and one-half of one non-transferable share purchase warrant. Each full warrant entitles the holder to purchase one common share of the Company at a price of $0.25 per warrant share until the earlier of July 8, 2011 and the Trigger Date.

On August 31, 2010, the Company completed a private placement of 2,000,000 flow-through units priced at $0.15 per unit for gross proceeds of $300,000. Each flow-through unit consists of one flow-through common share and one-half of a common share purchase warrant with each full warrant entitling the holder to acquire a further share at a price of $0.25 per share until the earlier of 12 months from closing and the Trigger Date.

On December 15, 2010, the Company announced that it completed an additional private placement of 3,000,000 units priced at $0.20 per unit for gross proceeds of $600,000. Each unit consists of one common share and one-half of a common share purchase warrant with each warrant entitling the holder to acquire a further share at a price of $0.30 per share until the earlier of 12 months from closing and the Trigger Date.

On March 28, 2011, the Company completed an additional private placement of 4,453,333 units priced at $0.30 per unit for gross proceeds of $1,336,000. Each unit consists of one common share and one-half common share purchase warrant. Each warrant entitles the holder to acquire a further common share at a price of $0.40 per share until the earlier of: (i) March 28, 2012; and (ii) in the event that the closing price of the common shares on the TSX Venture Exchange is at least $0.60 for twenty consecutive trading days, and the 20th trading day (the "Final Trading Day") is at least four months from March 28, 2011, the date which is thirty days from the Final Trading Day.

(b) Common share purchase options

The Company has created a stock option plan for the benefit of directors, officers, key employees, and consultants. The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares. As at March 31, 2011, 7,993,000 common shares were reserved for the exercise of stock options granted under the Company's stock option plan (the "Plan").

The following table provides the details of changes in the number of issued common share purchase options during the period:

	Options	**Weighted-average exercise price**
	#	$
Outstanding at June 30, 2009	6,260,500	0.36
Granted	2,700,000	0.14
Cancelled	(50,000)	0.32
Expired	(235,000)	0.33
Outstanding at June 30, 2010	8,675,000	0.36
Granted	1,000,000	0.15
Exercised	(1,457,000)	0.19
Expired	(225,000)	0.26
Outstanding at March 31, 2011	7,993,000	0.30
Options exercisable at March 31, 2011	7,368,000	0.31

On November 1, 2010, 150,000 options and 75,000 options for consultants at exercise prices of $0.32 and $ 0.15 respectively, expired.

On November 5, 2010, the Company issued 1,000,000 stock options exercisable at $0.15 per share until November 5, 2015 to a director of the Company.

On December 9, 2010, 457,000 options held by insiders were exercised at a price of $0.12 per share.

On March 3, 2011, 750,000 options held by insiders were exercised at a price of $0.25 per share. In addition, on March 30, 2011, 250,000 options at a price of $0.15 per share were exercised.

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
400,000	400,000	2.9 months	$0.32	June 27, 2011
100,000	100,000	9.7 months	$0.15	January 22, 2012
1,518,000	1,518,000	14.9 months	$0.65	June 26, 2012
150,000	150,000	15.3 months	$0.65	July 09, 2012
300,000	300,000	16.0 months	$0.15	August 1, 2012
1,000,000	1,000,000	26.4 months	$0.32	June 12, 2013
700,000	700,000	26.9 months	$0.32	June 27, 2013
500,000	500,000	33.7 months	$0.15	January 22, 2014
275,000	275,000	39.8 months	$0.15	July 24, 2014
2,050,000	1,925,000	48.3 months	$0.14	April 9, 2015
1,000,000	500,000	55.3 months	$0.15	November 8, 2015
7,993,000	7,368,000			

(b) Common share purchase options (continued)

The weighted average fair value of all the options granted and outstanding is $0.30 per option, each contract fair value having been estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate ranging from 3.45% to 4.75%, expected dividend yield of nil, average expected volatility ranging from 66.48% to 143.02% and expected life term ranging from 24 to 60 months. Under this method of calculation, the Company has recorded $34,775 as stock based compensation during the three months and $147,496 as stock based compensation during the nine months ended March 31, 2011, being the fair value of the options vested during the nine months ended March 31, 2011. Options that have been issued and remain outstanding vest either: immediately on date of grant; or a period of up to eighteen months from the date of grant over the period of vesting in equal installments.

(c) Warrants

On certain issuances of common shares, the Company grants warrants entitling the holder to acquire additional common shares of the Company, and the Company grants warrants as consideration for services associated with the placement of such common share issues.

