ENDURANCE GOLD CORPORATION
(An Exploration Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2011

ENDURANCE GOLD CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITIONS
(Expressed in Canadian dollars)
(Unaudited, Prepared by Management)
AS AT

	March 31, 2011	December 31, 2010 (Note 20)	January 1, 2010 (Note 20)
ASSETS			
Current			
Cash and cash equivalents (Note 4)	$ 973,553	$ 534,882	$ 404,951
Marketable securities (Note 5)	67,200	115,375	74,000
Prepaid expenses and deposits (Note 6)	13,199	12,400	14,930
Receivables (Note 7)	28,375	19,106	16,657
Total current assets	1,082,327	681,763	510,538
Non-current			
Reclamation bond (Note 8)	3,500	3,500	6,500
Exploration and evaluation assets (Note 9)	2,293,891	2,197,801	1,905,387
Total assets	$ 3,379,718	$ 2,883,064	$ 2,422,425
LIABILITIES			
Current			
Accounts payable and accrued liabilities (Note 10)	$ 179,682	$ 32,334	$ 34,676
Non-current			
Flow-through liabilities (Note 11)	-	-	7,707
Total liabilities	179,682	32,334	42,383
EQUITY			
Share Capital (Note 12)	6,285,224	5,757,508	4,961,508
Reserves (Note 12)	479,271	479,271	400,221
Deficit	(3,564,459)	(3,386,049)	(2,981,687)
	3,200,036	2,850,730	2,380,042
Total liabilities and equity	$ 3,379,718	$ 2,883,064	$ 2,422,425

Nature and continuance of operations (Note 1)
Commitments (Note 18)
Events after reporting date (Note 19)

Approved and authorized by the Board on May 31, 2011:

/s/ Robert T. Boyd ____________ Director
Robert T. Boyd

/s/ Robert Pease ____________ Director
Robert Pease

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

ENDURANCE GOLD CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
For the three-month periods ended March 31
(*Expressed in Canadian dollars*)
(Unaudited, Prepared by Management)

	2011	2010 (Note 20)
Expenses		
Business development and property investigation	$ 31,804	$ 44,550
Corporate communications	6,932	230
Listing and transfer agent fees	10,312	9,102
Management fees (Note 14)	36,375	45,000
Office and administrative	27,798	16,520
Professional fees	19,661	8,205
Stock-based compensation (Note 12)	-	48,150
	(132,882)	(171,757)
Other items		
Interest income	1,072	170
Realized loss on sales of marketable securities	(214)	-
Unrealized loss on marketable securities (Note 5)	(46,386)	(26,000)
	(45,528)	(25,830)
Loss before future income tax	(178,410)	(197,587)
Net loss for the period	(178,410)	(197,587)
Basic and diluted loss per common share	$ (0.00)	$ (0.00)
Basic and diluted weighted average number of common shares outstanding	48,272,856	39,767,253

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

ENDURANCE GOLD CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three-month periods ended March 31
(*Expressed in Canadian dollars*)
(Unaudited, Prepared by Management)

	Share Capital				Total
	No. of Shares	**Amount**	**Reserves**	**Deficit**	**Equity**
Balance, January 1, 2010	**39,512,586**	**$ 4,961,508**	**$ 400,221**	**$ (2,981,687)**	**$ 2,380,042**
Shares issued for cash:					
Exercise of Warrants	7,960,000	796,000	-	-	796,000
Stock-based compensation	-	-	48,150	-	48,150
Loss for the period	-	-	-	(197,587)	(197,587)
Balance March 31, 2010	**47,472,586**	**$ 5,757,508**	**$ 448,371**	**$ (3,179,274)**	**$ 3,026,605**

	Share Capital				Total
	No. of Shares	**Amount**	**Reserves**	**Deficit**	**Equity**
Balance, January 1, 2011	**47,472,586**	**$ 5,757,508**	**$ 479,271**	**$ (3,386,049)**	**$ 2,850,730**
Shares issued for cash:					
Private placement	4,500,000	540,000	-	-	540,000
Share issuance costs	-	(12,284)	-	-	(12,284)
Loss for the period	-	-	-	(178,410)	(178,410)
Balance March 31, 2011	**51,972,586**	**$ 6,285,224**	**$ 479,271**	**$ (3,564,459)**	**$ 3,200,036**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

ENDURANCE GOLD CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three-month periods ended March 31
(*Expressed in Canadian dollars*)
(Unaudited, Prepared by Management)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (178,410)	$ (197,587)
Add items not involving cash:		
Stock-based compensation	-	48,150
Realized loss on sales of marketable securities	214	-
Unrealized loss on marketable securities	46,386	26,000
Changes in non-cash working capital items:		
Prepaid expenses and deposits	(799)	4,322
Receivables	(9,269)	3,591
Marketable securities	1,575	-
Accounts payable and accrued liabilities	75,659	36,665
Net cash used in operating activities	(64,644)	(78,859)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	(24,401)	(9,677)
Net cash used in investing activities	(24,401)	(9,677)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	540,000	796,000
Share issuance costs	(12,284)	-
Net cash provided by financing activities	527,716	796,000
Net increase in cash during the period	438,671	707,464
Cash, beginning of period	534,882	404,951
Cash, end of period	$ 973,553	$ 1,112,415

Supplemental disclosures with respect to cash flows (Note 13)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Endurance Gold Corporation (the "Company") was incorporated under the *Canada Business Corporations Act* on December 16, 2003 and continued into British Columbia on August 16, 2004. The Company is engaged in the exploration and development of mineral properties in North America and has not yet determined whether its properties contain ore reserves that are economically recoverable.

