

**EXPEDITION MINING INC.**  
**(Formerly Universal Uranium Ltd.)**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2010**  
**and**  
**December 31, 2009**

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**NOTICE OF NO AUDITOR REVIEW OF  
INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

/s/ **Ronald Atlas**

Ronald Atlas, Director  
Vancouver, BC Canada  
February 21, 2011

/s/ **Steve Chan**

Steve Chan, Director  
Vancouver, BC Canada  
February 21, 2011

**EXPEDITION MINING INC.**  
**(Formerly Universal Uranium Ltd.)**  
**INTERIM CONSOLIDATED BALANCE SHEETS**

	31-Dec-10 \$	30-Sep-10 \$
<b>A S S E T S</b>		
<b>Current assets</b>		
Cash	1,334,354	989,389
Amounts receivable	35,710	38,253
Security deposits	5,750	5,750
Prepaid expense	12,900	-
	<u>1,388,714</u>	<u>1,033,392</u>
<b>Long term receivable</b> (Note 5)	80,697	80,697
<b>Reclamation bond</b> (Note 6)	17,886	17,886
<b>Equipment</b> (Note 3)	21,410	22,720
<b>Other assets</b> (Note 4)	1,189,909	1,032,900
<b>Mineral properties</b> (Note 6)	1,115,041	840,173
	<u>3,813,657</u>	<u>3,027,768</u>

**LIABILITIES & SHAREHOLDERS' EQUITY**

<b>Current liabilities</b>		
Accounts payable and accrued liabilities	40,563	134,882
<b>Asset Retirement Obligation</b> (Note 8)	<u>17,886</u>	<u>17,886</u>
	<u>58,449</u>	<u>152,768</u>
<b>Shareholders' Equity</b>		
Share capital (Note 9)	22,251,588	22,216,588
Contributed surplus (Note 9d)	3,251,857	3,251,857
Deficit	<u>(21,748,237)</u>	<u>(22,593,445)</u>
	<u>3,755,208</u>	<u>2,875,000</u>
	<u>3,813,657</u>	<u>3,027,768</u>
<b>Continuing operations</b> (Note 1)		

**Approved on behalf of the Board of Directors:**

"Ronald Atlas", Director

"Steven Chan", Director

See notes to financial statements

**EXPEDITION MINING INC.**  
**(Formerly Universal Uranium Ltd.)**  
**INTERIM CONSOLIDATED STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND DEFICIT**  
**For the Three Months Ended December 31,**

	2010	2009
	\$	\$
<b>General and administrative expenses:</b>		
Bank charges and interest	206	5,387
Consulting fees	100	-
Corporate and administration fees	7,998	638
Directors' fees	6,000	5,500
Filing and transfer agent fees	5,212	2,216
Legal & accounting fees	19,227	76,956
Management fees	50,495	51,875
Office rent, salaries and supplies	15,493	19,937
Property reclamation costs	-	25,299
Shareholders' communication, & promotion	6,492	6,522
Travel, meals & entertainment	6,158	3,919
	<u>(117,381)</u>	<u>(198,249)</u>
<b>Other items:</b>		
Amortization	(1,310)	(1,730)
Interest income	3,186	8,193
Gain (Loss) on sale of other assets	191,334	(7,747)
Gain (Loss) due to fair value adjustment	769,379	(250,040)
Gain (loss) due to fair value of short sale	<u>-</u>	<u>30,622</u>
<b>Net income (loss) and comprehensive income (loss) for the period</b>	845,208	(418,951)
<b>Deficit - beginning of the period</b>	(22,593,445)	(22,529,153)
<b>Deficit - end of the period</b>	<u>(21,748,237)</u>	<u>(22,948,104)</u>
<b>Income (Loss) per share</b>	<u>0.02</u>	<u>(0.01)</u>
Weighted average – number of shares outstanding	<u>47,581,894</u>	<u>47,284,608</u>

See notes to financial statements

**EXPEDITION MINING INC.**  
**(Formerly Universal Uranium Ltd.)**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Three Months Ended December 31,**

