***Mistango River Resources Inc.***

*Presidents Report to Shareholders*

*Dear Shareholders*

*With all of our difficulties now behind us, we look forward to providing shareholder value under a new name and a fresh outlook.*

*Our present priority is to resume exploring and to develop the Omega Gold Property. This property is located approximately 30 kilometers east of Kirkland Lake, Ontario and as I write this letter, a drill is being mobilized to site with a second to start in the near future. It is ironic that we are now back working on the Omega which in 1980 was the property that Lenora Explorations Ltd., (now Mistango) used as its qualifying property in order to go public. The Omega is a past producer located on the famous Larder Lake / Cadillac fault zone which hosts some of the major gold mines in Ontario and Quebec. Historically more than 95 million ounces of gold have been produced along this fault with production continuing today.*

*The Omega was an underground mine operating during the 1940's. With today's gold price, areas of gold mineralization remain in the general mine area less than the historic production cut-off grade of approximately 5 grams per ton. At the current gold price these areas are now economic.*

*One such area is the 14 zone which was considered "flow ore" similar to the +10 million ounce Kerr Addision Mine just east of the Omega. Historical Government reports and the Northern Miner Press report that this zone was explored on the 600 to 1,550 level and obtained widths of up to 15-20 meters with an estimated grade of approximately 3 grams per ton.*

*Recently, a deep penetrating IP geophysical survey has been completed on the property which has added other areas of high interest outside the known mineralized horizon which will be investigated by diamond drilling.*

*Additionally, Mistango owns a 100% interest in several kilometres of land West of Kirkland Lake along this same fault zone, as well as, the Sackville property located approximately 60 kilometers west of Thunder Bay, Ontario. This property hosts high grade VMS boulders. Additional soil / till geochemical sampling will be undertaken in 2011 to help define their source.*

*We look forward to an exciting year of exploration.*

*Your support has been greatly appreciated.*

*On Behalf of the Board*

*Robert J Kasner*

*President & CEO*

parker simone LLP

Chartered Accountants
129 Lakeshore Road East
Suite 201 Mississauga Ontario
L5G 1E5
T 905 271.7977
F 905 271.7677

**Auditors' Consent**

Mistango River Resources Inc.
4 Al Wende Avenue
Kirkland Lake, Ontario
P2N 3J5

We consent to the use of our auditors' report dated April 19, 2011 to the shareholders of Mistango River Resources Inc. (the "Company") on the financial statements of the Company comprising the balance sheets of the Company as at December 31, 2010 and 2009, and the statements of operations and comprehensive net loss and eficit and cash flow statements for each of the years in the two-year period ended December 31, 2010, to be filed with securities regulatory authorities on SEDAR on or about April 26, 2011.

We have not performed any procedures subsequent to the date of this consent.

This consent is provided to the Company for use solely in connection with the above filing of these financial statements pursuant to the continuous disclosure provisions of securities legislation of Ontario; accordingly, we do not consent to the use of our auditors' report for any other purpose.

Parker Simone LLP.

April 26, 2011 Licensed Public Accountants

parker simone LLP

# MISTANGO RIVER RESOURCES

## Financial Statements
(Audited)

## Years Ended

## December 31, 2010 and 2009

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by management who when necessary, has made informed judgments and estimates of the outcome of events and transactions, with due consideration given to materiality. Management acknowledges its responsibility for the fairness, integrity and objectivity of all information in the financial statements.

As means of fulfilling its responsibility, management relies on the company's system of internal control. This system has been established to ensure, within reasonable limits, that the assets are safeguarded, transactions are properly recorded and are executed in accordance with management's authorization and that the accounting records provide a solid foundation from which to prepare the financial statements.

The Board of Directors carries out its responsibility for the financial statements principally through the Audit Committee, consisting solely of independent, non-management directors. The Audit Committee has a written mandate that complies with the requirements of Canadian securities legislation. This committee meets at least quarterly, reviews the scope of the external audit, the adequacy of the system of internal control and the appropriateness of the financial reporting and then makes its recommendations to the Board of Directors. Based on those recommendations, the Board of Directors approves the financial statements.

### Management's Assessment of Internal Control over Financial Reporting

Management is also responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of financial statements.

Management has assessed the effectiveness of the Company's internal control over financial reporting as at December 31, 2009. Based on management's evaluation, management has concluded that the Company's internal control over financial reporting was effective as at that date.

parker simone LLP, an independent firm of chartered accountants was appointed by a vote of shareholders at the Company's last annual meeting to audit and provide independent opinions on the Company's financial statements as at December 31, 2009, as stated in their auditors' report, parker simone LLP has provided such opinions.

Robert J. Kasner
President, Chief Executive Officer and
Chief Financial Officer

April 19, 2011

parker simone LLP

Chartered Accountants
129 Lakeshore Road East
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L5G 1E5
T 905 271.7977
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# INDEPENDENT AUDITORS' REPORT

**To the Shareholders**
**of Mistango River Resources Inc. (formerly GLR Resources Inc.)**

We have audited the accompanying financial statements of Mistango River Resources Inc., which comprise the balance sheets as at December 31, 2010 and 2009, and the statements of operations and comprehensive net loss and deficit and cash flows for the periods then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. W e conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mistango River Resources Inc. as at December 31, 2010 and 2009, and its financial performance and its cash flows for the periods then ended in accordance with Canadian generally accepted accounting principles.

***Emphasis of Matters***

Without qualifying our opinion, the accompanying financial statements have been prepared assuming the Company will continue as a going concern. As more fully described in the notes to these financial statements, the Company has not generated revenues to date. This condition raises substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of this uncertainty.

parker simone LLP.

Mississauga, Canada.
April 19, 2011

Chartered Accountants
Licensed Public Accountants

## Mistango River Resources Inc.
## Balance Sheets
*(Canadian dollars)*

| *As at December 31,* | **2010** **$** | 2009 $ |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents *(Note 3)* | **210,139** | **154,070** |
| Restricted cash (*Note 3*) | **116,568** | **582,589** |
| Taxes recoverable | **27,716** | **75,093** |
| Other receivables | **-** | **371,519** |
| Prepaid expenses *(Note 4)* | **-** | **1,946** |
| Assets held for sale *(Note 5)* | **-** | **1** |
| Due from related parties *(Note 8)* | **14,264** | **9,773** |
| | **368,687** | **1,194,991** |
| **Investments** *(Note 2)* | **125,304** | **1,095,708** |
| **Property, plant and equipment** *(Note 6)* | **105,062** | **128,449** |
| **Mineral properties and deferred expenditures** *(Note 5)* | **2,620,434** | **1,936,657** |
| | **3,219,487** | **4,355,805** |
| **Liabilities** | | |
| **Current liabilities** | | |
| Accounts payable and accrued liabilities *(Note 8)* | **541,931** | **954,875** |
| Current portion of long-term debt *(Note 7)* | **14,583** | **13,950** |
| | **556,514** | **968,825** |
| **Long-term liabilities** | | |
| Long-term debt *(Note 7)* | **31,879** | **46,462** |
| | **31,879** | **46,462** |
| | **588,393** | **1,015,287** |
| **Shareholders' equity** | | |
| Capital stock *(Note 9)* | **17,234,936** | **17,234,186** |
| Contributed surplus | **3,415,474** | **3,415,474** |
| Accumulated deficit | **(18,110,007)** | **(17,214,462)** |
| Accumulated other comprehensive income (loss) | **90,691** | **(94,680)** |
| | **2,631,094** | **3,340,518** |
| | **3,219,487** | **4,355,805** |

*The accompanying notes are an integral part of these financial statements.*

Approved by the Board:

*"Robert J. Kasner"*
Robert J. Kasner
Director

*"Daniel Farrell"*
Daniel Farrell
Director

## Mistango River Resources Inc.
## Statements of Operations and Deficit
*(Canadian Dollars except share and per-share amounts)*

| *Years Ended December 31,* | **2010** **$** | 2009 $ |
|---|---|---|
| **Operating expenses** | | |
| Restructuring costs | **36,338** | 1,079,069 |
| Bad debt *(Note 8)* | **2,591** | 78,292 |
| Interest, penalties and financing costs | **5,541** | 315,932 |
| Office and general *(Note 8)* | **103,540** | 135,090 |
| Public relations | **12,019** | 20,711 |
| Professional fees | **135,451** | 259,582 |
| Shareholder information | **66,915** | 8,049 |
| Management fees, salaries and benefits | **314,296** | 158,814 |
| Foreign exchange (gain) loss | **118** | (29,594) |
| Write-down of mineral properties and deferred exploration expenditures *(Note 5)* | **20,176** | 1,156,884 |
| Write-off (recovery) of supplier deposits *(Note 1)* | **-** | (300,000) |
| | **696,985** | 2,882,829 |
| **Other income (expense)** | | |
| Sale of Goldfields Mine assets | **-** | 6,942,135 |
| Cost of Goldfields Mine assets sold | **-** | (6,972,397) |
| Loss on sale of securities | **(200,020)** | (34,609) |
| Interest | **1,460** | 420 |
| | **(198,560)** | (64,451) |
| **Net loss before taxes** | **(895,545)** | (2,947,280) |
| Future income tax recoveries *(Note 10)* | **-** | 530,000 |
| **Net loss for the year** | **(895,545)** | (2,417,280) |
| Deficit at beginning of year | **(17,214,462)** | (14,797,182) |
| **Deficit at end of year** | **(18,110,007)** | (17,214,462) |
| **Net loss per share–basic and fully diluted** | **(0.01)** | (0.04) |
| **Weighted average number of shares (000's) – basic and fully diluted** | **63,597** | 63,595 |