The head office and principal address of the Company is 1700-750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8. The Company's registered address and records office is 1040-999 West Hasting Street, Vancouver, British Columbia, Canada, V6C 2W2.

The Company's consolidated financial statements and its controlled subsidiary ("Consolidated Financial Statements") are presented in Canadian dollars.

2. BASIS OF PREPARATION

a) Statement of Compliance

The consolidated financial statements of the Company for the year ending December 31, 2011 will be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), having previously prepared its consolidated financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian GAAP"). These condensed interim consolidated financial statements for the three month period ended March 31, 2011 have been prepared in accordance with IAS 34 Interim Financial Reporting, and as they are part of the Company's first IFRS annual reporting period, IFRS 1 First-time Adoption of International Reporting Standards has been applied.

As these condensed interim consolidated financial statements are the Company's first consolidated financial statements prepared using IFRS, certain disclosures that are required to be included in annual consolidated financial statements prepared in accordance with IFRS that were not included in the Company's most recent annual consolidated financial statements prepared in accordance with pre-changeover Canadian GAAP have been included in these consolidated financial statements for the comparative annual period. However, these condensed interim consolidated financial statements do not include all of the information required for full annual consolidated financial statements.

These condensed interim consolidated financial statements should be read in conjunction with the Company's 2010 annual consolidated financial statements and the explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company provided in Note 20.

These condensed interim consolidated financial statements were authorized for issue by the Audit Committee and Board of Directors on May 31, 2011.

b) Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, this financial statement has been prepared using the accrual basis of accounting.

2. BASIS OF PREPARATION (cont'd…)

These condensed interim consolidated financial statements are presented in Canadian dollars, which is also the Company and its subsidiary's functional currency.

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported expenses during the period. Actual results could differ from these estimates.

c) Going Concern of Operations

The Company has not generated revenue from operations. The Company incurred a net loss of $178,410 during the three months ended March 31, 2011 and, as of that date the Company's deficit was $3,564,459. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below are expected to be adopted for the year-ending December 31, 2011 and have been applied consistently to all periods presented in these condensed interim financial statements and in preparing the opening IFRS balance sheet at January 1, 2010 for the purpose of the transaction to IFRS, unless otherwise indicated.

(a) ***Basis of consolidation***

The condensed interim consolidated financial statements include the consolidated financial statements of the parent company, Endurance Gold Corporation, and its subsidiary as listed below:

			Equity Interest	
	Jurisdiction	Nature of Operations	2011	2010
Endurance Resources Inc.	Virginia, USA	Exploration	100%	100%

The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd…)

(b) ***Foreign currencies***

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiary is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of comprehensive loss or income.

(c) ***Financial instruments***

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired, as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing such financial assets in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss or income.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statements of comprehensive loss or income.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statements of comprehensive loss or income.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

(c) ***Financial instruments*** *(cont'd…)*

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired, as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing such financial liabilities in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss or income.

Other financial liabilities: This category includes accounts payable and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash and cash equivalents and marketable securities as fair value through profit and loss. The Company's receivables and reclamation bond are classified as loans and receivables. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

(d) ***Cash and cash equivalents***

Cash equivalents include money market instruments which are readily convertible into cash or have maturities at the date of purchase of less than ninety days.

(e) ***Exploration and evaluation assets***

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation assets are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, and payments made to contractors. Costs not directly attributable to exploration and evaluation assets activities, including general administrative costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain mineral property expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess accounted for as a gain on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

(e) ***Exploration and evaluation assets*** (cont'd…)

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation assets expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation assets expenditures, in excess of estimated recoveries, are written off to the statement of comprehensive loss or income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mine under construction". Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized costs. Exploration and evaluation assets are classified as intangible assets.

(f) ***Reclamation bonds***

Cash which is subject to contractual restrictions on use is classified separately as reclamation bonds. Reclamation bonds are classified as loans and receivables.

(g) ***Equipment***

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses. Amortization is recognized using the declining balance method at the following annual rates:

Computer and office equipment	30%
Computer software	45%
Exploration equipment	20%
Furniture and fixtures	20%
Vehicles	30%

Equipment that is withdrawn from use, or has no reasonable prospect of being recovered through use or sale, is regularly identified and written off.

Assets are measured at historical cost less accumulated amortization and impairment losses. Amortization is charged on the declining balance basis over the useful lives of these assets. Residual values, amortization methods and useful economic lives are reviewed and adjusted if appropriate, at each reporting date.

Subsequent expenditures relating to an item of equipment are capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance. As at March 31, 2011, the Company does not own any equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

(h) ***Impairment of equipment and intangible assets (excluding goodwill)***

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(i) ***Income taxes***

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it is probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

(j) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

(k) Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's fiscal period is disclosed separately as flow-through share proceeds in Note 11.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the "Look-back" Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

(l) Share-based payment transactions

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

(m) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributed to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

(n) ***Provision for environmental rehabilitation***

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. At March 31, 2011, the Company does not have any provision for environmental rehabilitation.