	2010 \$	2009 \$
<b>Cash provided by (used for):</b>		
<b>Operating Activities</b>		
Net Income (loss) for the period	845,208	(418,951)
Adjustment which do not affect cash:		
Amortization	1,310	1,730
Gain (Loss) due to fair value adjustment	(769,379)	250,040
Gain (loss) on fair value of short sale	-	(30,622)
	<u>77,139</u>	<u>(197,803)</u>
Net changes in non-cash working capital items:		
Amounts receivable	2,543	5,224
Prepaid expense	(12,900)	(9,900)
Accounts payable	(94,318)	(53,799)
	<u>(27,536)</u>	<u>(256,278)</u>
<b>Investing Activities</b>		
Mineral property costs	(239,868)	(76,250)
Equipment purchased	-	(420)
Proceeds from (repayment of) margin account	-	(40,262)
Sale of other assets	612,369	-
	<u>372,501</u>	<u>(116,932)</u>
<b>Increase (decrease) in cash</b>	<u>344,965</u>	<u>(373,210)</u>
<b>Cash - beginning of period</b>	<u>989,389</u>	<u>1,264,355</u>
<b>Cash - end of period</b>	<u>1,334,354</u>	<u>891,145</u>
 Supplementary disclosures:		
Interest income received	3,186	8,193

Refer also to Notes 6 and 9 for disclosure of common shares issued for mineral properties and for share issue costs, and received common shares and warrants as proceeds on the disposition of a mineral property.

See notes to financial statements

**EXPEDITION MINING INC.**  
**(Formerly Universal Uranium Ltd.)**  
**Consolidated Schedule of Deferred Mineral Property Costs**  
**For the Three Months Ended December 31,**

	<b>Balance 30-Sep-09 \$</b>	<b>Additions \$</b>	<b>Write-off \$</b>	<b>Balance 30-Sep-10 \$</b>	<b>Additions \$</b>	<b>Balance 31-Dec-10 \$</b>
<b>Tact &amp; Buff</b>						
Acquisition costs	19,908	12,000	-	31,908	-	31,908
Exploration costs						
Advances	5,546	(5,546)	-	-	-	-
Assays & sampling	11,790	18,020	-	29,810	-	29,810
Claims and maintenance	17,429	81,831	-	99,260	502	99,762
Consulting	47,216	68,212	-	115,428	-	115,428
Drilling	142,127	7,714	-	149,841	-	149,841
Field administration	65	167	-	232	-	232
Field work and supplies	1,483	11,267	-	12,750	-	12,750
Maps & reports	5,282	5,284	-	10,566	-	10,566
Royalty - Advance	-	10,802	-	10,802	-	10,802
Site reclamation	-	17,886	-	17,886	-	17,886
Site visits	7,471	2,625	-	10,096	-	10,096
	<u>258,317</u>	<u>230,262</u>	<u>-</u>	<u>488,579</u>	<u>502</u>	<u>489,081</u>
<b>Brew Property (Yukon)</b>						
Acquisition costs	-	-	-	75,000	125,000	200,000
Exploration costs						
Assays	-	-	-	43,610	22,413	65,753
Claims and maintenance	-	-	-	20,120	-	20,120
Consulting	-	-	-	11,699	2,913	14,612
Fieldwork & supplies	-	-	-	1,148	-	1,148
Legal	-	-	-	6,665	-	6,665
Mobilization	-	-	-	62,173	1,807	63,980
Site visits	-	-	-	314	1,102	1,416
Soil sampling & trenching	-	-	-	130,865	-	130,865
	<u>-</u>	<u>-</u>	<u>-</u>	<u>351,594</u>	<u>152,962</u>	<u>504,559</u>
<b>Joy Property (Yukon)</b>						
Acquisition costs	-	-	-	-	110,000	110,000
Exploration costs						
Legal	-	-	-	-	11,401	11,401
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,401</u>	<u>121,401</u>
<b>TOTALS</b>	<u>258,317</u>	<u>230,262</u>	<u>-</u>	<u>840,173</u>	<u>274,868</u>	<u>1,115,041</u>

See notes to financial statements

**EXPEDITION MINING INC.**  
**(Formerly Universal Uranium Ltd.)**  
**Notes to Interim Consolidated Financial Statements**  
**December 31, 2010**

**1. NATURE AND CONTINUANCE OF OPERATIONS**

The Company is incorporated in the Province of British Columbia and its principal business activity is the acquisition and exploration of resource properties. The Company is currently in the exploration stage of developing its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable.

