

ELKHORN GOLD MINING CORPORATION

**INTERIM FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)**

FOR THE SIX MONTHS ENDED JANUARY 31, 2011 and 2010

NOTICE TO READER:

These unaudited financial statements of Elkhorn Gold Mining Corporation have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. These financial statements have not been reviewed by the Company's external auditors in accordance with the standards established by the Canadian Institute of Chartered Accountants.

BALANCE SHEETS

INTERIM STATEMENT OF LOSS AND DEFICIT

INTERIM STATEMENT OF CASH FLOWS

NOTES TO THE INTERIM FINANCIAL STATEMENTS

ELKHORN GOLD MINING CORPORATION
INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)

	January 31, 2011	July 31, 2010
		(Audited)
ASSETS		
CURRENT ASSETS		
Cash	\$ 12,443	\$ 12,972
Accounts receivable	207	-
Short-term investments	95,000	95,000
	<hr/> \$ 107,650	<hr/> \$ 107,972
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 8,814	\$ 8,814
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 3)	12,035,049	12,035,049
DEFICIT	(11,936,213)	(11,935,891)
	<hr/> 98,836	<hr/> 99,158
	<hr/> \$ 107,650	<hr/> \$ 107,972

NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS (Note 1)

APPROVED ON BEHALF OF THE BOARD:

“Robert Trenaman” Director

“Stuart Wooldridge” Director

ELKHORN GOLD MINING CORPORATION**INTERIM STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT****(Unaudited – Prepared by Management)**

	Three Months Ended January 31, 2011	Three Months Ended January 31, 2010	Six Months Ended January 31, 2011	Six Months Ended January 31, 2010
REVENUE	\$ -	\$ -	\$ -	\$ -
EXPENSES				
Communication	241	338	313	506
General and administration	12	12	18	18
Professional fees	750	-	750	-
	1,003	350	1,081	524
LOSS BEFORE OTHER INCOME	(1,003)	(350)	(1,081)	(524)
OTHER INCOME				
Interest income	759	759	759	759
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	(244)	409	(322)	235
DEFICIT, BEGINNING OF PERIOD	(11,935,969)	(11,935,743)	(11,935,891)	(11,935,569)
DEFICIT, END OF PERIOD	(11,936,213)	(11,935,334)	(11,936,213)	(11,935,334)
BASIC AND DILUTED LOSS PER COMMON SHARE	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	18,904,532	18,904,532	18,904,532	18,904,532

ELKHORN GOLD MINING CORPORATION**INTERIM STATEMENTS OF CASH FLOWS****(Unaudited – Prepared by Management)**

	Three Months Ended January 31, 2011	Three Months Ended January 31, 2010	Six Months Ended January 31, 2011	Six Months Ended January 31, 2010
OPERATING ACTIVITIES				
Net income (loss) for the period	\$ (244)	\$ 409	\$ (322)	\$ 234
Changes in non-cash working capital item: Accounts payable	(162)	-	(206)	-
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(406)	409	(528)	234
CHANGE IN CASH	(406)	409	(528)	234
CASH, BEGINNING OF PERIOD	12,850	13,119	12,971	13,294
CASH, END OF PERIOD	\$ 12,443	\$ 13,528	\$ 12,443	\$ 13,528

SUPPLEMENTAL INFORMATION:

Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -

ELKHORN GOLD MINING CORPORATION
NOTES TO THE INTERIM FINANCIAL STATEMENTS
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January 31, 2011

1. Nature of operations and going concern

Elkhorn Gold Mining Corp. (the “Company”) was incorporated by a Certificate of Incorporation issued pursuant to the *Business Corporations Act* (British Columbia) on March 12, 1980.

The Company was listed on the Toronto Stock Exchange from 1988 until it was suspended for failing to maintain minimum listing standards in 2001. Management is, as an initial step, attempting to re-establish the Company in compliance with the regulatory agencies under which it is obliged. A listing on a Canadian or foreign exchange will be considered by management and if deemed to be in the best interest of the Company and its stockholders may be sought.

The Company will seek to acquire a property and the principal business will be mineral exploration and development activities. The Company may not have the financial resources to meet its financial commitments or complete a transaction in the mineral exploration and development field.

2. Basis of presentation

The unaudited interim financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for annual financial statements. In the opinion of the Company, all adjustments (consisting of normal and recurring accruals) considered necessary for fair presentation have been included.

These unaudited interim financial statements have been prepared by management in accordance with the accounting policies described in the Company’s audited annual financial statements for the period ended July 31, 2010. For further information, refer to the Company’s audited financial statements and footnotes thereto for the period ended July 31, 2010.

In February 2008, the AcSB announced 2011 as the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. This change is effective for interim and annual financial statements of the Company for its fiscal year beginning on August 1, 2011. While the Company had been assessing the adoption of IFRS for 2012, the impact on the Company’s financial statements has not yet been determined.

3. Share Capital

(a) Authorized

100,000,000 Common shares without par value.

(b) Issued and fully paid

	<u>Number of Shares</u>	<u>Amount</u>	<u>Contributed Surplus</u>
Balance – July 31, 2010	18,904,532	\$ 12,035,049	\$ 0
Balance – January 31, 2011	18,904,532	\$ 12,035,049	\$ 0

Of the issued and outstanding common shares, Nil are held in escrow.

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(c) Share purchase options

There are no current options outstanding.

3. Share Capital (continued)

(d) Share purchase warrants

There are no outstanding purchase warrants outstanding as at January 31, 2011.

4. Commitments

The Company has not entered into any contracts or assumed any financial commitments during the three month period ended January 31, 2011.

5. Related Party transactions

The Company has not incurred any related party transactions during the three months ended January 31, 2011.