*The accompanying notes are an integral part of these financial statements.*

## Mistango River Resources Inc.
## Statements of Comprehensive Loss
## and Accumulated Other Comprehensive Income (Loss)
*(Canadian Dollars)*

| *Year Ended December 31,* | **2010** **$** | 2009 $ |
|---|---|---|
| Net loss | **(895,545)** | (2,417,280) |
| Other comprehensive income: | | |
| Unrealized gain (loss) on available-for-sale securities | **185,371** | (85,156) |
| **Total comprehensive loss** | **(710,174)** | (2,502,436) |

| *Accumulated other comprehensive income (loss) as at December 31,* | **2010** **$** | 2009 **$** |
|---|---|---|
| **Accumulated other comprehensive income (loss), beginning of year** | **(94,680)** | **(9,524)** |
| Unrealized gain (loss) on available-for-sale securities | **185,371** | **(85,156)** |
| **Accumulated other comprehensive income (loss), end of year** | **90,691** | **(94,680)** |

*The accompanying notes are an integral part of these financial statements.*

## Mistango River Resources Inc.
## Statements of Cash Flows
*(Canadian Dollars)*

| *Year Ended December 31,* | **2010** **$** | 2009 $ |
|---|---|---|
| **Operations** | | |
| Net loss | **(895,545)** | (2,417,280) |
| Adjustments to reconcile net (loss) to cash flow from operating activities: | | |
| Amortization | **23,387** | 1,652 |
| Write-down of mineral properties and deferred exploration expenditures | **20,176** | 1,156,884 |
| Write-off (recovery) of deposits held by suppliers | **-** | (300,000) |
| Loss on disposal of Goldfields Mine assets | **-** | 30,262 |
| Bad debt expense | **-** | 78,292 |
| Loss on sale of securities | **200,020** | 34,609 |
| Stock-based compensation | **-** | - |
| Future income taxes (recoveries) | **-** | (530,000) |
| Net change in non-cash working capital items: | | |
| Restricted cash | **466,021** | (582,589) |
| Taxes recoverable | **47,377** | (70,987) |
| Other receivables | **3,947** | - |
| Prepaid expenses and advances | **1,946** | (1,946) |
| Assets held for sale | **1** | 300,000 |
| Due from related parties | **(4,491)** | (3,966) |
| Accounts payable and accrued liabilities | **(412,944)** | (576,187) |
| **Cash flow used in operating activities** | **(550,105)** | (2,881,256) |
| **Financing** | | |
| Promissory note | **-** | (2,000,000) |
| Long-term debt *(Note 7)* | **(13,950)** | 60,412 |
| **Cash flow (used in) financing activities** | **(13,950)** | (1,939,588) |
| **Investments** | | |
| Proceeds from sale of Goldfields Mine assets | **-** | 5,656,682 |
| Proceeds from sale of securities | **1,323,327** | 27,497 |
| Expenditures on mineral properties and deferred expenditures | **(703,203)** | (682,048) |
| Property, plant and equipment | **-** | (142,180) |
| **Cash flow from investing activities** | **620,124** | 4,859,951 |
| **Net increase in cash and cash equivalents** | **56,069** | 39,107 |
| Cash and cash equivalents at beginning of year | **154,070** | 114,963 |
| **Cash and cash equivalents at end of year** | **210,139** | 154,070 |

Supplemental information (Note 14)

*The accompanying notes are an integral part of these financial statements.*

## 1. Nature of Operations and Going Concern

### *Nature of Operations*

Mistango River Resources Inc. ("MRR" or the "Company") (formerly GLR Resources Inc.) is a federally incorporated company. MRR holds a portfolio of grass roots exploration properties, which it continues to evaluate. Unless otherwise indicated all dollar amounts are expressed in Canadian currency.

The Company's Canadian exploration activities are mainly undivided interests in properties.

### *Going Concern*

These financial statements are prepared in accordance with Canadian generally accepted accounting principles and on the assumption that the Company will be able to realize the carrying value of its assets and discharge its liabilities in the normal course of operations as a going concern. If the "going concern" assumption is not appropriate, then material adjustments may be necessary in the carrying amounts and/or classifications of assets and liabilities in these financial statements.

At December 31, 2010 the Company had a working capital deficiency of $187,827 (2009–working capital of $226,166) working capital), had not yet achieved profitable operations and had accumulated losses of $18,110,007 (2009- $17,214,462). The Company expects to incur further losses in the development of its business, all of which casts substantial doubt upon the Company's ability to continue as a going concern.

The recoverability of the amount shown for mineral properties and deferred expenditures is dependent upon the existence of economically recoverable reserves, the ability of MRR to obtain the necessary financing to complete exploration and development, and upon future profitable production or proceeds from the disposition thereof, all of which are uncertain.

The Company's ability to discharge its liabilities and realize the carrying value of its assets in the normal course of operations is dependent upon, among other things, management's ability to raise the required amount of debt and/or equity financing and for profitable operations to be achieved. There can be no assurance that the Company will be successful with those initiatives.

### *Restructuring*

On May 26, 2009, MRR announced that it had entered into a definitive purchase and sale agreement with Linear Gold Corp., now Brigus Gold Corp., ("Brigus") to sell its 100% interest in the Goldfields Mine, including the Box and Athona deposits, contiguous exploration property and plant and equipment. Following court approval of this transaction on August 18, 2009, the sale closed on August 20, 2009. Upon closing of the transaction, Brigus paid US$5.0 million, in cash, and issued 727,272 common shares of then Linear Gold Corp.

On May 29, 2009, the Company filed a Notice of Intention with the Official Receiver to make a proposal to its creditors under the *Bankruptcy and Insolvency Act* ("BIA"). Paddon + Yorke Inc. ("PYI" or the "Trustee") was appointed as proposal trustee under the BIA proceeding. MRR filed its proposal on June 5, 2009 and, subsequently filed certain amendments to the proposal on July 20, 2009 (the "Proposal").The Proposal was governed by and construed in accordance with the laws of Ontario and the federal laws of Canada.

On August 18, 2009, the Court approved the Proposal and the sale of its Goldfields assets to Brigus. The Transaction closed on August 20, 2009. The Trustee has certified that the Company has fully performed its obligations under the proposal in bankruptcy as of the 15th day of June 2010.

## 1. Nature of Operations and Going Concern (continued)

In addition and subject to certain conditions, MRR was to receive post-closing reimbursement of deposits, aggregating approximately $2.8 million, made by MRR in respect of certain equipment contracts which were assigned to a wholly-owned subsidiary of Brigus as part of the Transaction. On December 31, 2009, Brigus reimbursed MRR in the amount of $300,000.

Subsequent to December 31, 2010, MRR and, Brigus entered into a settlement agreement, as amended, which provided for the issuance to MRR of 1,396,134 common shares of Brigus valued at $2,443,235 based on a deemed price of $1.75 per share and cash payments aggregating $60,000 comprised of three equal payments of $20,000 payable on the last day of each of February, March and April of 2011.

## 2. Summary of Significant Accounting Policies

The accounting policies of the Company are in accordance with Canadian generally accepted accounting principles and their basis of application is consistent with that of the previous year, except as described below. Outlined below are those policies considered particularly significant.

### *Revenue Recognition*

Interest revenue is accrued as earned. Gains and losses realized on disposition of securities are recorded on a trade date basis.

### *Investments*

Investments include 835,121 shares of RJK Explorations Inc. ("RJK") and 136 shares of Strategic Resources Inc. ("SRI") , publicly-traded Canadian companies listed on the TSX-V. As at December 31, 2010 and 2009, these available-for-sale investments have been measured at their fair value, as determined by the closing price of the securities on December 31, 2010. In late December 2009 MRR sold 530,172 Linear shares for net proceeds of $395,069, of which $367,572 was recorded as an other receivable at December 31, 2009.