These interim consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and has an accumulated operating deficit of \$21,748,237 at December 31, 2010. The ability of the Company to continue as a going-concern depends upon its capacity in the near-term to raise additional equity financing and ultimately to develop profitable commercial operations.

There can be no assurance that the company will be able to continue to raise funds in the future in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheet.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Use of Estimates**

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a basis consistent with those followed in the most recent audited financial statements. These unaudited interim consolidated financial statements do not include all the information and footnotes required by generally accepted accounting principles for annual financial statements. Therefore readers are advised to refer to the Company's annual audited financial statements for the year ended September 30, 2010 for additional information.

**New Canadian Accounting Pronouncements**

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

In February 2008, the Canadian Accounting Standards Board announced 2011 as the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The specific implementation is set for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of October 1, 2011 will require restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS has not been fully determined at this time.

**Business Combinations**

In January 2009, the CICA issued Handbook Section 1582, Business Combinations, which replaces the existing standards. This section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value. Estimated obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. This standard is equivalent to the International Financial Reporting Standards on business combinations. This standard is applied prospectively to business combinations with acquisition dates on or after January 1, 2011. Earlier adoption is permitted.

**EXPEDITION MINING INC.**  
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**Notes to Consolidated Financial Statements**  
**As at December 31, 2010**

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2. **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**Consolidated Financial Statements**

In January 2009, the CICA issued Handbook Section 1601, Consolidated Financial Statements, which replaces the existing standards. This section establishes the standards for preparing consolidated financial statements and is effective for interim and annual consolidated financial statements beginning on or after January 1, 2011.

**Non Controlling Interests**

In January 2009, the CICA issued Handbook Section 1602, Non-controlling Interests, which establishes standards for the accounting of non-controlling interests of a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. This standard is equivalent to the International Financial Reporting Standards on consolidated and separate financial statements. This standard is effective for interim and annual consolidated financial statements beginning on or after January 1, 2011. This standard will not have any impact on the Company's financial statements.

The Company is required to adopt Sections 1582, 1601 and 1602 concurrently; at this time the Company does not anticipate adopting these sections prior to the adoption of IFRS and therefore does not expect any impact to the consolidated financial statements.

3. **EQUIPMENT**

	December 31, 2010		
	Cost	Accumulated Amortization	Net
	\$	\$	\$
Computer equipment	37,310	30,889	6,421
Office equipment	49,020	34,031	14,989
	88,444	64,920	21,410

  

	September 30, 2010		
	Cost	Accumulated Amortization	Net
	\$	\$	\$
Computer equipment	37,310	30,368	6,942
Office equipment	49,020	33,242	15,778
	88,444	65,724	22,720



**4. OTHER ASSETS**

**Asset Backed Commercial Papers**

During a prior year end, the Company invested \$1,390,951 in a collateralized short term debt obligation (the “Note”), issued by Conventree Inc. and commonly known as “Asset Backed Commercial Paper” (“ABCP”). The redemption of the Note is dependent on the cash generated by the ABCP’s underlying assets and the ability of the trust that issued the note to refinance it in the ABCP market. The Note was due and repayable to the Company on September 1, 2007, however the market for ABCP has ceased to function and the Company’s Note was not redeemed upon maturity. The Company was unable to determine if or when it may obtain the funds due under its Note, or whether the full amount invested will be recoverable. Accordingly, it reclassified the Note as a non-current asset, and revalued it to \$139,095.

During the year ended September 30, 2010, the Company sold all its ABCP for a total of \$785,035 and reported a gain on sale of the ABCP of \$645,940.

**Crosshair Exploration & Mining Corp. Shares**

During a prior year end, the Company received 10,000,000 shares and 7,500,000 warrants of Crosshair Exploration & Mining Corp. (“Crosshair”) pursuant to the acquisition agreement whereby Crosshair acquired Universal’s 60% interest in its Central Mineral Belt (CMB), Labrador, uranium project as further discussed in Note 6. The 10,000,000 common shares of Crosshair were originally recorded at market value of \$0.48 per share on July 29, 2008 (the agreement date). The 7,500,000 warrants will expire on July 29, 2011.

