EXPEDITION MINING INC.

(Formerly Universal Uranium Ltd.)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2011

NOTICE OF NO AUDITOR REVIEW OF

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim 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	***/s/ Steve Chan***
Ronald Atlas, Director	Steve Chan, Director
Vancouver, BC Canada	Vancouver, BC Canada
May 19, 2011	May 19, 2011

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

	31-Mar-11	30-Sep-10
	$	$
A S S E T S		
Current assets		
Cash	4,093,288	989,389
Amounts receivable	29,480	38,253
Security deposits	5,750	5,750
Prepaid expense	8,925	-
	4,137,443	1,033,392
Long term receivable (Note 5)	-	80,697
Reclamation bond (Note 6)	17,886	17,886
Equipment (Note 3)	23,582	22,720
Other assets (Note 4)	-	1,032,900
Mineral properties (Note 6)	1,158,012	840,173
	5,336,923	3,027,768
L I A B I L I T I E S & S H A R E H O L D E R S' E Q U I T Y		
Current liabilities		
Accounts payable and accrued liabilities	14,605	134,882
Asset Retirement Obligation (Note 7)	17,886	17,886
	32,491	152,768
Shareholders' Equity		
Share capital (Note 8)	24,403,991	22,216,588
Contributed surplus (Note 8d)	3,393,386	3,251,857
Deficit	(22,492,945)	(22,593,445)
	5,304,432	2,875,000
	5,336,923	3,027,768

Continuing operations (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 Six Months Ended March 31,

	Three months Ended		Six months Ended	
	31-March-11	31-March-10	31-March-11	31-March-10
	$	$	$	$
General and administrative expenses:				
Bank charges and interest	146	4,147	352	9,534
Consulting fees	200	-	300	-
Corporate and administration fees	11,255	600	19,253	1,238
Directors' fees	6,565	866	12,565	6,366
Filing and transfer agent fees	7,867	8,641	13,079	10,857
Legal & accounting fees	19,590	39,161	38,817	116,117
Management fees	49,554	51,474	100,049	103,349
Office rent, salaries and supplies	14,246	18,707	29,739	38,644
Property reclamation costs	-	-	-	25,299
Shareholders' communication, & promotion	12,434	6,312	18,926	12,834
Travel, meals & entertainment	6,070	3,091	12,228	7,010
	(127,927)	(132,999)	(245,308)	(331,248)
Other items:				
Amortization	(1,696)	(1,730)	(3,006)	(3,460)
Interest income	2,713	1,688	5,899	9,881
Gain (Loss) on revaluation of receivable	(91,697)	-	(91,697)	-
Gain (Loss) on sale of Asset-backed paper	-	645,940	-	645,940
Gain (Loss) on sale of other assets	(526,086)	(9,303)	(334,752)	(17,050)
Stock-based compensation	-	(3,864)	-	(3,864)
Other non-recurring expenses	-	2,600	-	2,600
Gain (Loss) due to fair value adjustment	-	(38,713)	769,379	(258,131))
Gain (Loss) on foreign exchange	(15)	-	(15)	-
Net income (loss) and comprehensive income (loss) for the period	(744,708)	463,619	100,500	44,668
Deficit - beginning of the period	(21,748,237)	(22,948,104)	(22,593,445)	(22,529,153)
Deficit - end of the period	(22,492,945)	(22,484,485)	(22,492,945)	(22,484,485)
Income (Loss) per share	(0.02)	0.01	0.00	0.00
Weighted average – number of shares outstanding	47,947,541	47,284,068	47,581,894	47,284,608

See notes to financial statements

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

	Three months Ended		Six months Ended	
	31-March-11	31-March-10	31-March-11	31-March-10
	$	$	$	$
Cash provided by (used for):				
Operating Activities				
Net Income (loss) for the period	(744,708)	463,619	100,500	44,668
Adjustment which do not affect cash:				
Amortization	1,696	1,730	3,006	3,460
Stock-based compensation	-	3,864	-	3,864
Write off other assets	-	38,713	-	288,753
Gain (Loss) on revaluation of receivable	91,697	-	91,697	-
Gain (Loss) due to fair value adjustment	-	-	(769,379)	-
Gain (loss) on fair value of short sale	-	-	-	(30,622)
	(651,315)	507,926	(574,176)	310,123
Net changes in non-cash working capital items:				
Amounts receivable	6,230	3,298	8,773	8,522
Prepaid expense	3,975	3,300	(8,925)	(6,600)
Accounts payable	(25,959)	(61,526)	(120,277)	(115,325)
	(667,069)	452,998	(694,605)	196,720
Financing Activities				
Issue of share capital	2,268,750	-	2,268,750	-
Share issue costs	(112,820)	-	(112,820)	-
	2,155,930	-	2,155,930	-
Investing Activities				
Mineral property costs	(2,971)	(22,098)	(242,839)	(98,348)
Equipment purchased	(3,868)	-	(3,868)	(420)
Sale of Asset-backed commercial paper	-	139,095	-	139,095
Sale of other assets	1,189,910	136,215	1,802,279	136,215
Adjustment of sales due to fair value	87,002	-	87,002	-
Proceeds from (repayment of) margin account	-	(493,153)	-	(533,415)
	1,270,073	(239,941)	1,642,574	(356,873)
Increase (decrease) in cash	2,758,934	213,057	3,103,899	(160,153)
Cash - beginning of period	1,334,354	891,145	989,389	1,264,355
Cash - end of period	4,093,288	1,104,202	4,093,288	1,104,202
Supplementary disclosures:				
Interest income received	2,713	1,688	5,899	9,881