### *Financial Instruments*

All financial assets and liabilities are initially recognized at fair value. In subsequent periods, financial assets and liabilities which are held for trading are recorded at fair value with gains and losses recognized in the statement of operations; financial assets which are loans and receivables or held to maturity are recorded at amortized cost using the effective interest rate method and gains and losses recognized in the statement of operations; financial assets which are available-for-sale are recorded at fair value with gains and losses recognized (net of applicable taxes) in the statements of comprehensive income and accumulated other comprehensive income; financial liabilities that are not held for trading are recorded at amortized cost using the effective interest method and recognized in the statement of operations.

Effective January 1, 2009, MRR adopted an amendment to CICA Handbook Section 3862, financial instruments, which requires disclosure about inputs to fair value measurements within fair value measurement hierarchy as follows:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
(ii) Level 2: inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly or indirectly;

## 2. Summary of Significant Accounting Policies (continued)

(iii) Level 3: inputs for the asset or liability that are not based on observable market data.

The Company expenses transaction costs relating to its financial instruments.

### *Flow-Through Common Shares*

From time-to-time the Company has financed a portion of its exploration activities in Canada through the issue of flow-through shares, which transfers the income tax deductibility of Canadian exploration expenditures to the investor. Proceeds received on the issue of such shares are credited to capital stock. The related exploration costs, when incurred, are charged to mineral properties.

Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. The tax benefit forgone on renunciation of Canadian exploration expenditures to investors is charged to capital stock as a cost of equity financing when such amounts are renounced.

### *Mineral Properties and Deferred Expenditures*

The exploration activities of the Company are directed towards the search, evaluation and development of mineral properties. Major expenditures are required to locate and establish ore reserves to develop metallurgical processes and to construct mining and processing facilities at a particular site.

The recoverability of values assigned to mineral interests is dependent upon discovery of economically recoverable reserves, confirmation of the Company's interest in the mineral claims, the ability to obtain necessary financing to complete development and future profitable production or proceeds from disposition. Management reviews the carrying value of the Company's interest in each property on an annual basis or whenever events or changes in circumstances indicate that their carrying amount may not be recoverable and, where necessary, these properties are written down to their estimated recoverable amount. It is reasonably possible that certain events could adversely affect management's estimates of recoverable amounts and the need for, as well as the amount of, provision for impairment in the carrying value of mineral interests and related assets.

The cost of acquisition of mineral interests and related exploration costs are deferred until the properties to which they relate are placed into production, sold or allowed to lapse or exploration activity on the relevant property has been dormant for three years. These costs will be amortized over the estimated useful life of the properties following commencement of commercial production. The Company does not accrue future costs to keep the properties in good standing. Administrative expenditures, not directly related to property maintenance, are charged to operations as incurred.

The Company recognizes government assistance in the form of mineral exploration and mining tax credits when the amounts to be received can be reasonably estimated and collection can be reasonably assured. The amount of mineral exploration and mining tax credit reduces the Company's capitalized mineral property costs.

The amounts shown for mineral properties and related deferred expenditures represent costs incurred to-date, less write-offs and recoveries, and do not necessarily reflect present or future values of particular properties.

## 2. Summary of Significant Accounting Policies (continued)

### *Property, Plant and Equipment*

Property, plant and equipment are recorded at cost less accumulated amortization. Amortization on corporate assets is provided on the declining balance basis at rates varying from 10% to 30% per year.

### *Foreign Exchange*

Monetary assets and liabilities have been translated at the exchange rate prevailing at the balance sheet dates. Income and expenses are translated at rates prevailing at the dates of the related transactions. Non-monetary assets, liabilities are translated at historic rates. Gains and losses on foreign exchange for the year are included in the statements of operations.

### *Income Taxes*

MRR follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, future income taxes are determined based on the differences between the financial reporting and tax bases of assets and liabilities. These income tax assets and liabilities are measured using the substantially enacted tax rates, in effect at the balance sheet date, in which the income tax assets and liabilities are expected to be settled or realized. A valuation allowance has been provided to the extent that it is more likely than not that future income tax assets will not be realized.

### *Net Loss per Share*

Net loss per share is calculated based on the weighted average number of shares issued and outstanding during the quarter or year, as appropriate. In the years when the Company reports a net loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive and, therefore, basic and diluted losses per share are the same. When fully-diluted loss per share is calculated, only those options and warrants with average exercise prices “in-the-money” are included.

### *Issuance of Options and Warrants*

MRR records employee stock-based compensation and warrant issuances using the fair value method. Under the fair value method, stock-based payments are measured at the fair value of the equity instruments issued and are amortized over the vesting period. The offset to stock-based compensation in respect of stock option issuances is recorded to contributed surplus. Contributed surplus is relieved of these costs when the options or warrants associated with the contributed surplus are exercised.

The Company uses the Black-Scholes option pricing model to determine the fair value of all issued options and warrants.

### *Asset Retirement Obligations*

The fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred. Also, when the liability is initially recorded, a corresponding increase in the carrying amount of the related asset is recorded.

On an annual basis, the liability is increased by the discount interest factor that was applied in the initial measurement of fair value and the asset is amortized in accordance with the corresponding policy. The amount of the liability will be subject to re-measurement at the end of each reporting period. Any adjustment

## 2. Summary of Significant Accounting Policies (continued)

to this liability will impact the related asset. As at December 31, 2010 and 2009, the Company had no asset retirement obligations.

### *Impairment of Long-Lived Assets*

Senior management periodically reviews the carrying value of its long-lived assets, being mineral properties, deferred expenditures and property, plant and equipment to consider whether there are any conditions that may indicate impairment. Where estimates of future cash flows are available, a reduction in the carrying value is recorded to the extent the net book value of the long-lived asset exceeds the estimated fair value, which is normally the undiscounted value of future cash flows. Where estimates of future cash flows are not available and where other conditions suggest impairment, management assesses if carrying value can be recovered and provides for impairment if so indicated, by reducing the carrying value of the property to its estimated fair value.

### *Measurement Uncertainty*

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results may differ from those estimates. Significant estimates and assumptions include those related to the recoverability of long-lived assets and future tax assets, estimated useful lives of property, plant and equipment and fair value of investments, determinations as to whether costs are expensed or deferred and stock-based compensation valuation assumptions. Management believes these estimates to be reasonable.

MRR is subject to all of the risks normally associated with mining activities. Changes in estimates and assumptions will occur based on additional information and the occurrence of future events.

### *Cash and cash equivalents*

Cash and cash equivalents include cash on deposit as at December 31, 2010 and 2009.

### Adoption of New Standards

i) International Financial Reporting Standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB’s strategic plan outlines the convergence of Canadian GAAP with IFRS over a 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. Accordingly, the Company will be required to adopt IFRS on January 1, 2011. The transition 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 to assess the adoption of IFRS for fiscal 2011, the financial reporting impact of the transition to IFRS is currently being evaluated.

## 2. Summary of Significant Accounting Policies (continued)

(ii) Business Combinations

In January 2009, the CICA issued the new handbook Section 1582, Business Combinations, effective for fiscal years beginning on or after January 1, 2011. Earlier adoption of Section 1582 is permitted. This pronouncement further aligns Canadian GAAP with IFRS and changes the accounting for business combinations in a number of areas. It establishes principles and requirements governing how an acquiring company recognizes and measures in its financial statements identifiable assets acquired, liabilities assumed, any non-controlling interest in the acquire and goodwill acquired. The section also establishes disclosure requirements that will enable users of the acquiring company's financial statements to evaluate the nature and financial effects of its business combinations. Although the Company is considering the impact of adopting this pronouncement on its financial statements, it is expected to be limited to any future acquisitions beginning in fiscal 2011.

## 3. Cash, Cash Equivalents and Restricted Cash

The cash balance at December 31, 2010, contains cash on deposit of $210,139 (2009 - $154,070) and no cash equivalents.

Restricted cash at December 31, 2009, consists of cash on deposit. This restricted cash is held in trust by the Trustee in its capacity as trustee in bankruptcy. Included in accounts payable and accrued liabilities is an equivalent amount owing to the Trustee. These funds will be used to settle the Trustee's outstanding account.

## 4. Prepaid Expenses

At December 31, 2010, the Company had $Nil prepaid expense (2009-$1,946) in respect of the January 2010 office rent, to a company controlled by the President of MRR.