The Company has taken a valuation allowance in respect to the common shares and share purchase warrants of Crosshair due to the re-sale restrictions that are in effect. The allowance is equal to the calculated fair value of the Crosshair warrants, and accordingly the carrying value of the total investment is reported based on the current market value of the Crosshair shares.

During the previous year end, the Company sold 2,886,000 shares at various prices (\$0.13 - \$0.245) for total net proceeds of \$474,323, leaving a balance of 7,114,000 Crosshair shares in escrow. During the year ended September 30, 2010, the Company sold 2,419,000 shares at various prices (\$0.155 - \$0.205) for total net proceeds of \$453,492, leaving a balance of 4,695,000 Crosshair shares. The value of these shares was reported as \$1,032,900 (\$0.22 per share).

During the period ended December 31, 2010, the Company sold a total of 2,783,500 Crosshair shares, with prices ranging from \$0.19 to \$0.47 for gross proceeds of \$803,703, leaving a balance of 1,911,500 pre consolidation shares (477,875 post consolidation shares).

On March 31, 2010, the Company announced that the action commenced by Crosshair Exploration & Mining Corp. (“Crosshair”) in the B.C. Supreme Court in April, 2009 had been settled. The settlement agreement required the parties to file a consent dismissal order dismissing both the Crosshair claim and the Company’s counterclaim on a without costs basis. The settlement agreement also provided for a release by each party of all claims and causes of action it may have against the other party resulting from any matters existing up to the present time with respect to the action.

The settlement agreement further provided for Crosshair to enter into a voting trust agreement pursuant to which Crosshair will, for a period of 36 months, either abstain from voting its shares in the Company at shareholder meetings or will vote its shares in favour of the proposals of the Company’s management. As at the date of the settlement, Crosshair held 2,222,222 common shares of the Company and 2,222,222 warrants to purchase common shares of the Company. The 2,222,222 warrants expired on July 29, 2010.

**EXPEDITION MINING INC.**  
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**Notes to Consolidated Financial Statements**  
**As at December 31, 2010**

4. **OTHER ASSETS** *(continued)*

**Crosshair Exploration & Mining Corp. Shares** *(continued)*

On December 21, 2010, Crosshair announced that effective immediately, the common shares of Crosshair were consolidated on the basis of one (1) post-consolidation common share for every four (4) pre-consolidation common share. As a result, the warrants (1,875,000 post-consolidation), which expire on July 29, 2011, have an exercise price of \$4.00 per common share.

The Company restated the fair value of the investment as follows:

Period Ended	Fair Value of Crosshair Shares	# of Crosshair shares held	Total fair value
September 30, 2009	\$0.23	7,114,000	\$1,636,220
December 31, 2009	\$0.195	7,114,000	\$1,387,230
March 31, 2010	\$0.19	6,572,500	\$1,248,775
June 30, 2010	\$0.11	5,669,500	\$623,645
September 30, 2010	\$0.22	4,695,000	\$1,032,900
December 31, 2010	\$2.49 (Post-consolidation)	477,875 (Post-consolidation)	\$1,189,909

  

Three months ended December 31, 2010				
	Fair Value 30-Sep-10 \$	Write-up to Fair Value \$	Securities sold during the period \$	Fair Value 30-Sep-10 \$
Crosshair Exploration & Mining Corp.	1,032,900	769,379	(612,370)	1,189,909

  

Year ended September 30, 2010				
	Fair Value 30-Sep-09 \$	Write-down to Fair Value \$	Securities sold during the period \$	Fair Value 30-Sep-10 \$
Asset Backed Commercial Paper	139,095	-	(139,095)	-
Crosshair Exploration & Mining Corp.	1,643,120	(156,428)	(453,792)	1,032,900
	1,782,215	(156,428)	(592,887)	1,032,900

  

Year ended September 30, 2009				
	Originating value \$	Write-down to Fair Value \$	Securities sold during the period \$	Fair Value 30-Sep-09 \$
Asset Backed Commercial Paper	139,095	-	-	139,095
Crosshair Exploration & Mining Corp.	2,100,000	80	(456,960)	1,643,120
	2,253,095	(2,920)	(467,960)	1,782,215

**5. LONG TERM RECEIVABLE**

On September 26, 2007, the Company received a Promissory Note from a former director in the amount of \$110,550, previously recorded in amounts receivable. The note bears interest of 2.25% per annum and was due and payable on March 26, 2008.