(o) ***Related party transactions***

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(p) ***Provisions***

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligations, provided that a reliable estimate can be made of the amount of the obligation. Provisions for environmental restoration, legal claims, onerous leases and other onerous commitments are recognized at the best estimates of the expenditures required to settle the Company's liability.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

(q) ***Significant accounting judgments and estimates***

The preparation of these condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of amounts receivable and prepayments which are included in the condensed interim consolidated statement of financial position;
- the carrying value of the marketable securities and the recoverability of the carrying value which are included in the condensed interim consolidated statement of financial position;
- the inputs used in accounting for share purchase option expense in the condensed interim consolidated statement of comprehensive loss;
- the provision for income taxes which is included in the condensed consolidation interim statement of comprehensive loss and composition of deferred income tax assets and liabilities included in the condensed interim consolidated statement of financial position at March 31, 2011;
- the inputs used in determining the various commitments and contingencies accrued in the condensed interim consolidated statement of financial position.

(r) ***Standards, Amendments and Interpretations Not Yet Effective***

Certain pronouncements were issued by the IASB or the IFRS Interpretation Committee that were mandatory for accounting periods beginning after January 1, 2011 or later periods.

The Company has early adopted the amendment to IFRS 1 which replaces references to a fixed date of "January 1, 2004" with the "date of transition to IFRS". This eliminates the need for the Company to restate de-recognition transactions that occurred before the date of transition to IFRS. The amendment is effective for year-ends beginning on or after July 1, 2011; however, the Company has early adopted the amendment. The impact of the amendment and early adoption is that the Company only applies IAS 39 de-recognition requirements to transactions that occurred after the date of transition.

The following new standards, amendments and interpretations, that have not been early adopted in these interim financial statements, will or may have an effect on the Company's future results and financial position:

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

(r) ***Standards, Amendments and Interpretations Not Yet Effective*** *(cont'd…)*

- IFRS 9 Financial Instruments

  IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortization costs and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. The standard is effective for annual periods beginning on or after January 1, 2013.

- IFRS 1: Severe Hyperinflation (Effective for periods beginning on or after July 1, 2011).

- IAS 12: Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12 (Effective for periods beginning on or after January 1, 2012).

- Amendments to IFRS 9: Financial Instruments (Effective for periods beginning on or after January 1, 2013).

4. CASH AND CASH EQUIVALENTS

	March 31, 2011	December 31, 2010	January 1, 2010
Cash on deposit	$ 473,553	$ 504,882	$ 119,951
Liquid short term deposit	500,000	30,000	285,000
	$ 973,553	$ 534,882	$ 404,951

5. MARKETABLE SECURITIES

Marketable securities consist of equity securities over which the Company does not have control or significant influence. Marketable securities are designated as fair value through profit and loss. Unrealized gains and losses due to period end revaluation to fair value are included in profit or loss for the period. As at March 31, 2011, the Company owned 320,000 (325,000 at December 31, 2010) common shares of Metals Creek Resources Corp.

	March 31, 2011	December 31, 2010	January 1, 2010
Marketable securities – fair value	$ 67,200	$ 115,375	$ 74,000
Marketable securities - cost	$ 114,496	$ 116,350	$ 143,101

6. PREPAID EXPENSES AND DEPOSITS

The prepaid expenses for the Company are broken down as follows:

	March 31, 2011	December 31, 2010	January 1, 2010
Prepaid rent	$ 4,505	$ -	$ 473
Insurance	8,694	11,655	14,457
Vendor prepayment	-	745	-
Total	$ 13,199	$ 12,400	$ 14,930

7. RECEIVABLES

The Company's receivables arise mainly from goods and service tax and harmonized sales taxes receivable due from Canadian government taxation authorities.

8. RECLAMATION BOND

The Company has posted a bond with the B.C. Ministry of Finance as security towards future site restoration work which will be released to the Company upon satisfactory completion of that work. The bond was posted in relation to the Nechako property in B.C.

9. EXPLORATION AND EVALUATION ASSETS

As at March 31, 2011, the Company's exploration and evaluation assets are located in North America. Expenditures incurred on exploration and evaluation assets are as follows:

	Bandito, Yukon CANADA	Fuego, Yukon CANADA	Pardo, Ontario, CANADA	Nechako, B.C. CANADA	Other Properties, CANADA	Rattlesnake-Natrona, Wyoming, USA	McCord, Alaska, USA	Vana, Alaska, USA	TOTAL
Deferred Acquisition 12/31/10	**$ 45,406**	**$ -**	**$ 18,750**	**$ 80,000**	**$ -**	**$ 35,799**	**$ 5,664**	**$ 8,688**	**$ 194,307**
Additions	-	6,420	-	-	-	-	-	-	6,420
	-	6,420	-	-	-	-	-	-	6,420
Deferred Acquisition 03/31/11	**45,406**	**6,420**	**18,750**	**80,000**	**-**	**35,799**	**5,664**	**8,688**	**200,727**
Deferred Exploration 12/31/10	**104,351**	**-**	**1,077,858**	**487,235**	**50,000**	**265,445**	**13,649**	**4,956**	**2,003,494**
Additions:									
Field expenses	21,380	-	-	-	-	-	-	-	21,380
Geochemistry	-	-	-	-	-	650	-	-	650
Geological and miscellaneous	27,644	-	-	125	-	7,604	450	450	36,273
Helicopters	31,367	-	-	-	-	-	-	-	31,367
	80,391	-	-	125	-	8,254	450	450	89,670
Deferred Exploration 3/31/11	**184,742**	**-**	**1,077,858**	**487,360**	**50,000**	**273,699**	**14,099**	**5,406**	**2,093,164**
Total Exploration and evaluation assets 3/31/11	**$ 230,148**	**$ 6,420**	**$ 1,096,608**	**$ 567,360**	**$ 50,000**	**$ 309,498**	**$ 19,763**	**$ 14,094**	**$ 2,293,891**