## 5. Mineral Properties and Deferred Expenditures

The following table summarizes the Company's mineral properties and deferred expenditures for the year ended December 31, 2010:

| | Opening Balance ($) | Additions ($) | Adjustments and disposals ($) | Net ($) |
|---|---|---|---|---|
| Sackville, Ontario | 311,436 | 132,332 | - | **443,768** |
| Goldie, Ontario | 511,825 | - | - | **511,825** |
| Baldwin, Ontario | 463,509 | 129,419 | - | **592,928** |
| Kirkland West, Ontario | 251,180 | 1,209 | - | **252,389** |
| Casa Berardi, Quebec | 262,704 | 416,401 | - | **679,105** |
| General and other | 136,003 | 24,592 | (20,176) | **140,419** |
| | 1,936,657 | 703,953 | (20,176) | **2,620,434** |

## 5. Mineral Properties and Deferred Expenditures (continued)

The following table summarizes the Company's mineral properties and deferred expenditures for the year ended December 31, 2009:

| | Opening Balance ($) | Additions ($) | Adjustments and disposals ($) | Net ($) |
|---|---|---|---|---|
| Stares, Ontario | 790,722 | - | (790,722) | **-** |
| Sackville, Ontario | - | 311,436 | - | **311,436** |
| Goldie, Ontario | 498,519 | 13,306 | - | **511,825** |
| Baldwin, Ontario | 319,414 | 144,095 | - | **463,509** |
| Kirkland West, Ontario | 249,972 | 1,208 | - | **251,180** |
| Casa Berardi, Quebec | 29,480 | 233,224 | - | **262,704** |
| Golden Pond, Saskatchewan | 341,488 | - | (341,488) | **-** |
| General and other | 171,270 | (9,462) | (25,805) | **136,003** |
| | 2,400,865 | 693,807 | (1,158,015) | **1,936,657** |

Effective January 9, 2009, MRR sold its Hurd McCauley property for $300,000 in cash. During 2008, the carrying value of the property was written down to the amount realized on its sale and recorded as an asset held for sale. In addition, the purchasers agreed to assume the underlying royalty obligation and to pay MRR a 2% net smelter royalty on future production.

Pursuant to a re-instated option agreement in respect of its Boudreault property, the Company made a $10,000 payment. In order to exercise its right to acquire the Boudreault property under the re-instated option, MRR effected a cash payment of $15,000 and issued 25,000 shares in the capital of the Company on December 1, 2010.

During 2009, MRR received a refund of a $30,440 deposit in lieu of work in respect of the Martin Lake, Saskatchewan Project.

## 6. Property, Plant and Equipment

| | 2010 | | | 2009 | | |
|---|---|---|---|---|---|---|
| | Cost | Accumulated Amortization | Net Book Value | Cost | Accumulated Amortization | Net Book Value |
| | $ | $ | $ | $ | $ | $ |
| Exploration equipment | 121,843 | 22,066 | **99,777** | 121,843 | - | 121,843 |
| Office furniture and fixtures | 36,776 | 31,491 | **5,285** | 36,776 | 30,170 | 6,606 |
| | 158,619 | 53,557 | **105,062** | 158,619 | 30,170 | 128,449 |

## 7. Long-term Debt

Long-term debt arises from the purchase of a truck during December 2009 for use in operations by the President of the Company. The remaining term of the loan is for a period of 36 months, is fully secured and bears interest at the rate 5.9% per annum.

## 8. Related Party Transactions

The financial statements include balances and transactions with directors and/or officers of the Company and/or corporations related to or controlled by them. These transactions are measured and recorded at their exchange amounts, being the amounts agreed to by the related parties.

| | 2010 | 2009 |
|---|---|---|
| Transactions during the year: | $ | $ |
| Exploration expenditures | 59,000 | 49,234 |
| Management and professional fees | 243,000 | 393,000 |
| Administrative costs | 22,245 | 24,126 |
| Automotive equipment | - | 17,000 |
| Related party advances and fees receivable: | $ | $ |
| Other (non-interest bearing, no fixed terms of repayment) | 14,264 | 9,128 |
| | 14,264 | 9,128 |
| Related party payables included in: | $ | $ |
| Accounts payable and accrued liabilities | 2,301 | 101,699 |

Exploration expenditures were indirectly paid to a sibling of a director and President of MRR. During 2010, the Company indirectly paid $243,000 to senior officers of the Company (2009-$306,250) to senior officers of the Company for management services rendered and, during 2009, $86,750 to three directors in their capacity as members of the Special Committee. Administrative costs are comprised of rent paid to a company controlled by the President of the Company (See Note 12-Commitments and Contingencies).

Other related party receivables are miscellaneous expense advances for which expense reports have not cleared at period end.

Accounts payable is comprised of $2,301 in respect of expense reports from the Chief Financial Officer and exploration manager and December 31, 2009 is comprised of $75,750 payable to members of the Special Committee for fees earned during the period that the Company was subject to the forbearance agreement with Blackfish and BIA proceedings. The remainder of 2009 accounts payable consists of fees payable in respect of exploration costs and the purchase of a truck at a cost of $17,000 from the brother of the President. The latter cost was not incurred in the normal course of business.

## 9. Capital Stock

### *Share Capital*

MRR's authorized share capital consists of an unlimited number of Class A Voting Common Shares, and an unlimited number of non-voting, redeemable Class B Preferred Shares, Series A. This series is redeemable by the Company, in whole or in part, at the rate of $1,000 per Series A share. The holders of the Series A shares are not entitled to dividends.

## 9. Capital Stock (continued)

The issued Class A Voting Common Share capital is summarized as follows:

| | Number of Shares | $ |
|---|---|---|
| **Balance at December 31, 2008** | **63,595,024** | 17,764,186 |
| Future income taxes | - | (530,000) |
| Balance at December 31, 2009 | **63,595,024** | 17,234,186 |
| Issue of common shares for property option | **25,000** | 750 |
| **Balance at December 31, 2010** | **63,620,024** | **17,234,936** |

### *Warrants*

At December 31, 2010 there were no warrants issued and outstanding to purchase Class A Voting Common Shares.

### *Options*

MRR has a stock option plan (the "Plan") pursuant to which options to purchase Class A Voting Common Shares may be granted to certain officers, directors and employees. The plan allows for the issuance of up to 10% of the aggregate number of Class A Common Shares issued and outstanding from time-to-time. As at December 31, 2010 the Company had 4,632,002 (2009 – 4,229,502) options available for issuance. A continuity of the unexercised options to purchase Class A Voting Common Shares is as follows:

| | **2010** | | 2009 | |
|---|---|---|---|---|
| | **Weighted Average Exercise Price ($)** | **No. of Options** | Weighted Average Exercise Price ($) | No. of Options |
| Outstanding at beginning of year | 0.52 | 2,130,000 | 0.52 | 2,950,000 |
| Transactions during the year: | | | | |
| Exercised | - | - | - | - |
| Granted | - | - | - | - |
| Forfeited | - | - | 0.51 | (475,000) |
| Expired | 0.45 | (400,000) | 0.46 | (345,000) |
| **Outstanding at end of year** | **0.55** | **1,730,000** | 0.53 | 2,130,000 |
| **Exercisable at end of year** | **0.55** | **1,730,000** | 0.53 | 2,130,000 |

## 9. Capital Stock (continued)

The following table provides additional information about outstanding stock options at December 31, 2010.

| Range of Exercise Prices | No. of Options Outstanding | Weighted Average Remaining Life (Years) | Weighted Average Exercise Price ($) |
|---|---|---|---|
| $0.40 | 230,000 | 0.7 | 0.40 |
| $0.50 - $0.60 | 1,430,000 | 1.0 | 0.57 |
| $0.70 | 70,000 | 1.8 | 0.70 |
| $0.18 - $0.70 | **1,730,000** | **1.0** | **0.55** |

## 10. Income Taxes

The Company has $6,151,298 (2009 - $7,057,178) of unused CEE and CDE expenses available to offset future taxable income. The tax benefits pertaining to these expenses are available to carry forward indefinitely. The Company also has $5,132,657 (2009 - $3,663,667) of loss carry-forwards and financing costs available to offset future taxable income. The tax benefits pertaining to these expenses are available to carry-forward for 20 years.

MRR's future income tax asset in 2010 and 2009 results from the tax effects of temporary differences between the book value of its mineral properties capitalized for accounting purposes and the amount capitalized for income tax purposes.

*Future Income Taxes Recoverable*

The income tax provision differs from that computed using the statutory tax rates for the following reasons:

| | **December 31, 2010** | December 31, 2009 |
|---|---|---|
| | **($)** | **($)** |
| Expected income tax (recovery) loss at federal and provincial statutory rates | **(277,619)** | **(972,602)** |
| Change in tax rates | **136,590** | **265,444** |
| Financing costs | **(74,512)** | **(87,758)** |
| Expenses capitalized for tax purposes | **56,275** | **56,275** |
| Non-deductible expenses | **38,606** | **64,375** |
| Share issue costs | **-** | **(530,000)** |
| Write down of mineral properties, property, plant, equipment | **6,254** | **381,952** |
| Sale of assets | **-** | **271,831** |
| Other | **75,620** | **(13,069)** |
| Change in valuation allowance | **38,786** | **33,552** |
| **Future income taxes recoveries** | **-** | **(530,000)** |

## 10. Income Taxes (continued)

*Future Income Tax Asset*

The tax effects of temporary differences that give rise to the future tax assets and liabilities are:

| | December 31, 2010 | December 31, 2009 |
|---|---|---|
| ***Future income tax assets:*** | ($) | ($) |
| Mineral property, plant and equipment | 926,797 | 1,291,650 |
| Financing arrangements | 98,041 | 167,620 |
| Loss carryforwards | 1,312,493 | 807,840 |
| Unrealized losses on "available-for-sale" investments | 114,573 | 146,008 |
| Future income tax asset before valuation allowance | 2,451,904 | 2,413,118 |
| Valuation allowance | (2,451,904) | (2,413,118) |
| | - | - |

## 11. Financial Instruments and Risk Management

The Company's financial assets and liabilities consist of cash and cash equivalents, restricted cash, accounts receivable, due from related parties, investments, accounts payable and accrued liabilities and long-term debt. Cash is classified as held-for-trading and is carried at fair value.