On July 2, 2009, the Company obtained default judgment against the director in the amount of \$115,266, interest in the amount of \$1,419 and \$1,330 in other costs, for a total of \$117,975. On September 16, 2009, it was ordered that the director pay \$500 per month commencing October 15, 2009 and continuing to December 15, 2009, and that the director pay \$1,000 per month commencing January 15, 2010 until the amount owing is paid in full, or until further order. During the previous year, the company revalued the loan to its fair market value to \$97,593 (net of unamortized discount of \$20,531). The revaluation resulted in a loss on \$20,531.

The fair value of the long term receivable as of December 31, 2010 is \$92,308 (September 30, 2010 - \$92,697) \$11,611 has been classified as a short-term receivable as at December 31, 2010 (2010 - \$12,000).

**6. MINERAL PROPERTIES**

**Tact & Buff Properties**  
**Nevada, USA**

On July 7, 2009, the Company announced that it had entered into an agreement with Nevada Mine Properties II, Inc ("NMP"), a private Nevada corporation, to acquire a 100% interest in NMP's Tact – Buff property (the "Property") located in the prolific Battle Mountain Mining District, Nevada. The Property is comprised of 98 claims totalling 1760 acres and is situated in Humboldt County approximately 30 miles southeast of Winnemucca.

In consideration, the Company has agreed to pay US\$7,500 upon execution of the agreement and a total of US \$302,500 in Advance Royalty Payments in the first 8 years with automatic extensions over the next 12 years. The Company reserves the right to purchase 100% ownership of the Property at anytime by paying US\$2 million less any Advance Royalty Payments.

Other considerations include issuing a total of 500,000 shares to NMP over a two year period and the option to buy down a 3% NSR to 1% for US\$3 million. On August 6, 2009, the Company issued 200,000 common shares to NMP, which was recorded at the closing trading price of \$0.06 per share.

The above transaction received the approval of the TSX Venture Exchange on August 6, 2009.

**Brew Properties**  
**Yukon Territory, Canada**

On May 4, 2010, the Company announced the completion of an option and joint venture agreement with Aldrin Resource Corp. ("Aldrin"), whereby the Company can earn a 50% interest in Ryanwood Exploration Inc's ("Ryanwood") Brew property. The Brew property is located in the White Gold District, Yukon Territory.

The Company may acquire its 50% interest in the Brew property over a three year period subject to the following:

- a) Pay Aldrin \$125,000 on or before December 31, 2010 (paid);
- b) Pay Ryan wood:
  - (i) \$75,000 on or before June 26, 2010 (paid);
  - (ii) \$75,000 on or before June 26, 2011;
  - (iii) \$75,000 on or before June 26, 2012; and
  - (iv) \$75,000 on or before June 26, 2013;

6. **MINERAL PROPERTIES** *(continued)*

**Brew Properties** *(continued)*  
**Yukon Territory, Canada**

- c) Incur expenditures:
  - (i) \$300,000 on or before November 15, 2010 (\$304,559 incurred);
  - (ii) \$400,000 on or before November 15, 2011; and
  - (iii) \$650,000 on or before November 15, 2012.

In addition, the Company will pay Aldrin 50% of the Aldrin shares issuable by Aldrin to Ryanwood. The payments in respect of the Aldrin shares are capped at \$156,250 for 2011 and at \$187,500 for 2012 and 2013 and these payments may be paid either in cash or by the issuance of the Company's shares at the Company's option. If the Company chooses to issue the Company's shares, a 10% premium will be paid.

The above transaction received the approval of the TSX Venture Exchange on May 5, 2010.

**Joy Property**  
**Yukon Territory, Canada**

The Company entered into an agreement pursuant to which the Company has the right to acquire 100% interest in the Joy Gold Property, located in the Mayo Mining District in the Yukon Territory.

