OTIS
GOLD CORP

(an Exploration Stage Company)

Interim Consolidated Financial Statements

For the six months ended December 31, 2010

(Unaudited - Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of Otis Gold Corp. for the six months ended December 31, 2010 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

The accompanying unaudited interim 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.

Otis Gold Corp.

(an Exploration Stage Company)

Interim Consolidated Balance Sheet
As at December 31, 2010 and June 30, 2010
(Unaudited - Prepared by Management)

	December 31, 2010	June 30, 2010
ASSETS		
CURRENT ASSETS		
Cash	$ 3,227,655	$ 3,458,450
Amounts receivable	51,942	7,878
Prepaid expenses and deposits	57,992	48,504
	3,337,589	3,514,832
RECLAMATION DEPOSIT	11,925	9,119
PROPERTY AND EQUIPMENT (Note 3)	23,732	16,849
UNPROVEN MINERAL INTERESTS (Note 4)	9,032,926	5,054,708
	$ 12,406,172	$ 8,595,508
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 211,203	$ 206,015
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 5)	13,745,605	9,533,962
SUBSCRIPTIONS RECEIVED (Note 5)	231,000	-
CONTRIBUTED SURPLUS (Note 11)	659,473	577,453
RETAINED EARNINGS (DEFICIT)	(2,441,109)	(1,721,922)
	12,194,969	8,389,493
	$ 12,406,172	$ 8,595,508

See accompanying summary of accounting policies and notes to the financial statements.

Approved by the Board *"Craig T. Lindsay"* **Director** *"Sean Mitchell"* **Director**

Otis Gold Corp.

(an Exploration Stage Company)

Interim Consolidated Statement of Earnings and Deficit
For the six months ended December 31st
(Unaudited - Prepared by Management)

	Six months Dec. 2010	Six months Dec. 2009	Three months Dec. 2010	Three months Dec. 2009
EXPENSES				
Investor relations	$ 140,236	$ 78,940	$ 73,825	$ 41,688
Stock-based compensation	110,950	175,773	823	26,480
Management fees	80,794	83,295	44,906	39,229
Office expenses	74,551	57,325	44,878	29,713
Foreign exchange loss (gain)	71,554	(16,155)	62,704	(15,157)
Professional fees	63,761	52,412	48,753	31,873
Travel	41,456	35,892	28,486	14,326
Regulatory costs	20,052	18,065	16,417	13,851
Amortization	2,069	1,148	1,214	565
Bank charges	1,278	1,696	693	943
Property investigations	978	697	978	-
TOTAL EXPENSES	607,679	489,088	323,676	183,511
LOSS	(607,679)	(489,088)	(323,676)	(183,511)
OTHER ITEM				
Unproven mineral interests written off	(121,274)	-	-	-
Interest income	9,766	6,771	7,540	1,913
NET LOSS FOR THE PERIOD	$ (719,187)	$ (482,317)	$ (316,136)	$ (181,598)
DEFICIT, beginning of period	(1,721,922)	(590,397)	(2,003,699)	(891,116)
DEFICIT, end of period	$ (2,441,109)	$ (1,072,714)	$ (2,319,835)	$ (1,072,714)
NET INCOME (LOSS) PER SHARE, basic and diluted (Note 9)	$ (0.03)	$ (0.03)	$ (0.01)	$ (0.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	28,625,657	19,405,556	30,032,397	22,721,547

See accompanying summary of accounting policies and notes to the financial statements.

Otis Gold Corp.

(an Exploration Stage Company)

Interim Consolidated Statements of Cash Flow
For the six months ended December 31st
(Unaudited - Prepared by Management)

	Six months Dec. 2010	Six months Dec. 2009	Three months Dec. 2010	Three months Dec. 2009
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES				
Net income (loss) for the period	$ (719,187)	$ (482,317)	$ (316,136)	$ (181,597)
Adjustments to reconcile net cash provided by operating activities				
Stock-based compensation	110,950	175,773	823	26,480
Amortization	2,069	1,148	1,214	565
Unproven mineral interests written off	121,274			
Decrease (increase) in				
Amounts receivable	(44,064)	21,573	(35,509)	(6,236)
Share subscription receivables	-	445,000	-	-
Prepaid expenses	(9,488)	26,470	(20,567)	35,330
Increase (decrease) in				
Accounts payable and accrued liabilities	5,188	(53,853)	132,194	(79,447)
	(533,258)	133,791	(237,981)	(204,905)
CASH FLOW FROM INVESTING ACTIVITIES				
Expenditures on unproven mineral interests	(2,278,492)	(1,262,760)	(760,899)	(670,114)
Reclamation deposits	(2,806)	-	-	-
Acquisition of property & equipment	(8,953)	(8,870)	(7,489)	-
	(2,290,251)	(1,271,630)	(768,388)	(670,114)
CASH FLOW FROM (USED IN) FINANCING ACTIVITIES				
Issue of common shares for cash	2,527,451	4,128,030	2,523,450	4,115,030
Share subscriptions received	231,000	-	231,000	-
Share issue costs paid	(165,737)	(142,749)	(165,193)	(139,214)
	2,592,714	3,985,281	2,589,257	3,975,816
INCREASE (DECREASE) IN CASH DURING THE PERIOD	(230,795)	2,847,442	1,582,888	3,100,797
CASH, beginning of period	3,458,450	1,427,495	1,644,767	1,174,140
CASH, end of period	$ 3,227,655	$ 4,274,937	$ 3,227,655	$ 4,274,937