### Fair Value of Financial Assets and Liabilities

The carrying amounts of the Company's financial assets and liabilities, exclusive of available-for-sale investments, approximate fair values because of the limited term of these instruments. Investments classified as available-for-sale are measured at their fair values using level 1 quoted prices in an active market. The Company has made the following classifications:

| | As at December 31, 2010 | | | |
|---|---|---|---|---|
| **Designation of financial assets** | **Held for trading ($)** | **Loans and receivables ($)** | **Available-for-sale securities ($)** | **Total ($)** |
| Cash and cash equivalents | 210,139 | - | - | **210,139** |
| Restricted cash | - | 116,568 | - | **116,568** |
| Receivables | - | 27,716 | - | **27,716** |
| Due from related parties | - | 14,264 | - | **14,264** |
| Investments | - | - | 125,304 | **125,304** |
| **Total** | 210,139 | 158,548 | 125,304 | **493,991** |

| | As at December 31, 2010 | | |
|---|---|---|---|
| **Designation of financial liabilities** | **Held for trading ($)** | **Other financial liabilities ($)** | **Total ($)** |
| Accounts payable and accrued liabilities | - | 541,931 | **541,931** |
| Long-term debt | - | 46,462 | **46,462** |
| **Total** | - | 588,393 | **588,393** |

## 11. Financial Instruments and Risk Management (continued)

| | As at December 31, 2009 | | | |
|---|---|---|---|---|
| Designation of financial assets | Held for trading ($) | Loans and receivables ($) | Available-for-sale securities ($) | Total ($) |
| Cash and cash equivalents | 154,070 | - | - | 154,070 |
| Restricted cash | - | 582,589 | - | 582,589 |
| Receivables | - | 446,612 | - | 446,612 |
| Due from related parties | - | 9,773 | - | 9,773 |
| Investments | - | - | 1,095,708 | 1,095,708 |
| **Total** | 154,070 | 1,038,974 | 1,095,708 | 2,288,752 |

| | As at December 31, 2009 | | |
|---|---|---|---|
| Designation of financial liabilities | Held for trading ($) | Other financial liabilities ($) | Total ($) |
| Accounts payable and accrued liabilities | - | 954,875 | 954,875 |
| Long-term debt | - | 60,412 | 60,412 |
| **Total** | - | 1,015,287 | 1,015,287 |

### Risk Management of Financial Assets and Liabilities

The Company's financial instruments are exposed to certain financial risks.

#### *a) Currency risk*

The Company operates solely in Canada; however, a portion of the Company's capital expenditures are denominated in the United States dollar and a significant portion of the Company's operating costs are denominated in the Canadian dollar. As a consequence, the Company is exposed to currency fluctuations relative to the United States dollar. A significant change in the currency exchange rate between the United States dollar and the Canadian dollar would affect the realizable amount of the United States dollar proceeds realized on the sale of assets to Linear and, consequently, the results of operations, financial position and cash flows. The Company has not hedged its exposure to the United States dollar.

#### *b) Interest rate risk*

The truck financing loan described in Note 7-Long-term debt bears interest at a fixed rate.

The Company is not exposed to any significant interest rate risk due to the short-term maturity of its monetary assets and liabilities and or fixed interest rates.

#### *c) Credit risk*

The Company is exposed to credit risk as a consequence of its restructuring under the BIA. The ability of the Company to finance its operations will be affected by its credit rating and perception in the marketplace that the Company may not be able finance development and exploration of its prospects.

## 11. Financial Instruments and Risk Management (continued)

### d) Derivatives – mineral properties

The Company retains and/or has obligations related to certain carried interest rights and net smelter royalties ("NSR"), the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the mineral property interests to which they relate are not sufficiently developed to reasonably determine value.

### e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk through the management of its capital structure and continuously monitors its capital expenditures and cash used in operations. To the extent that the Company does not have sufficient liquidity to meet its obligations, management will consider securing additional funds through debt or equity transactions.

### f) Price risk

Price risk is remote as the Company is not a producing entity.

## 12. Commitments and Contingencies

The Company may become subject to tax audits of the flow-through expenditures renounced to investors; however, the Company believes that all Canadian Exploration Expenditures were effected and renounced in compliance with the prescribed regulations of the *Income Tax Act (Canada)*.

Subsequent to year end, MRR signed a one-year lease extension on the Kirkland Lake premises. Pursuant to the terms of the renewed lease agreement, the Company is committed to paying approximately $22,245, during 2011, to a company owned by the President of MRR.

## 13. Management of Capital

The Company considers in its management of capital all components included in shareholders' equity and its debt obligations. Its objectives are to ensure that the Company will continue to operate as a going concern in order to pursue the development if its mineral interests, to sustain future development and growth as well as to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue shares, seek debt financing, or acquire or dispose of assets. The Company, on approval from the Board of Directors, will make changes to its capital structure as deemed appropriate under specific circumstances.

During its 2009 restructuring under the Bankruptcy and Insolvency Act, the Company was subject to certain externally imposed capital restraints in respect of its debt obligations. On January 7, 2009, shares of the Company were de-listed from trading on the Toronto Stock Exchange for failure to meet continued listing requirements. On April 27, 2009, the Ontario Securities Commission issued a permanent cease trade order that halted all trading in and all acquisitions of securities of MRR for failing to file continuous disclosure materials as required by Ontario securities law. Effective September 27, 2010, the Ontario, Alberta, British Columbia and Quebec Securities Commissions and revoked the cease trade order. Consequently, the Company's common shares were accepted and listed on the Canadian National Stock Exchange. Trading in shares of the Company commenced on November 11, 2010.

## 14. Supplemental Cash Flow Information

| | 2010<br>$ | 2009<br>$ |
|---|---|---|
| Income taxes paid | - | - |
| Interest paid | 2,807 | 30,852 |
| Capital stock- | | |
| Future income taxes | - | (530,000) |

## 15. Subsequent Events

### Name change and consolidation of shares

At a Special Meeting of shareholders held on March 17, 2011, the shareholders approved the consolidation of its Class A Voting Common Shares on the basis of one (1) new common share for four (4) old common shares (the “Consolidation”) and change the Company’s name from GLR Resources Inc. to Mistango River Resources Inc. Fractional shares remaining after giving effect to the Consolidation will be cancelled such that shareholdings of each shareholder will be rounded down to the nearest whole number of post-Consolidation common shares. On March 23, 2011, Articles of Amendment were filed to give effect to the disclosed changes.

### Brigus Gold Corp.

Subsequent to December 31, 2010, Brigus and MRR reached an agreement, as amended, regarding the reimbursement by Brigus to MRR in connection with certain equipment originally ordered by MRR.

Pursuant to the agreement, Brigus issued to MRR 1,396,134 common shares of Brigus valued at $2,443,235 based on a deemed price of $1.75 per share and will make cash payments aggregating $60,000. The agreement was subject to receipt of requisite regulatory approvals and discontinuance of the outstanding legal action between Brigus and MRR.