**The Agreement**

**Cash:**

- \$75,000 within five days of signing the Option Agreement (paid)
- \$25,000 on or before May 1, 2011
- \$50,000 on or before December 1, 2011

**Common Shares:**

- 250,000 common shares within five days of the TSX Venture acceptance of the Option Agreement (issued)
- 250,000 common shares on or before January 10 2011 (issued)
- 500,000 common shares on or before July 1, 2011

**Cash or Shares:**

- \$150,000 cash or stock at the Company's option on or before May 1, 2012
- \$150,000 cash or stock at the Company's option on or before May 1, 2013

**Feasibility Study:**

- Payment of \$250,000 in cash or common stock in the Company at the Company's option on the earlier date of the sixth anniversary of the agreement or upon receipt by the Optionee of a NI 43-101 report indicating a resource of a minimum 500,000 contained ounces of gold on the property.

**Work Program:**

- Minimum of \$200,000 on or before December 31, 2011
- A further \$300,000 on or before December 31, 2012
- A further \$500,000 on or before December 31, 2013

**NSR:**

- The Optionor will have a 2% net smelter returns Royalty on the Property. The NSR Royalty may be reduced to 1% by the payment of \$1,000 000 to the Optionor.

On November 26, 2010, the TSX Venture Exchange approves the property transaction.

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**7. ASSET RETIREMENT OBLIGATION**

Included in the carrying value of the mineral properties is \$17,886 representing the estimated fair value of the liability for the asset retirement obligation that arose as a result of drilling activities since fiscal 2009 on the Tact & Buff Property. The fair value of the liability, \$17,886 was determined to be equal to the estimated drill well site remediation costs for which a reclamation bond had been posted.

During the previous year end, the Company recorded the refund of \$83,020 (US\$81,000) from the State of Utah with respect to the reclamation bond posted for the Lisbon Valley property, which was written off in fiscal 2009.

**8. SHARE CAPITAL**

- a) Authorized: Unlimited number of common shares  
b) Issued and outstanding:

	<b>Number of Shares</b>	<b>\$</b>
Balance – September 30, 2008	47,084,068	22,193,588
Issued for mineral properties		
Acquisition cost per agreement	200,000	11,000
Balance – September 30, 2009	47,284,068	22,204,588
Issued for mineral properties		
Acquisition cost per agreement	200,000	12,000
Balance – September 30, 2009	47,484,068	22,216,588
Issued for mineral properties		
Acquisition cost per agreement	250,000	35,000
<b>Balance –December 31, 2010</b>	<b>47,734,068</b>	<b>22,251,588</b>

The continuity of share purchase options is as follows:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>30-Sep-10</b>	<b>Re-priced</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired / Cancelled</b>	<b>31-Dec-10</b>
16-Jan-11	0.15	85,000	-	-	-	-	85,000
08-May-11	0.15	100,000	-	-	-	-	100,000
13-Jun-11	0.15	150,000	-	-	-	-	150,000
13-Nov-11	0.15	150,000	-	-	-	-	150,000
19-Mar-12	0.15	645,000	-	-	-	-	645,000
01-Dec-12	0.15	595,000	-	-	-	-	595,000
12-Mar-13	0.15	110,000	-	-	-	-	110,000
23-Apr-13	0.15	730,000	-	-	-	(25,000)	705,000
29-Apr-14	0.15	775,000	-	-	-	(50,000)	725,000
15-Oct-14	0.15	50,000	-	-	-	-	50,000
10-Jun-15	0.10	800,000	-	-	-	-	800,000
28-Jul-15	0.10	365,000	-	-	-	-	365,000
21-Sep-15	0.15	50,000	-	-	-	-	50,000
		4,605,000	-	-	-	(75,000)	4,530,000
<b>Weighted average exercise price</b>		0.14	-	0.10	-	0.15	0.14

**EXPEDITION MINING INC.**  
**(Formerly Universal Uranium Ltd.)**  
**Notes to Consolidated Financial Statements**  
**As at December 31, 2010**