9. EXPLORATION AND EVALUATION ASSETS (cont'd…)

	Bandito, Yukon CANADA	Pardo, Ontario, CANADA	Nechako, B.C. CANADA	Other Properties, CANADA	Rattlesnake-Natrona, Wyoming, USA	McCord, Alaska, USA	Vana, Alaska, USA	TOTAL
Acquisition Costs 01/01/10	**$ -**	**$ 68,750**	**$ 80,000**	**$ -**	**$ 34,786**	**$ -**	**$ -**	**$ 183,536**
Additions	45,406	-	-	-	1,013	5,664	8,688	60,771
Recoveries	-	(50,000)	-	-	-	-	-	(50,000)
	45,406	(50,000)	-	-	1,013	5,664	8,688	10,771
Acquisition Costs 12/31/10	**45,406**	**18,750**	**80,000**	**-**	**35,799**	**5,664**	**8,688**	**194,307**
Deferred Exploration 01/01/10	**-**	**1,076,789**	**480,311**	**-**	**164,751**	**-**	**-**	**1,721,851**
Additions:								
Field expenses	17,127	-	-	-	10,239	6,822	1,949	36,137
Geochemistry	4,967	-	-	-	8,496	1,182	338	14,983
Geological and miscellaneous	62,471	1,069	3,380	8,314	66,416	2,110	1,659	145,419
Geophysics	-	-	-	26,286	800	-	-	27,086
Helicopters	18,205	-	-	-	-	3,535	1,010	22,750
Land and recording fees	1,581	-	3,544	-	14,743	-	-	19,868
Line cutting/trenching	-	-	-	15,400	-	-	-	15,400
	104,351	1,069	6,924	50,000	100,694	13,649	4,956	281,643
Deferred Exploration 12/31/10	**104,351**	**1,077,858**	**487,235**	**50,000**	**265,445**	**13,649**	**4,956**	**2,003,494**
Total Exploration and evaluation assets 12/31/10	**$ 149,757**	**$ 1,096,608**	**$ 567,235**	**$ 50,000**	**$ 301,244**	**$ 19,313**	**$ 13,644**	**$ 2,197,801**

9. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Bandito REE-Ni Property, Yukon, CANADA

In August 2010, the Company entered into an option agreement (the "Agreement") with True North Gems Inc. ("TGX"), whereby the Company can earn up to a 75% interest in the Bandito property located in the Watson Lake district, Yukon Territory. Under the terms of the agreement, the Company can earn an initial 51% joint venture interest in the Bandito property by completing a total of $125,000 ($25,000 paid) in cash payments by December 31, 2012 and also completing $1,000,000 in exploration expenditures by December 31, 2013. Once the Company earns its 51% interest, it has a further option that will allow the Company to acquire an additional 24% interest (total 75%) by issuing TGX 200,000 shares of the Company and by completing an additional $1,000,000 in exploration expenditures prior to December 31, 2015. The President and CEO of the Company also serves on the board of directors of TGX and abstained from voting on approval of the Agreement.

Fuego Property, Yukon, CANADA

In February 2011, the Company acquired by staking a 100% interest in certain mineral claims located in the Watson Lake district, Yukon Territory.

Pardo Gold Property, Ontario, CANADA

The Company acquired a 100% interest in the Pardo Property located northeast of Sudbury, Ontario, from three vendors (one of whom was the late President of the Company), by making payments of $100,000 in cash and issuing 200,000 common shares (at a value of $18,750). The vendors have retained a 3% net smelter return royalty interest, one-half of which may be purchased by the Company for $1,500,000.

In June 2009, the Company entered into an option agreement (the "Agreement") with Ginguro Exploration Inc. ("Ginguro"), a TSX Venture Exchange issuer. Under the terms of the Agreement, Ginguro can earn an initial 55% interest in the Pardo Property by completing $1,000,000 in exploration expenditures and making cash payments totaling $200,000 ($100,000 received) to the Company over a three year period. On completion of its earn-in, Ginguro has a one-time option to increase its ownership to 70% by completing an additional $1,000,000 in exploration expenditures and making a further cash payment of $250,000 to the Company.

Nechako Gold Property Joint Venture, British Columbia, CANADA

The Nechako Gold Property is comprised of several mineral claims located within the Cariboo Mining Division, west of Quesnel in British Columbia.

In 2004, the Company entered into an option and joint venture agreement with Amarc Resources Inc. ("Amarc"), whereby the Company earned a 60% interest in the Nechako Gold Property by completing $250,000 in exploration expenditures and issuing 250,000 shares to Amarc and 70,000 shares to an underlying property vendor. As a result, a joint venture as to 60% (Endurance) and 40% (Amarc) was formed in December 2005. As Amarc elected not to participate in its pro-rata share of costs on the Nechako Gold Property since 2006, the property is now held 75% by Endurance and 25% by Amarc.

9. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Rattlesnake - Natrona Gold Property, Wyoming, USA

In June 2010, the Company acquired by staking a 100% interest in certain claims in addition to the claims and state leases staked and granted in 2009.

McCord Gold Property, Alaska, USA

In September 2010, the Company acquired by staking a 100% interest in certain Alaska State mineral claims located in the Fairbanks District in Alaska, USA.

Vana Gold Property, Alaska, USA

In September 2010, the Company acquired by staking a 100% interest in certain Alaska State mineral claims located in the Fairbanks District in Alaska, USA.

Other Properties, CANADA

Dogpaw Property, Ontario

The Company entered into an option agreement dated April 16, 2007 with Metals Creek Resources Corp. ("MEK"), whereby MEK earned a 75% interest in a majority of the claims comprising the Dogpaw property by incurring exploration expenses of $450,000 and issuing 450,000 common shares of MEK (with a value of $161,000). As a result, a joint venture as to 25% (the Company) and 75% (MEK) was formed in January 2010.

In addition, the Company retains a 2.5% NSR payable by Houston Lake Mining Inc. of several other claims forming part of the Dogpaw Property.

BQ–Endurance 100% Property, British Columbia

The Company acquired a 100% interest in certain mineral claims in the Omineca Mining Division of British Columbia by staking. The claims adjoin the former BQ Property option which was returned to the vendors and written off in 2008. At December 31, 2009, the Company wrote off the carrying value of $1,649 in acquisition costs incurred on the property. Subsequent to March 31, 2011, all the claims forming the property are expired.

Virginia Silver – Endurance 100% (Annie) Property, British Columbia

The Company acquired a 100% interest in several mineral claims in the Omineca Mining Division of British Columbia by staking. The claims adjoin the former Virginia Silver Property option which was returned to the vendors and written off in 2008. At December 31, 2009, the Company wrote off the carrying value of $3,492 in acquisition and exploration costs incurred on the property.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities for the Company are broken down as follows:

	March 31, 2011	December 31, 2010	January 1, 2010
Trade payables	$ 161,682	$ 2,559	$ 14,676
Accrued liabilities	18,000	29,775	20,000
Total	$ 179,682	$ 32,334	$ 34,676

All payables and accrued liabilities for the Company fall due within the next 12 months.

11. FLOW-THROUGH LIABILITIES

Flow-through liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuances.

	Issued on September 14, 2009	Issued on March 16, 2011	Total
Balance on January 1, 2010	$ 7,707	$ -	$ 7,707
Liability incurred on flow-through shares issued	-	-	-
Settlement of flow-through share liability on incurring expenses	(7,707)	-	(7,707)
Balance on December 31, 2010	-	-	-
Liability incurred on flow-through shares issued	-	-	-
Settlement of flow-through share liability on incurring expenses	-	-	-
Balance on March 31, 2011	$ -	$ -	$ -

On September 14, 2009, the Company completed a non-brokered private placement financing of 1,000,000 flow-through shares at $0.15 per flow-through share for aggregate proceeds of $150,000. As at January 1, 2010, $103,759 has been spent. As at December 31, 2010, the balance of $46,241 has been spent. The Company has fulfilled its commitment to incur exploration expenditures in relation to flow-through share financing in 2009.

On March 16, 2011, the Company raised $540,000 from the issuance of 4,500,000 flow-through shares. At March 31, 2011, $5,545 qualified expenditures had been incurred, and the amount of flow-through proceeds remaining to be expended was $534,455. No flow-through liability is recognized for the private placement because no flow-through share premium was allocated to the issuance.

12. SHARE CAPITAL

(a) The authorized share capital of the Company consists of an unlimited number of common shares without par value.

(b) Issued and outstanding:

Share issuance

During the quarter ended March 31, 2011, the Company:

i) completed a non-brokered private placement financing of 4,500,000 flow-through ("FT") shares at a price of $0.12 per FT share for gross proceeds of $540,000. A total of 220,000 FT shares were subscribed by two directors of the Company.

During the fiscal year ended December 31, 2010, the Company:

i) Issued 7,960,000 common shares at $0.10 per share for proceeds of $796,000 from the exercise of Warrants.

(c) Stock Options, Warrants and Agent's Compensation Options Outstanding

The Company has an incentive stock option plan that conforms to the requirements of the TSX Venture Exchange. Options to purchase common shares have been granted to directors, officers, employees and consultants of the Company at exercise prices determined by the market value of the common shares on the date of the grant. The options vest immediately on the date of the grant or otherwise at the discretion of the Board.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2009	**2,300,000**	**$ 0.12**
Options granted	1,250,000	0.10
Options expired	(350,000)	0.18
Balance, December 31, 2010	**3,200,000**	**0.10**
Balance, March 31, 2011	**3,200,000**	**$ 0.10**
Number of options currently exercisable	3,200,000	$ 0.10

12. SHARE CAPITAL (cont'd…)

The following incentive stock options were outstanding and exercisable at March 31, 2011:

Number Outstanding	Exercise Price $	Expiry Date
250,000	0.15	October 11, 2012
1,700,000	0.10	February 14, 2014
750,000	0.10	March 31, 2015
500,000	0.10	April 9, 2015
3,200,000		

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2009	9,500,000	$ 0.13
Warrants exercised	(7,960,000)	0.10
Warrants expired	(40,000)	0.10
Balance, December 31, 2010	1,500,000	0.30
Balance, March 31, 2011	1,500,000	$ 0.30

The following warrants to acquire common shares were outstanding at March 31, 2011:

Number Outstanding	Exercise Price $	Expiry Date
1,500,000	0.30	September 14, 2011

There are 240,000 Agent's compensation options outstanding at March 31, 2011. The Agent's compensation options were issued to the Agent in connection with the Company's non-brokered private placement completed in September 2009, each of which entitles the Agent to purchase one common share of the Company at a price of $0.30 per share until September 14, 2011. The Agent's options were valued at $20,064 using the Black-Scholes option pricing model (assuming a risk-free interest rate of 1.23%, an expected life of 2 years, annualized volatility of 171.79% and a dividend rate of 0%).

12. SHARE CAPITAL (cont'd…)

(d) Stock-based compensation

The fair value of options reported as compensation expense during the three-month period has been estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	2011	2010
Description		
Expected dividend yield	-	0.0%
Risk free interest rate	-	2.90%
Expected stock price volatility	-	133.98%
Expected life of options	-	5 years
Weighted average fair value	-	$0.0642

Based on the foregoing, stock-based compensation expense of $nil (2010 - $48,150) was recorded for options that vested during the three month period ended March 31, 2011. The off-setting credit was recorded in Reserves.

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. Changes in these assumptions can materially affect the fair value estimate and therefore it is management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option grants.

(e) Reserve

The following is a summary of changes in reserves from January 1, 2010 to March 31, 2011:

	March 31, 2011	December 31, 2010	January 1, 2010
Warrants / Agent's compensation Options	$ 20,064	$ 20,064	$ 20,064
Share options	$ 459,207	$ 459,207	$ 380,157
Total Reserves	$ 479,271	$ 479,271	$ 400,221

13. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	March 31, 2011	March 31, 2010
Cash paid during the period for income taxes	$ -	$ -
Cash paid during the period for interest	$ -	$ -

13. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS (cont'd…)

Supplementary disclosure of non-cash investing and financing activities during the three month period ended March 31:

	2011	2010
Stock-based compensation (note 12)	$ -	$ 48,150
Exploration and evaluation assets expenditures in accounts payable	$ 71,689	$ -

14. RELATED PARTY TRANSACTIONS

Included in accounts payable and accrued liabilities is $32,195 (2010 - $24,902) due to related parties. Amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

During the three month period ended March 31, 2011, the Company entered into the following related party transactions:

a) Paid to Mclvor Geological Consulting, a private company controlled by the late President, Duncan Mclvor, an aggregate amount of $nil (2010 - $30,000) for administration management fees.

b) Paid to Cooper Jack Investments Limited, a private company controlled by the current President and director, Robert Boyd, an aggregate amount of $55,350 (2010 - $30,150), of which $13,500 (2010- $nil) was capitalized as geological project management fees, $21,375 (2010 – $nil) was expensed as administration management fees, and $20,475 (2010 - $30,150) was expensed as business development and property investigation.

c) Paid to T.P. Cheng & Company Ltd., a private company controlled by officer Teresa Cheng $15,000 (2010 - $15,000) for administration management fees.

d) Paid or accrued to Adera Company Management Ltd., a private company controlled by director, J. Christopher Mitchell, an aggregate amount of $2,850 (2010 - $nil) for consulting fees included in business development and property investigation.

e) Paid to First Point Minerals Corp., a TSX Venture Exchange listed company, with a common director, J. Christopher Mitchell, $4,698 (2010 - $7,046) for rent included in office and administration.

The amounts charged to the Company for the transactions provided have been determined by negotiations amongst the parties. These transactions were in the normal course of operations and were measured at the same value as if the transactions had occurred with non-related parties.

15. FINANCIAL INSTRUMENTS AND RISK

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

15. FINANCIAL INSTRUMENTS AND RISK (cont'd…)

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at March 31, 2011, the Company's financial instruments are comprised of cash and cash equivalents, marketable securities, receivables, reclamation bond, accounts payable and accrued liabilities. The carrying value of receivables, accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Financial instruments measured at fair value on the statement of financial position are summarized in levels of fair value hierarchy as follows:

March 31, 2011

Assets	Level 1	Level 2	Level 3	Total
Cash	$ 973,553	$ -	$ -	$ 973,553
Marketable securities	67,200	-	-	67,200
Total	$ 1,040,753	$ -	-	$ 1,040,753

Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meets its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash, marketable securities, receivables and reclamation bond.

The Company's cash and marketable securities are held through a Canadian chartered bank and a brokerage firm, which are high-credit quality financial institutions. The Company's receivables primarily consist of harmonized sales tax rebates due from the Government of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2011, the Company had a cash balance of $973,553 to settle current liabilities of $179,682. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

15. FINANCIAL INSTRUMENTS AND RISK (cont'd…)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency rate risk

While the Company is domiciled in Canada and its capital is raised in Canadian dollars, a portion of its business is conducted in the United States of America. As such, it is subject to risk due to fluctuations in the exchange rates between the Canadian and US dollars. At March 31, 2011, the Company has cash denominated in US dollars of US$207,037 and accounts payable and accrued liabilities of US$3,000. Each 1% change in the Canadian dollar versus the U.S. dollar will result in a gain/loss of approximately $2,000.