The following table provides the details of changes in the number of outstanding common share purchase warrants:

	Number #	***Price Range*** $
Balance, June 30, 2010	14,652,598	0.14 to 0.90
Private placement warrants issued	8,775,002	0.12 to 0.25
Expired	(875,000)	0.20
Balance, September 30, 2010	22,552,600	0.12 to 0.90
Private placement warrants issued	1,500,000	0.30
Warrants exercised	(3,977,689)	0.15 to 0.25
Expired	(4,871,665)	0.25 to 0.90
Balance December 31, 2010	15,203,246	0.12 to 0.90
Private placement warrants issued	2,226,666	0.40
Warrants exercised	(3,835,585)	0.14 to 0.25
Expired	(250,000)	0.25
Balance March 31, 2011	13,344,327	0.12 to 0.90

On December 15, 2010, 1,500,000 warrants were issued in conjunction with a working capital financing exercisable at a price of $0.30 per share for a period of one year.

On December 30, 2010, 83,333 warrants at a price of $0.25 and 4,788,332 warrants at a price of $0.90 expired unexercised.

On December 21, 2010, 693,333 broker compensation warrants were exercised at a price of $0.15 per share, on December 21, 2010 11,023 warrants at a price of $0.25 per share were exercised by an individual, on December 22, 2010, 773,333 broker compensation warrants were exercised at a price of $0.15 and on December 30, 2010, 2,500,000 warrants were exercised at a price of $0.25.

On March 28, 2011, 2,226,666 warrants were issued in conjunction with a working capital financing exercisable at a price of $0.40 per share (Note 5a).

During the three months ended March 31, 2011 broker compensation warrants were exercised as follows: on January 17, 2011, 175,000 at a price of $0.14 per share, on March 8, 2011 150,000 at a price of $0.12 per share and 100,000 at a price $0.15, on March 31, 2011 50,000 at a price $0.15 per share.

In addition, during the three months ended March 31, 2011 2,586,378 warrants were exercised at a price of $0.15 per share and 774,207 warrants were exercised at a price of $0.25 per share.

On January 6, 2011, 200,000 warrants at an exercise price of $0.25 expired unexercised and on January 26, 2011, 50,000 warrants with an exercise price of $0.25 expired unexercised.

Certain issuances of common shares include warrants entitling the holder to acquire additional common shares of the Company. A summary of the outstanding warrants is as follows:

	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
Warrants	4,248,105	3.2 months	$0.25	July 5, 2011
Warrants	1,000,000	3.3 months	$0.25	July 8, 2011
Warrants	600,000	3.3 months	$0.25	July 9, 2011
Warrants	125,000	3.3 months	$0.25	July 14, 2011
Warrants	2,027,889	3.5 months	$0.15	July 15, 2011
Warrants	1,000,000	4.9 months	$0.25	August 26, 2011
Warrants	1,500,000	8.5 months	$0.30	December 15, 2011
Warrants	2,226,666	12 months	$0.40	March 28, 2012
Balance, March 31,2011	12,727,660			

On July 15, 2010, 4,514,267 warrants due to expire on July 10, 2010 were renewed with an expiry date extended to July 15, 2011.

Certain issuances of common shares include warrants as partial consideration to the agent for services associated with the share issues. A summary of the outstanding broker warrants is as follows:

	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
Compensation warrants	216,667	6.2 months	$0.15	July 5, 2011
Compensation warrants	300,000	6.2 months	$0.15	July 8, 2011
Compensation warrants	100,000	6.2 months	$0.12	July 9, 2011
Balance, March 31, 2011	616,667			

(d) Contributed surplus

A summary of changes in contributed surplus is as follows:

	Amount $
Balance, June 30, 2009	2,855,306
Stock based compensation	199,585
Common shares purchase warrants expired	222,299
Balance, June 30, 2010	3,277,190
Stock based compensation	147,496
Common shares purchase warrants expired	347
Balance, March 31, 2011	3,425,033

(d) Contributed surplus (continued)

The number of common shares outstanding on March 31, 2011 was 131,517,753. Taking into account outstanding share purchase options, warrants and 1,000,000 shares reserved for property transactions, the fully diluted common shares that could be outstanding on March 31, 2011 was 153,855,080.

6. Related party transactions

During the three months ended March 31, 2011, the Company incurred related party expenses of $62,195 (for the three months ended March 31, 2010 - $41,300) and $156,299 for the nine months ended March 31, 2011 (for the nine months ended March 31, 2010 - $164,270). These expenses related to management and consulting fees and salaries paid to the Company's senior officers, Tom Drivas, President and Chief Executive Officer, Tom Skimming, V.P. Exploration, Errol Farr, then Michael D'Amico Chief Financial Officer, Garth Kirkham, Director and Antonio de Quadros, Director. At March 31, 2011 $4,972 was due and payable to these related parties.