8. **SHARE CAPITAL** *(continued)*

c) Stock options:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>30-Sep-09</b>	<b>Re-priced</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired / Cancelled</b>	<b>31-Dec-09</b>
29-Dec-09	0.15	230,000	-	-	-	(230,000)	-
21-June-10	0.15	425,000	-	-	-	-	425,000
16-Jan-11	0.15	85,000	-	-	-	-	85,000
08-May-11	0.15	100,000	-	-	-	-	100,000
13-Jun-11	0.15	150,000	-	-	-	-	150,000
13-Nov-11	0.15	150,000	-	-	-	-	150,000
19-Mar-12	0.15	645,000	-	-	-	-	645,000
01-Dec-12	0.15	645,000	-	-	-	-	645,000
12-Mar-13	0.15	110,000	-	-	-	-	110,000
23-Apr-13	0.15	780,000	-	-	-	-	780,000
29-Apr-14	0.15	775,000	-	-	-	-	775,000
15-Oct-14	0.15	-	-	50,000	-	-	50,000
		4,095,000	-	50,000	-	(230,000)	3,915,000
<b>Weighted average exercise price</b>		0.15	-	0.15	-	0.15	0.15

During the period ended December 31, 2010, the Company did not grant any stock options to directors and consultants (December 31, 2009 – 50,000). The fair value of each option granted is estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions and resulting values:

	15-Oct-09
Number of options	50,000
Risk-free interest rate	2.25
Expected life	5
Vesting period	-
Expected volatility	181.08%
Expected dividend yield	-

d) Contributed Surplus

Contributed surplus, September 30, 2008	\$	3,108,887
Changes during the period		
Fair-value of stock options granted		52,281
Fair-value of stock options re-priced		15,939
Contributed surplus, September 30, 2009	\$	3,177,107
Fair-value of stock options granted		74,750
Contributed surplus, September 30 and December 31, 2010	\$	3,251,857

**EXPEDITION MINING INC.**  
**(Formerly Universal Uranium Ltd.)**  
**Notes to Consolidated Financial Statements**  
**As at December 31, 2010**

**8. SHARE CAPITAL** *(continued)*

e) Share purchase warrants

There were no outstanding share purchase warrants as at December 31, 2010

Below is the continuity of share purchase warrants as at December 31, 2009:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>30-Sep-09</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired / Cancelled</b>	<b>31-Dec-09</b>
23-Oct-09	2.00	1,333,332	-	-	(1,333,332)	-
23-Oct-09	0.75	266,666	-	-	(266,666)	-
12-Mar-10	0.15**	1,150,000	-	-	-	1,150,000
12-Mar-10	0.45	87,500	-	-	-	87,500
29-Jul-10	0.65	2,222,222	-	-	-	2,222,222
		5,059,720	-	-	(1,599,998)	3,459,722
<b>Weighted average exercise price</b>		0.96	-	-	1.79	0.48

**9. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS**

(a) Capital Management Objectives

The Company's primary objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders, and to have sufficient liquidity available to fund suitable business opportunities as they arise.

The Company considers the components of shareholders' equity, as well as its cash and equivalents as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk of characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue equity, sell assets, or return capital to shareholders as well as issue or repay debt. The board of directors has not established quantitative capital structure criteria management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

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

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets, which are updated as necessary and are reviewed and approved by the Company's Board of Directors. In addition, the Company may issue new equity, incur additional debt, or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue raise funds, from time to time, to continue meeting its capital management objectives.

There were no changes in the Company's approach to capital management during period ended December 31, 2010.

**9. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS** *(continued)*

(b) Carrying Amounts and Fair Values of Financial Instruments

The fair value of a financial instrument is the price at which a party would accept the rights and/or obligations of the financial instruments from an independent third party. Given the varying influencing factors, the reported fair values are only indicators of the prices that may actually be realized for these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2—Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3—Inputs that are not based on observable market data

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at December 31, 2010.

	Level 1	Level 2	Level 3	Total
Cash	\$ 1,334,354	\$ —	\$ —	\$ 1,334,354
Crosshair shares investment	\$ 1,189,909	\$ —	\$ —	\$ 1,189,909

**10. SUBSEQUENT EVENTS**

Subsequent to December 31, 2010, the following events occurred:

- The Company issued 250,000 shares as per agreement on the Joy Property;
- A director exercised 100,000 shares with an exercise price of \$0.10.