MISTANGO RIVER RESOURCES

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

**DECEMBER 31, 2010**

*The following is Management's Discussion and Analysis ("MDA") of the financial condition and results of operations to enable a reader to assess material changes in financial condition and results of operations for the three and twelve months ended December 31, 2010. This MDA has been prepared as at April 26, 2011, unless otherwise indicated. This MDA is intended to supplement and complement the unaudited financial statements and notes thereto as at and for the three and twelve months ended December 31, 2010, which have been prepared in accordance with Canadian generally accepted accounting principles. All amounts are expressed in Canadian dollars unless otherwise indicated. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.*

## Overview

Mistango River Resources Inc. ("MRR" or the "Company") (formerly GLR Resources Inc.) is a Canadian-based junior mining and exploration company incorporated under the Canada Business Corporations Act which currently holds a portfolio of exploration stage projects in Ontario and Quebec which MRR continues to evaluate. Recent developments include the following:

- Effective September 27, 2010, the Ontario Securities Commission revoked its permanent cease trade order on trading in the Company's shares. By September 30, 2010, all securities commissions had provided similar revocations.
- During November 2010, the Canadian National Stock Exchange ("CNSX") approved the listing of the Company's common shares for trading.
- On November 11, 2010, MRR's common shares commenced trading on the CSNX under the symbol **GLE**.
- On October 28, 2010, Linear, now Brigus Gold Corp. ("Brigus"), notified the Company that it was refusing to pay MRR the amount of US$1,799,900 (the "Yantai reimbursement") which became payable on October 31, 2010. MRR through its legal counsel demanded payment of the Yantai reimbursement by November 16, 2010;
- Subsequent to December 31, 2010, Brigus and MRR reached an agreement regarding the reimbursement by Brigus to MRR. Pursuant to the agreement, as amended, Brigus issued to GLR 1,396,134 common shares of Brigus valued at $2,443,235 based on a deemed price of $1.75 per share and is making cash payments aggregating $60,000. The agreement was subject to receipt of requisite regulatory approvals and discontinuance of the outstanding legal action between Brigus and MRR.
- At a Special Meeting of shareholders held on March 17, 2011, the shareholders approved the consolidation of its Class A Voting Common Shares on the basis of one new common share for four old common shares and change the Company's name to Mistango River Resources Inc. On March 20, 2011 the Company's shares commenced trading on the CNSX under the symbol MIS.

## Selected Annual Financial Information

| Expressed in Canadian dollars, except share amounts | 2010<br>$ | 2009<br>$ | 2008<br>$ |
|---|---|---|---|
| Cash and cash equivalents | 210,139 | 154,070 | 114,963 |
| Property, plant and equipment | 105,062 | 128,449 | 6,970,944 |
| Mineral properties and deferred expenditures | 2,620,434 | 1,936,657 | 2,400,865 |
| Total assets | 3,219,487 | 4,355,805 | 9,904,015 |
| Working capital (deficiency) | (187,827) | 226,166 | (3,023,944) |
| Long-term liabilities | 31,879 | 46,462 | - |
| Cash used in operations | (550,105) | (2,869,497) | (1,410,901) |
| Common shares issued for cash | - | - | 3,945,125 |
| Common shares outstanding | 63,620,024 | 63,595,024 | 63,595,024 |
| Income | (198,560) | 6,907,946 | 369,422 |
| Expenses before taxes | 696,985 | 9,855,226 | 12,626,987 |
| Net income (loss) | (895,545) | (2,417,280) | (11,002,253) |
| Other comprehensive income (loss) | 185,371 | (85,156) | (73,000) |
| Net income (loss) per share- basic and diluted | (0.01) | (0.04) | (0.18) |
| Dividends paid | 0.00 | 0.00 | 0.00 |

## Selected Quarterly Information

| | 2010 Q1 | 2010 Q2 | 2010 Q3 | 2010 Q4 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Revenues | 61 | 592 | 53 | 754 |
| Expenses | 381,432 | 171,167 | 82,267 | 262,139 |
| Net income (loss) | (381,371) | (170,575) | (82,214) | (261,385) |
| Basic and fully diluted loss per share | (0.01) | (0.00) | (0.00) | (0.00) |

| 2009 | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Income | 90 | 294 | 6,942,153 | (34,591) |
| Expenses | 239,649 | 885,491 | 8,495,251 | 234,835 |
| Net income (loss) | (239,559) | (885,197) | (1,553,098) | 260,574 |
| Basic and fully diluted loss per share | (0.00) | (0.01) | (0.02) | 0.00 |

## Results of Operations

***Fourth Quarter Results***

Interest income was nominal as cash balances continued to decline and were generally held in low bearing interest accounts.

Operating expenditures incurred during the fourth quarter of 2010 totalled $262,139 compared to $234,835 during the fourth quarter of 2009. The fourth quarter results were influenced unusually high professional fees related to obtaining revocation orders from the security commissions that allowed the Company to successfully apply for a listing on the Canadian National Stock Exchange.

***Annual operating results***

General office expenses were reduced as management of MRR continues to take action to reduce cash expenditures. In addition and as a result of a Saskatchewan retail sales tax audit in which the Company successfully defended its position realizing a one-time credit of $9,535 in Saskatchewan sales tax savings compared to Saskatchewan sales tax charges of $12,415 during 2009.

Public relations expense was down compared to 2009 as the Company responded to fewer shareholder requests for information during the period the Company's shares did not trade and awaited disposition from the bankruptcy court. Shareholder expenses increased substantially compared to 2009 as a consequence of filing and regulatory fees and penalties paid upon filing 2008 and 2009 audited financials, quarterly results for each of the quarters in 2009 and successfully applying for a listing on the Canadian National Stock Exchange ("CNSX").

Management fees, salaries and benefits increased $155,482 from costs recorded in 2009. The perceived increase results from the partial reversal of an accrual recorded in 2008. During 2008, the Company provided for contingent consideration of approximately $360,000 to a former employee pursuant to a contractual arrangement. The employee, who is a former officer of the Company, appealed the disallowance of his claim for severance, punitive damages and reimbursement of legal costs. During May 2010, the Company and the former officer reached a settlement whereby the Company paid $125,000, in cash, and delivered equipment which had been previously written off. The Trustee paid the cash portion to settle the claim and the Company executed a bill of sale that delivered the equipment to the former officer. As part of the settlement, each of the former officer and the Company released each other from further claims.

Effective July 1, 2010, the Chief Financial Officer's role was reduced from full time to part time and his related management fee was reduced. The President's role and related management fee has not changed.

Except for the costs described below, all head office costs were reduced to a minimum to minimize cash outflow. Reference should be made to comments under the caption *Cash Resources and Liquidity*.

During 2010, interest and finance charge expense was $5,541 compared to $315,932 during 2009. Interest costs during 2009 include an accrual of approximately $185,250 in respect of potential penalties that may be assessed should Canada Revenue Agency disagree with the Company's classification of certain expenditures. Current year interest charges relate to financing of a truck purchased for use in exploration activities and continuing interest on unremitted Part XII.6 tax.

Management will continue to reduce corporate activity during the full year of 2011 in an effort to minimize use of cash.

Restructuring costs continued during 2010 as a consequence of further legal and trustee billings related to negotiating a settlement of severance pay payable to the former operating officer and other administrative matters. The Trustee has informed the Company that he has certified and filed with the official receiver a certificate of full performance in the matter of the Company's proposal in bankruptcy. The certificate was dated June 15, 2010.

Professional fees are comprised of $63,443 in respect of general corporate and litigation legal work (2009-$139,832) and $72,008 in audit fees (2009-$33,000). During 2009, professional fees also included $86,750 in respect of fees charged by directors serving on the Special Committee established to oversee the bankruptcy proceedings.

The Company realized a foreign exchange loss of $118 compared to a gain of $29,594 which arose from holding United States dollars realized on the sale of its Goldfields assets to Brigus Gold Corp. (formerly Linear Gold Corp.) during August 2009 pursuant to its proposal under the *Bankruptcy Insolvency Act (Canada).*

During 2009, the Company recognized a future tax benefit of $530,000 as a result of renouncing $2,000,000 of Canadian exploration expense pursuant to provisions contained in the *Income Tax Act (Canada)*.

As a result of its activities, the Company recorded a net loss of $895,545 or $0.01 per share during 2010 compared to a net loss of $2,417,280 or $0.04 per share during 2009.

## Capital Resources and Liquidity

The financial statements are prepared in accordance with Canadian generally accepted accounting principles and on the assumption that MRR will be able to realize the carrying value of its assets and discharge its liabilities in the normal course of business as a going concern. The ability of the Company to continue as a going concern is dependent upon, among other things, being able to obtain additional financing and reach positive cash flows from operations.

On January 7, 2009, shares of the Company were de-listed from trading on the Toronto Stock Exchange for failure to meet continued listing requirements. On April 27, 2009, the Ontario Securities Commission issued a permanent cease trade order that halted all trading in and all acquisitions of securities of MRR for failing to file continuous disclosure materials as required by Ontario securities law. This had the effect of severely limiting the Company's ability to raise funds in already distressed capital markets. On September 27, 2010, the Ontario Securities Commission revoked the cease trade order. By September 30, 2010, all securities commissions had provided similar revocations.

Following receipt of the revocation of the cease trading orders, the Company applied to list its common shares for trading on the CNSX. The listing was approved and the Company's common shares commenced trading on November 11, 2010 under the symbol **GLE**.