See accompanying summary of accounting policies and notes to the financial statements.

Otis Gold Corp.

(an Exploration Stage Company)

Interim Consolidated Schedule of Unproven Mineral Interests
For the six months ended December 31, 2010
(Unaudited - Prepared by Management)

	Oakley Idaho	Kilgore Idaho	Buckhorn Idaho	Red Nevada	Total Dec. 31, 2010	June 30, 2010
BALANCE, June 30, 2010	$ 1,872,616	$ 2,983,008	$ 93,110	$ 105,974	$ 5,054,708	$ 2,394,944
ACQUISITION COSTS	304,260	1,472,000	93,652	-	1,869,912	827,118
EXPLORATION COSTS						
Drilling and assays	-	1,482,612	67,726	0	1,550,338	910,217
Geologists & subcontractors	7,577	426,028	45,904	546	480,055	641,727
Travel	1,595	46,274	7,185	-	55,054	133,411
Mapping and surveying	-	3,196	-	–	3,196	13,835
Annual maintenance fees	4,974	26,384	-	14,754	46,112	53,275
Environmental studies	-	53,269	-	-	53,269	-
Site office and field supplies	101	45,090	37	0	45,228	80,181
	14,247	2,082,854	120,852	15,300	2,211,199	1,832,646
Amounts written off	-	-	-	(121,274)	(121,274)	
BALANCE, Dec. 31, 2010	$ 2,191,123	$ 6,537,862	$ 307,613	$ -	$ 9,032,926	$ 5,054,708

See accompanying summary of accounting policies and notes to the financial statements.

1. OPERATIONS

Otis Gold Corp. (the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on April 24, 2007 and changed its name to Otis Gold Corp. on January 14, 2009. The Company's common shares are listed on the TSX Venture Exchange (the "Exchange") under the trading symbol OOO.

The Company presently has no proven or probable reserves and, on the basis of information to date, has not yet determined whether its unproven mineral interests contain economically recoverable reserves. Consequently, the Company considers itself to be an exploration stage company. The amounts shown as unproven mineral interests and deferred costs represent costs incurred to date, less amounts amortized, written off or recovered under option agreements, and do not necessarily represent present or future values. The underlying value of the unproven mineral interests is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest, the ability of the Company and its optionees to obtain the necessary financing to complete development, and future profitable production or sale of the interests.

The Company's ability to continue exploring its unproven mineral interests is dependent upon its ability to raise additional capital to fund its exploration expenditures as described in Note 4. Additional capital may be sought from the sale of additional common shares or other equity or debt instruments. There is no assurance such additional capital will be available to the Company on acceptable terms or at all.

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") appropriate for a going concern. The going concern basis of accounting assumes the Company will continue to realize the value of its assets and discharge its liabilities and other obligations in the ordinary course of business. Should the Company be required to realize the value of its assets in other than the ordinary course of business, the net realizable value of its assets may be materially less than the amounts shown in the consolidated financial statements. These consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that may be necessary should the Company be unable to repay its liabilities and meets its other obligations in the ordinary course of business or continue operations.

2. ACCOUNTING POLICIES

Basis of presentation

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the interim consolidated financial statements and accompanying notes. Actual results could differ from those estimates. These interim consolidated financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality. These interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements for the year ended June 30, 2010; the significant accounting policies follow that of the annual consolidated financial statements for the year ended June 30, 2010.

2. **ACCOUNTING POLICIES** – continued

New accounting standards

In January 2009, the CICA issued Section 1582 "Business Combinations" to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards ("IFRS"). The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination. The CICA concurrently issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests," which replace Section 1600 "Consolidated Financial Statements."

Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 "Business Combinations." The adoption of this standard is not expected to have a material impact on the Company's financial statements.