Management believes the foreign exchange risk derived from currency conversions is insignificant and therefore does not hedge its foreign exchange risk.

Sensitivity analysis

The carrying value of cash, marketable securities, receivables, reclamation bond, accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturities of these financial instruments.

Based on management's knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be materially affected by credit risk, liquidity risk or market risk.

The Company manages its cash and cash equivalents, common shares as capital. The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the on-going business objectives including, but not limited to pursuing the exploration of its exploration and evaluation assets, funding of future growth opportunities, and pursuit of new acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company manages its capital structure by issuing new shares, adjusting capital spending or disposing of assets. In addition, management of the Company's capital structure is facilitated through its financial and operational forecasting processes. The forecast of the Company's future cash flows is based on estimates of commodity prices, forecast capital and operating expenditures, and other investing and financing activities. The forecast is regularly updated based on new commodity prices and other changes, which the Company views as critical in the current environment.

16. CAPITAL MANAGEMENT

The Company's working capital as at March 31, 2011 was $902,645 (December 31, 2010 - $649,429; January 1, 2010 - $475,862). The Company's capital management objectives, policies and processes have not been changed over the period presented. The Company is not subject to any externally imposed capital requirements.

17. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the exploration and development of exploration and evaluation assets in Canada and the United States.

Geographic information is as follows:

	March 31, 2011	December 31, 2010
Exploration and evaluation assets in:		
- Canada	$ 1,950,536	$ 1,863,600
- United States	343,355	334,201
TOTAL	$ 2,293,891	$ 2,197,801

18. COMMITMENTS

The Company entered into a new office lease agreement commencing March 1, 2011 and ending February 28, 2015. Minimum lease payments are as follows:

2011	$ 31,271
2012	42,392
2013	46,079
2014	47,274
2015	8,045
	$175,061

19. EVENTS AFTER THE REPORTING DATE

From April 1, 2011 to May 31, 2011, 300,000 stock options were granted at an exercise price of $0.21 that will expire on April 28, 2016.

20. FIRST TIME ADOPTION OF IFRS

The Company's consolidated financial statements for the year-ending December 31, 2011 are the first annual consolidated financial statements that will be prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was January 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be December 31, 2011. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. Prior to transition to IFRS, the Company prepared its consolidated financial statements in accordance with pre-changeover Canadian GAAP.

In preparing the Company's opening IFRS consolidated financial statements, the Company has adjusted amounts reported previously in the consolidated financial statements prepared in accordance with pre-changeover Canadian GAAP.

OPTIONAL EXEMPTIONS

The IFRS 1 applicable exemptions and exceptions applied in the conversion from pre-changeover Canadian GAAP to IFRS are as follows:

Share-based Payment Transactions

The Company has elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provision of IFRS 2 only to all outstanding equity instruments that are unvested as at the Transition Date to IFRS. The Company did not have any unvested outstanding equity instruments as of the Transition Date.

MANDATORY EXCEPTIONS

Estimates

The estimates previously made by the Company under pre-changeover Canadian GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result the Company has not used hindsight to revise estimates.

20. FIRST TIME ADOPTION OF IFRS (cont'd…)

The reconciliation between the Canadian GAAP and IFRS consolidated statement of financial position as at January 1, 2010 (date of transition to IFRS) is provided below:

		January 1, 2010		
	Note	GAAP	Effect of transition to IFRS	IFRS
ASSETS				
Current				
Cash		$ 404,951	$ -	$ 404,951
Marketable securities		74,000	-	74,000
Prepaid expenses and deposits		14,930	-	14,930
Receivables		16,657	-	16,657
Total current assets		510,538	-	510,538
Non-current				
Reclamation bonds		6,500	-	6,500
Exploration and evaluation assets		1,905,387	-	1,905,387
Total assets		$ 2,422,425	$ -	$2,422,425
LIABILITIES				
Current				
Accounts payable and accrued liabilities		$ 34,676	$ -	$ 34,676
Non-current				
Flow-through liability	(a)	-	7,707	7,707
Total liabilities		34,676	7,707	42,383
EQUITY				
Share capital	(a)	4,986,508	(25,000)	4,961,508
Reserves		400,221	-	400,221
Deficit		(2,998,980)	17,293	(2,981,687)
		2,387,749	(7,707)	2,380,042
Total liabilities and equity		$ 2,422,425	$ -	$2,422,425

20. FIRST TIME ADOPTION OF IFRS (cont'd…)

The reconciliation between the Canadian GAAP and IFRS consolidated statement of financial position as at March 31, 2010 is provided below:

		March 31, 2010		
	Note	GAAP	Effect of transition to IFRS	IFRS
ASSETS				
Current				
Cash and cash equivalents		$ 1,112,415	$ -	$ 1,112,415
Marketable securities		48,000	-	48,000
Prepaid expenses and deposits		10,608	-	10,608
Receivables		13,066	-	13,066
Total current assets		1,184,089	-	1,184,089
Non-current				
Reclamation bonds		6,500	-	6,500
Exploration and evaluation assets		1,915,064	-	1,915,064
Total assets		$ 3,105,653	$ -	$ 3,105,653
LIABILITIES				
Current				
Accounts payable and accrued liabilities		$ 71,341	$ -	$ 71,341
Non-current				
Flow-through liability	(a)	-	7,707	7,707
Total liabilities		71,341	7,707	79,048
EQUITY				
Share capital	(a)	5,745,008	12,500	5,757,508
Reserves		448,371	-	448,371
Deficit	(a)	(3,159,067)	(20,207)	(3,179,274)
		3,034,312	(7,707)	3,026,605
Total liabilities and equity		$ 3,105,653	$ -	$ 3,105,653

20. FIRST TIME ADOPTION OF IFRS (cont'd…)

The reconciliation between the Canadian GAAP and IFRS consolidated statement of financial position as at December 31, 2010 is provided below:

	Note	December 31, 2010 GAAP	Effect of transition to IFRS	IFRS
ASSETS				
Current				
Cash and cash equivalents		$ 534,882	$ -	$ 534,882
Marketable securities		115,375	-	115,375
Prepaid expenses and deposits		12,400	-	12,400
Receivables		19,106	-	19,106
Total current assets		681,763	-	681,763
Non-current				
Reclamation bond		3,500	-	3,500
Exploration and evaluation assets		2,197,801	-	2,197,801
Total assets		$ 2,883,064	$ -	$2,883,064
LIABILITIES				
Current				
Accounts payable and accrued liabilities		$ 32,334	$ -	$ 32,334
Total liabilities		32,334	-	32,334
EQUITY				
Share capital	(a)	5,745,008	12,500	5,757,508
Reserves		479,271	-	479,271
Deficit	(a)	(3,373,549)	(12,500)	(3,386,049)
		2,850,730	-	2,850,730
Total liabilities and equity		$ 2,883,064	$ -	$2,883,064

20. FIRST TIME ADOPTION OF IFRS (cont'd…)

The reconciliation between GAAP and IFRS total comprehensive loss for the three months ended March 31, 2010, and the year ended December 31, 2010 is provided below.

		Three Months Ended March 31, 2010		
	Note	GAAP	Effect of transition to IFRS	IFRS
EXPENSES				
Business development and property investigation		$ 44,550	$ -	$ 44,550
Corporate communications		230	-	230
Listing and transfer agent fees		9,102	-	9,102
Management fees		45,000	-	45,000
Office and administrative		16,520	-	16,520
Professional fees		8,205	-	8,205
Stock-based compensation		48,150	-	48,150
		(171,757)	-	(171,757)
OTHER ITEMS				
Interest income		170	-	170
Unrealized loss on marketable securities		(26,000)	-	(26,000)
		(25,830)	-	(25,830)
Loss for the period before income taxes		(197,587)	-	(197,587)
Future income tax recovery	(a)	37,500	(37,500)	-
Loss for the period		$ (160,087)	$ (37,500)	$ (197,587)

20. FIRST TIME ADOPTION OF IFRS (cont'd…)

	Note	GAAP	Effect of transition to IFRS	IFRS
		Year Ended December 31, 2010		
EXPENSES				
Business development and property investigation		$ 103,903	$ -	$ 103,903
Corporate communications		9,041	-	9,041
Listing and transfer agent fees		13,409	-	13,409
Management fees		163,755	-	163,755
Office and administrative		64,292	-	64,292
Professional fees		44,285	-	44,285
Stock-based compensation		79,050	-	79,050
		(477,735)	-	(477,735)
OTHER ITEMS				
Interest income		5,061	-	5,061
Realized loss on sales of marketable securities		(7,605)	-	(7,605)
Unrealized gain on marketable securities		68,210	-	68,210
		65,666	-	65,666
Loss for the year before income taxes		(412,069)	-	(412,069)
Future income tax recovery	(a)	37,500	(29,793)	7,707
Loss for the year		$ (374,569)	$ (29,793)	$ (404,362)

There are no significant differences between IFRS and Canadian GAAP in connection with the Company's statements of cash flows for the period ended March 31, 2010 or the year ended December 31, 2010.

a) Flow through shares

Under pre-changeover Canadian GAAP, the entire proceeds from the issuance of flow-through shares were recognized in equity less the tax effects of renunciation. Under IFRS, on issuance of flow-through shares, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability and; ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

20. FIRST TIME ADOPTION OF IFRS (cont'd…)

a) Flow through shares *(cont'd…)*

To the extent that the Company has deferred tax assets in the form of tax loss carry-forwards and other unused tax credits as at the end of the reporting period, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

As a result, for issuances of flow-through shares for which expenditures have been incurred, share capital was decreased by $25,000 at the date of transition (December 31, 2010 - increased by $12,500) and deficit was decreased by $17,293 on the date of transition (December 31, 2010 - increased by $12,500). The impact on net loss for the three months-ended March 31, 2011 was $nil (three months-ended March 31, 2010 – increase of $37,500; year-ended December 31, 2010 – increase of $29,793).

Where flow-through shares were issued but expenditures not incurred by the end of the reporting period, a liability is shown in "flow-through liabilities". This resulted in a liability of $7,707 on the date of transition (March 31, 2010 - $7,707; December 31, 2010 - $nil).