At a Special Meeting of shareholders held on March 17, 2011, the shareholders approved the consolidation of its Class A Voting Common Shares on the basis of one (1) new common share for four (4) old common shares (the "Consolidation") and change the Company's name to Mistango River Resources Inc. Fractional shares remaining after giving effect to the Consolidation will be cancelled such that shareholdings of each shareholder will be rounded down to the nearest whole number of post-Consolidation common shares. On March 23, 2011, Articles of Amendment were filed to give effect to the disclosed changes. The Class A Voting Common Shares now trade on the CNSX under the symbol **MIS.**

### Capital Resources

As at December 31, 2010, the Company had a working capital deficiency of $187,827. On October 28, 2010, Brigus notified the Company that it was refusing to pay MRR the amount of US$1,799,900 (the "Yantai reimbursement") which became payable on October 31, 2010. MRR through its legal counsel demanded payment of the Yantai reimbursement by November 16, 2010. Subsequent to December 31, 2010, the Company commenced action against Brigus to recover the amounts owed to it. Subsequent to December 31, 2010, Brigus and MRR reached an agreement, as amended, regarding the reimbursement by Brigus to MRR. Pursuant to the agreement, Brigus issued to MRR 1,396,134 common shares of Brigus valued at $2,443,235 based on a deemed price of $1.75 per share and make cash payments aggregating $60,000. The settlement also included final payment on the outstanding balance related to the equipment manufactured in Australia. The agreement was subject to receipt of requisite regulatory approvals and discontinuance of the outstanding legal action between Brigus and MRR, now received.

The shares received are subject to a four month hold period which will end in June 2011. At that time, MRR will be able to liquidate its holdings and fund its on-going operations.

## Liquidity

### *Future Sources of Funds*

Now that the Class A Voting Common Shares of the Company are trading on a recognized exchange, the Company has the potential to issue equity to fund its operations and increase liquidity.

Effective December 19, 2009, the Company was able to sell its investment in Linear shares following a four month hold on the shares from the date of closing on the sale of the Goldfields Mine with Linear. MRR sold its entire holding of 727,272 Linear shares for aggregate gross proceeds of $1,350,824 which were used to fund 2010 operations.

### *Legal Proceedings*

Following settlements with each of the Company's former Chief Operating Officer and Brigus, there are no material outstanding claims against the Company.

### *Commitments and Contingencies*

The Company may become subject to tax audits of the flow-through expenditures renounced to investors; however, the Company believes that all Canadian Exploration Expenditures were effected and renounced in compliance with the prescribed regulations of the *Income Tax Act (Canada)*.

The Company has entered into a one-year lease extension for its current location in Kirkland Lake with a Company owned by the President of the Company.

## Mineral properties

The following table summarizes the Company's exploration activity during 2010:

| | Opening Balance ($) | Additions ($) | Write-downs ($) | Net ($) |
|---|---|---|---|---|
| Sackville, Ontario | 311,436 | 132,332 | - | **443,768** |
| Goldie, Ontario | 511,825 | - | - | **511,825** |
| Baldwin/Omega, Ontario | 463,509 | 129,419 | - | **592,928** |
| Kirkland West, Ontario | 251,180 | 1,209 | - | **252,389** |
| Casa Berardi, Quebec | 262,704 | 416,401 | - | **679,105** |
| General and other | 136,003 | 24,592 | (20,176) | **140,419** |
| | 1,936,657 | 703,953 | (20,176) | **2,620,434** |

### *Sackville Property*

MRR holds a 100% interest in the Sackville Property with RJK Explorations Ltd. retaining a 1% NSR. MRR has now received all the geochemistry samples undertaken during 2010. Upon reviewing this data and older data, there appears to be a significant area of high enzyme leach geochemistry results in an area of low magnetics. This is an area yet to be tested by any drilling and has been tested only partially by geophysics. The property could potentially be the host of the high grade gold/silver/zinc boulders discovered previously. In 2010 MRR completed a 43-101 report on the property which can be reviewed on www.sedar.ca or the company's website at www.mistangoriverresources.com .

### *Baldwin/Omega Property*

Line cutting has now been completed and deep penetrating induced polarity survey (IP) commenced during March 2011. MRR considers the Omega property to have excellent potential to host an economic gold deposit.

The following is excerpted from a report prepared by Guy Hinse P.Eng. and dated May 7 1986:

> "Historic production from the previous owner Omega Gold Mines was 1,584,264 tons with an average grade of 0.158 ounces gold per ton from 1936 to 1947. None of the forgoing is 43-101 compliant and should not be relied on. It is presented as historical information only. The property lies along the Larder Lake "break", a major structure defined by the presence of carbonate rocks. This structure is highly favourable to economic concentrations of gold values.
>
> Using a cut off grade of 0.10 ounce per ton, a minimum mining width of 4 feet and all assays cut to 1 ounce. Drill indicated reserves were estimated at 269,934 tons of 0.160 oz Au/ton (5.48 g/t Au) mostly above the 300 foot level. This estimate is non 43-101 compliant and is not to be relied upon. Undoubtedly there remains an unknown quantity of low grade material in the wall and peripheries of the mined out ore zones."

### *Kirkland West Property*

The Company is reviewing all its historical work on this property to outline an exploration program to be executed late in 2011.

### *General*

The Company has no exploration or evaluation work planned for its other exploration properties during 2011. Timing of receipt of proceeds from the sale of Brigus shares and/or participation in a flow-through share arrangement will affect timing of exploration and development of each of Baldwin/Omega and Sackville properties during 2011.

## Dividend Record

There are no restrictions that prevent the Company from paying dividends. The Company has not paid any dividends on its common shares during the last 5 fiscal years. The Company currently has no intention of paying any dividends on its Class A common shares. The Board of Directors of the Company will determine if and when dividends should be declared and paid in the future, based on the Company's financial position at the relevant time.

## Disclosure Controls and Procedures

Management is responsible for the preparation and presentation of the annual and interim financial statements and information disclosed in management's discussion and analysis ("MDA") and has in place the appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is, in all material respects, complete and reliable.

During 2010, management was comprised of three officers, the Chief Executive Officer, the Vice-president, Finance and the Corporate Secretary who were involved in preparation of the financial statements. The involvement of these officers in all aspects of the design and operation of disclosure controls and procedures is considered effective as at and for the year ended December 31, 2010 and provides reasonable assurance that all material information relating to the Company is disclosed.

The audit committee, which was comprised of three independent directors, was actively involved in approving and reviewing the Company's quarterly and annual financial statements and related MDA. The financial statements and information contained in the MDA necessarily include amounts based on informed judgments and estimates of the expected effects of current events and transactions with appropriate consideration to materiality. In addition, in preparing the financial information management must interpret the requirements described above, make determinations as to the relevancy of information to be included and make estimates and assumptions that affect reported information. The MDA may also include information regarding the impact of current transactions and events, sources of liquidity and capital resources, operating trends, risks and uncertainties. Actual results, in the future, may differ materially from management's assessment of this information.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis disclosure controls and procedures and internal controls on financial reporting as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## Changes in Management Duties

Effective July 1, 2010, the Senior Vice-president, Chief Financial Officer and Co-CEO stepped down to become a part-time Vice-president, Chief Financial Officer. Effective December 31, 2010, the CFO's contract was terminated; however, he continued to provide services for purposes of maintaining continuity of through the first quarter of 2011.

## Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in Canada requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the reporting period.

The financial statements follow the same accounting policies and methods set forth in the Company's audited financial statements as at and for the years ending December 31, 2010 and 2009.

## Future Accounting Changes

### International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB's strategic plan outlines the convergence of Canadian GAAP with IFRS over a 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. Accordingly, the Company will be required to adopt IFRS on January 1, 2011. The transition will require the restatement, for comparative purposes, of amounts reported by the Company for the year ended December 31, 2010 and the balance sheet as at January 1, 2010.

***Changeover to International Financial Reporting Standards***

During the first quarter of 2011, the Company developed a strategic plan to convert to IFRS through the use of an outside consultant. The initial results of this plan have been presented to the audit committee for its consideration.

The consultant has identified the following accounting policies that may require adjustment.

1) Capitalization of property, exploration costs and deferred expenditures;
2) Impairment of property, exploration costs and deferred expenditures;
3) Classification of property, exploration costs and deferred expenditures as development costs; and
4) Treatment of stock-based compensation.

The Board of Directors will be reviewing the recommended accounting policies and approving their implementation following release of the financial statements for the year ended December 31, 2010. The current plan does not include a recommendation to change the information technology equipment and programs.

The Company will be using the services of the accounting services consultant to prepare the first quarter financial statements, including the comparative figures for 2010. The accounting service provider has professional staff competent in the preparation of IFRS-based financial statements.

The following table outlines the Company's transition and progression to IFRS:

| | |
|---|---|
| Initial analysis of key areas for which changes to accounting policies may be required. | Completed |
| Detailed analysis of all relevant IFRS requirements and identification of areas requiring accounting policy changes or those with accounting policy alternatives. | Completed |
| Assessment of first-time adoption (IFRS 1) requirements and alternatives. | Completed |
| Final determination of changes to accounting policies and choices to be made with respect to first-time adoption alternatives | Q1 2011 |
| Resolution of the accounting policy change implications on information technology, internal controls and contractual arrangements | Q1 2011 |
| Management and employee education and training | Throughout the transition process |

The Company continues to monitor the deliberations and progress on plans to converge to IFRS by accounting standard setting bodies and securities regulators in Canada.