During the three months ended March 31, 2011, the Company incurred expenses of $2,365 (for the three months ended March 31, 2010 - $43,450) and $58,125 for the nine months ended March 31, 2011 (for the nine months ended March 31, 2010 - $78,122) for legal fees to a law firm related to a senior officer and director of the Company, William R. Johnstone. At March 31, 2011, $16,104 was due and payable.

During the three months ended March 31, 2011, the Company incurred expenses of $4,000 (for the three months ended March 31, 2010 - $3,000) related to directors' fees and during the nine months ended March 31, 2011, the Company incurred expenses of $11,000 (for the nine months ended March 31, 2010 - $9,000) related to directors' fees to Antonio de Quadros, Frank van de Water, Brian Robertson and Jack McOuat. At March 31, 2011, $3,000 was due and payable.

These amounts were expensed in the period incurred as administrative and general expenses. Expenses and amounts paid and owing are measured at the exchange amount.

7. Income taxes

The Company has incurred tax losses of $1,928,900 which may be used to reduce future taxable income. The potential benefit of these losses will expire in the fiscal years ended June 30, if unused, as follows:

	Amount $
2014	7,400
2015	36,000
2026	20,500
2027	641,800
2029	637,200
2030	134,000
2031	452,000
	1,928,900

8. Financial instruments and risk management

Categories of financial assets and liabilities

Under Canadian GAAP, financial instruments are classified into one of the following five categories: held-for-trading, held to maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities. The carrying values of the Company's financial instruments, including those held for sale are classified into the following categories:

	March 31 2011 $	June 30 2010 $
Held for trading (1)	**3,734,482**	1,732,924
Available for sale (2)	**-**	-
Loans and receivables (3)	**167,709**	49,874
Other financial liabilities (4)	**194,829**	307,488

(1) Includes cash, committed cash and short-term investments.
(2) Includes marketable securities.
(3) Includes accounts receivable related to HST tax refunds.
(4) Includes accounts payable and bank overdraft.

Financial Instruments
The carrying amounts for the Company's financial instruments approximate their fair values because of the short-term nature of these items.

(i) Cash and cash equivalents and cash and cash equivalents held for future exploration are designated as financial assets held for trading and are recorded at market value. The interest on deposits is insignificant.
(ii) H.S.T. receivable is designated as loans and receivables and is recorded at cost.
(iii) Accounts payable is designated as other financial liabilities and is recorded at cost.

Risks arising from financial instruments and risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company.

The Company uses various methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks.

(a) Market risk

(i) Price risk

Commodity price risk
Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company is exposed to commodity price risk arising from the fluctuation of the value of the metals it is exploring for. The Company does not manage commodity price risk through the use of derivative instruments.

(a) Market risk (continued)

Sensitivity

At March 31, 2011, a change in the value of gold and base metals would not change the recognized value of any of the Company’s financial instruments.

(ii) Cash flow fair value interest rate risk

The Company does not have interest-bearing borrowings for which general rate fluctuations apply. The Company is exposed to interest rate risk to the extent of the balance of the bank accounts.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises from cash and deposits with banks and financial institutions as well as credit exposures to outstanding receivables.

The Company has no concentration of credit risk. The carrying amount of financial assets recorded in the consolidated financial statements are adjusted for any impairment and represent the Company’s maximum exposure to credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company’s commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. The Company is currently assessing all options to address its liquidity issues. It is not possible to determine with any certainty the success and adequacy of these initiatives.

9. Capital disclosures

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The capital of the Company consists of capital stock, warrants and contributed surplus.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and will raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended June 30, 2010 and the period ended March 31, 2011. The Company is not subject to externally imposed capital requirements.

10. Contingencies and commitments

As at March 31, 2011;

a) the Company has no contingent obligations,

b) the Company has $40,894 on deposit as property reclamation bonds with various governmental agencies. These amounts are included with prepaid expenses,

c) the Company has a minimum lease cost commitment for its head office space of $7,695 for 2011.

11. Subsequent Events

On April 11, 2011, 100,000 options and 125,000 options at exercise prices of $0.14 and $ 0.15 respectively, were exercised. In addition, on April 19, 2011, 300,000 options at a price of $0.15 per share were exercised. The exercise of options resulted in total cash received of $77,750.

On May 6, 2011, 225,000 options at an exercise price of $0.475 per share were granted to geological consultants of the Company and on May 10, 2011, 250,000 options at an exercise price of $0.53 per share were granted to a financial consultant of the Company.

During April and May 2011, 2,444,523 warrants were exercised at a price of $0.15 per share and 3,361,550 warrants were exercised at a price of $0.25 per share for total cash received of $1,207,066.

12. Other items

Certain amounts have been reclassified to conform to the presentation adopted in the current period.