Refer also to Notes 6 and 8 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 Six Months Ended March 31,

	Balance 30-Sep-09 $	Additions $	Write-off $	Balance 30-Sep-10 $	Additions $	Balance 31-Mar-11 $
Tact & Buff						
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
	258,317	230,262	-	488,579	502	489,081
Brew Property (Yukon)						
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	554	1,702
Legal	-	-	-	6,665		6,665
Mobilization	-	-	-	62,173	1,807	63,980
Site visits	-	-	-	314	1,102	1,416
Soil sampling & trenching	-	-	-	130,865	305	131,170
	-	-	-	351,594	153,824	505,418
Joy Property (Yukon)						
Acquisition costs	-	-	-	-	150,000	150,000
Exploration costs						
Legal	-	-	-	-	13,513	13,513
	-	-	-	-	163,513	163,513
TOTALS	258,317	230,262	-	**840,173**	**317,839**	**1,158,012**

See notes to financial statements

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 $22,492,945 at March 31, 2011. 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.

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

	March 31, 2011		
	Cost $	Accumulated Amortization $	Net $
Computer equipment	41,178	31,796	9,382
Office equipment	49,020	34,820	14,200
	90,198	66,616	23,582

	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.

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, 2011.

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).

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.

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

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

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). As at December 31, 2010, the value of the shares was reported at the closing price of $2.49.

On period ended March 31, 2011, the Company sold all the remaining Crosshair shares (477,875), with prices ranging from $1.08 to $2.34 for gross proceeds of $788,549. As at March 31, 201, the closing price of Crosshair shares was $1.12.

	Six months ended March 31, 2011			
	Fair Value 30-Sep-10 $	Write-up to Fair Value $	Securities sold during the period $	Fair Value 31-Mar-11 $
Crosshair Exploration & Mining Corp.	1,032,900	434,627	(1,467,527)	-

	Three months ended December 31, 2010			
	Fair Value 30-Sep-10 $	Write-up to Fair Value $	Securities sold during the period $	Fair Value 31-Dec-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).

During the period ended March 31, 2011, the Company received a notice from Mr. Massey's Trustee, that a Notice of Proposal to Creditors has been filed with the Supreme Court of B.C. The notice proposed a 22.3% of the unsecured loan to be paid over 56 monthly payments. Although the proposal was refused by the Company, it was approved by the statutory majority of creditors and the Trustee proceeded to seek Court approval. On March 31, 2011, the Company wrote-off the balance owing of $91,697.

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 as follows:

- 200,000 shares upon execution (issued August 9, 2010);
- 200,000 shares on the first anniversary (issued July 8, 2010);
- 100,000 shares to on the second anniversary.

The company also has an option to buy down a 3% NSR to 1% for US$3 million.

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

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

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 Ryanwood:
    (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;

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 (subsequently paid)
- $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

6. MINERAL PROPERTIES *(continued)*

Joy Property *(continued)*
Yukon Territory, Canada

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.

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:

	Number of Shares	$
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

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

d) Issued and outstanding: *(continued)*

	Number of Shares	$
Balance – September 30, 2009	47,484,068	22,216,588
Issued for mineral properties		
Acquisition cost per agreement	500,000	75,000
Issued for cash		
Flow-Through Private Placement @ $0.40	2,625,000	1,050,000
Non-Flow-Through Private Placement @ $0.32	3,500,000	1,120,000
Options exercised (ranging from $0.10 to $0.15)	695,000	98,750
Share issue costs		
Agents' units @ $0.32	306,250	(98,000)
TSX filing and legal fees	-	(14,820)
Fair value of options exercised		15,253
Fair value of Agents' warrants		(42,911)
Fair value of Agents' fees warrants		(15,869)
Balance –March 31, 2011	**55,110,318**	**24,403,991**

c) Stock options:

The continuity of share purchase options is as follows:

Expiry Date	Exercise Price	30-Sep-10	Re-priced	Granted	Exercised	Expired / Cancelled	31-Mar-11
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	-	-	(120,000)	-	525,000
01-Dec-12	0.15	595,000	-	-	(45,000)	-	550,000
12-Mar-13	0.15	110,000	-	-	(50,000)	(60,000)	-
23-Apr-13	0.15	730,000	-	-	(120,000)	-	610,000
29-Apr-14	0.15	775,000	-	-	-	(75,000)	700,000
15-Oct-14	0.15	50,000	-	-	-	-	50,000
10-Jun-15	0.10	800,000	-	-	(100,000)	-	700,000
28-Jul-15	0.10	365,000	-	-	(10,000)	-	355,000
21-Sep-15	0.15	50,000	-	-	-	-	50,000
		4,605,000	-	-	(695,000)	(220,000)	3,690,000
Weighted average exercise price		0.15	-	-	0.15	0.15	0.15

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

c) Stock options: *(continued)*

Expiry Date	Exercise Price	30-Sep-09	Re-priced	Granted	Exercised	Expired / Cancelled	31-Mar-10
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
Weighted average exercise price		0.15	-	0.15	-	0.15	0.15

During the period ended March 31, 2011, the Company did not grant any stock options to directors and consultants (March 31, 2010 –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, 2010	$	3,251,857
Fair-value of stock options exercised		(15,251)
Fair-value of Agents’ warrants granted		42,911
Fair-value of Agents’ fees warrants granted		15,869
Contributed surplus, March 31, 2011	$	3,393,386

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

e) Share purchase warrants

The continuity of share purchase warrants is as follows:

Expiry Date	Exercise Price	30-Sep-10	Granted	Exercised	Expired / Cancelled	31-Mar-11
15-Sep-12	0.32	-	1,750,000	-	-	1,750,000
15-Sep-12	0.40	-	1,312,500	-	-	1,312,500
15-Sep-12	0.50	-	306,250	-	-	306,250
15-Sep-12	0.80	-	153,125	-	-	153,125
			3,521,875	-	-	3,521,875
Weighted average exercise price			-	-	-	0.39

Expiry Date	Exercise Price	30-Sep-09	Granted	Exercised	Expired / Cancelled	31-Mar-10
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)	2,222,222
Weighted average exercise price		0. 89	-	-	1.08	0.65

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 March 31, 2011.

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 March 31, 2011.

	Level 1	Level 2	Level 3	Total
Cash - Deposits	$ 842,564	$ –	$ –	$ 842,564
Guaranteed Investment Certificates	$ 3,250,724	$ –	$ –	$ 3,250,724

10. SUBSEQUENT EVENTS

On April 21, 2011, the Company announced that it had entered into an option agreement pursuant to which it can acquire a 100-per-cent interest in the Mt. Mervyn gold property from Paul Dadwal. The Mt. Mervyn property is located in the Mayo Mining District of central Yukon and is comprised of 314 unpatented mining claims, approximately 6,564 hectares (65.64 sq kilometres).

In order to exercise its option under the option agreement, the Company must make payments and issue shares as set below.

Cash:
$75,000 within five business days after Exchange Acceptance Date
$75,000 on or before June 1, 2011

Common Shares:
250,000 within business days after Exchange Acceptance Date
250,000 on or before June 1, 2011
250,000 on or before October 1, 2011
250,000 on or before March 31, 2012

Net Smelter Returns Royalty (NSR):
The optionor will have a 2-per-cent net smelter royalty on the property. The NSR may be reduced to 1-per-cent by the payment of $1-million to the optionor.

The Company is committed to make the initial payment of $75,000 (subsequently paid) and the initial issuance of 250,000 common shares (subsequently issued) once the title to the claims comprising the Mt. Mervyn property is recorded in the Company's name. The other payments and share issuances are optional.

10. SUBSEQUENT EVENTS *(continued)*

The Company granted 1,515,000 incentive options to directors, employees and consultants at an exercise price of $0.40 per share. The options are exercisable for a period of 5 years, ending April 21, 2016. All options granted shall be immediately exercisable, subject only to the regulatory 4-month hold from the date of grant (i.e. no vesting periods shall be imposed on the options).

The options have a fair value of $455,121 and were estimated using the Black-Scholes option pricing model with the following assumptions:

Number of options	1,515,000	options
Dividend rate	0.00	%
Risk-free interest rate	3.00	%
Expected life	5	years
Estimated annual volatility	131.08	%
Strike price	$ 0.40	
Spot price	$ 0.35	