### Related Party Transactions

The financial statements include balances and transactions with directors and/or officers of the Company and/or corporations related to or controlled by them. These transactions are measured and recorded at their exchange amounts, being the amounts agreed to by the related parties.

| | 2010 | 2009 |
|---|---|---|
| Transactions during the year: | $ | $ |
| Exploration expenditures | **59,000** | **49,234** |
| Management and professional fees | **243,000** | **393,000** |
| Administrative costs | **22,245** | **24,126** |
| Automotive equipment | **-** | **17,000** |
| Related party advances and fees receivable: | $ | $ |
| Other (non-interest bearing, no fixed terms of repayment) | **14,264** | **9,128** |
| | **14,264** | **9,128** |
| Related party payables included in: | $ | $ |
| Accounts payable and accrued liabilities | **2,301** | **101,699** |

Exploration expenditures were indirectly paid to a sibling of a director and President of MRR. During 2010, the Company indirectly paid $243,000 to senior officers of the Company (2009-$306,250) to senior officers of the Company for management services rendered and, during 2009, $86,750 to three directors in their capacity as members of the Special Committee. Administrative costs are comprised of rent paid to a company controlled by the President of the Company.

Other related party receivables are miscellaneous expense advances for which expense reports have not cleared at period end.

Accounts payable is comprised of $2,301 in respect of expense reports from the Chief Financial Officer and exploration manager and December 31, 2009 is comprised of $75,750 payable to members of the Special Committee for fees earned during the period that the Company was subject to the forbearance agreement with Blackfish and BIA proceedings. The remainder of 2009 accounts payable consists of fees payable in respect of exploration costs and the purchase of a truck at a cost of $17,000 from the brother of the President. The latter cost was not incurred in the normal course of business.

### Share Capital

MRR's share capital consists of an unlimited number of Class A voting common shares and an unlimited number of non-voting, redeemable Class B Preferred Shares, Series A. This series of shares is redeemable by MRR, in whole or in part, at the rate of $1,000 per Series A share. The holders of Series A shares are not entitled to receive dividends. There were no Class B, Series A Preferred Shares issued as at the date of this MDA.

| **As at April 20, 2011** | Pre-consolidation | Post-consolidation |
|---|---|---|
| Class A common shares issued | 63,595,024 | 16,280,222 |
| Shares issuable pursuant to: | | |
| Warrants | - | - |
| Stock options | 835,000 | 208,750 |
| **Fully diluted** | 64,430,024 | 16,488,972 |

On March 17, 2011, the shareholders approved the consolidation of its Class A Voting Common Shares on the basis of one new common share for four old common shares and change the Company's name to Mistango River Resources Inc. Fractional shares remaining after giving effect to the Consolidation will be cancelled such that shareholdings of each shareholder will be rounded down to the nearest whole number of post-Consolidation common shares.

In accordance with the rules of CNSX, trading commenced on a post-consolidated basis under the name Mistango River Resources Inc. at the opening of trading on March 21, 2011 under the new stock symbol "MIS".

### Risks

There is uncertainty about the Company's ability to realize the carrying value of its assets and discharge its liabilities as they come due. The ability of the Company to continue as a going concern is dependent upon, among other things, being able to obtain additional financing and reach positive cash flows from operations.

The Company's assets are subject to the risk of increases in taxes and royalties, renegotiation of contracts and currency exchange fluctuations. Operational risks include finding and developing economic ore reserves. Financial risks include interest and U.S. dollar exchange rates, which are beyond the control of the Company. The ability of the Company to develop its properties and the future profitability of the Company are directly related to the market price of exploited minerals and metals. The Company is subject to various regulatory risks, many of which also are beyond the control of the Company.

The Company is considered to be in the exploration stage and has not yet recorded any revenues from its on-going operations nor has the Company commenced commercial production on any of its properties. There can be no assurance that the Company will generate any revenues or that the assumed levels of expenses will prove to be accurate.

The Company expects to incur losses unless and until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Company's properties will require substantial resources to complete the development of its properties. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future.

The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of its properties are added. The amounts and timing of expenditures will depend on the progress of on-going development, the results of consultant's analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties and other factors, many of which are beyond the Company's control.

The Company's vulnerability to changes in metal prices may cause its share price to be volatile and may affect the Company's operations and financial results.

Changes in the market price of precious and base metals will significantly impact the ability of the Company to finance its operations and, indirectly, its share price. The Company's financial results will be very sensitive to external economic factors related to metal prices. A major risk will arise if there is a prolonged period of lower metal prices. Many factors beyond the Company's control influence the market price of the metals the Company seeks on its mineral properties. These factors include: global supply and demand; availability and costs of metal substitutes; speculative activities; international political and economic conditions; and production levels and costs in other gold-producing countries.

The Company is subject to extensive environmental legislation and the costs of complying with these regulations may be significant. Changes in environmental legislation could increase the costs of complying with applicable regulations and reduce levels of production. Environmental legislation relating to land, air and water affects nearly all aspects of the Company's operations. This legislation requires the Company to obtain various operating licenses and also imposes standards and controls on activities relating to exploration, development and production of gold and other precious metals. The cost of obtaining operating licenses and abiding by standards and controls on its activities may be significant. Further, if the Company fails to obtain or maintain such operating licenses or breaches such standards or controls imposed on its activities, it may not be able to continue its operations in its usual manner, or at all, or the Company may be subject to fines or other claims for remediation which may have a material adverse impact on its operations or financial results. The Company will be responsible for all costs of closure and reclamation at the Goldfields Mine. While the Company is unaware of any existing material environmental liabilities, it cannot guarantee that no such liabilities currently exist or will occur in the future.

Changes in environmental laws, new information on existing environmental conditions or other events may increase future compliance expenditures or otherwise have a negative effect on the Company's financial condition and results of operations. In addition to existing requirements, it is expected that other environmental regulations will likely be implemented in the future with the objective of protecting human health and the environment. Some of the issues currently under review by environmental agencies include reducing or stabilizing air emissions, mine reclamation and restoration, and water quality. Other changes in environmental legislation could have a negative effect on production levels, product demand, product quality and methods of production and distribution. The complexity and breadth of these issues make it difficult for the Company to predict their impact. The Company expects that capital and operating expenditures will increase as a result of compliance with the introduction of new more stringent environmental regulations. Failure to comply with environmental legislation may result in the issuance of clean-up orders, imposition of penalties, liability for related damages and the loss of operating permits. While the Company believes it is now in material compliance with existing environmental legislation, it cannot give assurances that it will, at all future times, be in compliance with all federal and provincial environmental regulations or that steps to bring the Company into compliance would not have a negative effect on its financial condition and results of operations. The mining industry is intensely competitive and the Corporation must compete in all aspects of its operations with a substantial number of other junior mining companies, some of which have greater technical and financial resources. The Company may be at a disadvantage with respect to some of its competitors in the acquisition and/or development of high potential mining properties throughout the principal markets and geographical areas in which the Company carries on its business activities.

### Forward Looking Information

This MDA contains "forward looking information". In certain cases, forward looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved" and include the negative variation of such phrases.

With respect to forward looking information contained in this MDA, the Company has made assumptions regarding, among other things to satisfy the listing requirements of the CNSX, to generate sufficient cash flow from operations and to access capital markets to meet its future obligations, the regulatory framework in the provinces in which its properties are located with respect to, among other things, permits, licenses, authorizations, royalties, taxes and environmental matters, and the Company's ability to obtain qualified staff and equipment in a timely and cost-efficient manner to meet the Company's needs.

Although the Company believes that its expectations reflected in forward looking information are reasonable, such forward looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company or the Company's projects, or any of them, to be materially different from any future results, performance or achievements expressed or implied by the forward looking information. Such factors include, risks related to uncertain outcome of any litigation, changes to listing CNSX listing requirements, failure to convert estimated mineral resources to reserves, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, future prices of base and precious metals, unexpected increases in capital or operating costs, possible variations in mineral resources, grade or recovery rates, failure of equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry, delays in obtaining governmental consents, permits, licences and registrations or financing, uncertainties relating to the availability and costs and availability of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices and uninsured risks, as well as those factors discussed under "Risks" in this MDA.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward looking information. The forward looking information contained herein, unless stated otherwise, is made as of the date of this MDA and the Company makes no responsibility to update them or to revise them to reflect new events or circumstances, except as required by law.

"Robert J. Kasner"
President, Chief Executive Officer
and Chief Financial Officer

April 26, 2011