3. **PROPERTY AND EQUIPMENT**

	December 31, 2010			June 30, 2010
	Cost	Accumulated amortization	Net	
Office and field equipment	$ 24,767	$ 3,596	$ 21,172	$ 13,964
Computer equipment	4,211	1,651	2,560	2,885
	$ 28,978	$ 5,247	$ 23,732	$ 16,849

4. **UNPROVEN MINERAL INTERESTS**

Kilgore Gold Project

In July 2008, the Company entered into a joint venture whereby it could earn up to a 75% interest on the Kilgore Gold Project located in Clark County, Idaho and the Hai and Gold Bug properties located in Lemhi County, Idaho. The Kilgore property is covered by 162 federal lode mining claims and the Hai and Gold Bug properties are covered by 16 federal lode mining claims. Under the joint venture, the Company had paid US $200,000, issued 1,300,000 common shares and completed over US $3,000,000 in exploration expenditures.

In December 2010, the Company entered into a purchase agreement to acquire 100% interest in the Kilgore Gold Project, replacing all future requirements of the joint venture and eliminating a 2% NSR. The Company issued 2 million shares (valued at $1,320,000) with hold periods of 500,000 shares every 6 months; in addition, the Company must pay US $750,000 in January 2011, US $750,000 in April 2011, and US $250,000 in December 2011

4. **UNPROVEN MINERAL INTERESTS** – continued

Oakley Project – The Oakley Project consists of 2 properties, known as Blue Hill Creek and Cold Creek, which are adjacent to each other.

a) Blue Hill Creek ("Blue Hill Creek" or "BHC")

On June 11, 2008, the Company entered into an option agreement to acquire a 100% interest in the Blue Hill Creek option located in Cassia County, Idaho; the property consists of 33 unpatented federal lode mining claims and an adjacent 80 acre Idaho State lease.

The Company has paid a total of US$80,000 and has issued 2,250,000 common shares to acquire an undivided 20% interest in BHC. To maintain its option the Company shall do the following:

a) on or before July 15, 2009, pay US$ 50,000 (paid) and issue 750,000 common shares (issued) on or before January 15, 2010 to acquire an aggregate 30% interest;
b) issue 750,000 common shares (issued) on or before January 15, 2010 to acquire an aggregate 40% interest;
c) on or before July 15, 2010, pay US$ 18,000 (paid) and issue 750,000 common shares (issued) to acquire an aggregate 50% interest;
d) issue 750,000 common shares on or before January 15, 2011 to acquire an aggregate 60% interest (see Note 13);
e) on or before July 15, 2011, pay US$ 70,000 and issue 750,000 common shares to acquire an aggregate 70% interest;
f) on or before July 15, 2012, pay US$ 80,000 to acquire an aggregate 85% interest; and
g) on or before July 15, 2013, pay US$ 100,000 to acquire an aggregate 100% interest.

The BHC option payments may be accelerated at any time at the option of the Company. In addition to the foregoing, the Company will be responsible for filing and paying all annual assessments and fees relating to BHC.

The 2,250,000 common shares issued during the year ended June 30, 2009 were accounted for at their estimated fair value of $742,500, the 1,500,000 common shares issued during the year ended June 30, 2010 were accounted for at their estimated fair value of $ 652,500, and the 750,000 common shares issued during the three months ended September 30, 2010 were accounted for at their estimated fair value of $ 285,000.

A 2.5% net smelter returns royalty ("NSR") will be paid to the vendors on production of gold from BHC. At any time, the Company may buy the NSR, or a portion thereof, for US$ 1,000,000 per percentage point (i.e. $ 2,500,000 for the entire NSR).

b) Cold Creek Gold

The Cold Creek property, located in Cassia County, Idaho, consists of 53 unpatented federal lode mining claims. The Company acquired a 100% ownership interest in the claims in exchange for payment of the costs associated with staking the property.

4. **UNPROVEN MINERAL INTERESTS** – continued

Buckhorn Property
The Buckhorn property, located in Lemhi County, Idaho, consists of 20 unpatented lode mining claims.

Under the agreement with the owner, the Company may earn a 100% interest by paying US $36,000 (paid), issue 100,000 shares (issued and valued at $64,000), and incur US 110,000 of exploration expenditures by July 31, 2011. In addition, the Company must pay the owner and Advanced Minimum Royalty ("AMR") of US $25,000 in 2011, US $30,000 per year thereafter, and a 3.5% Net Smelter Royalty if the property goes into production.

Other properties

During the six months ended December 31, 2010, the Company abandoned its interest in the Red Property in Nevada and wrote off its costs of $121,274. The Company has other early stage exploration projects located in Idaho.

5. SHARE CAPITAL

a) Authorized
Unlimited common shares without par value

	Six months ended December 31, 2009			Twelve months ended June 30, 2010		
	Shares		Amount	Shares		Amount
Issued						
Balance, beginning of period	27,175,439	$	9,533,962	16,558,750	$	4,705,964
Common shares issued for cash	4,530,000		2,491,500	3,744,539		2,433,950
Common shares issued for unproven mineral interests	3,250,000		1,821,000	1,900,000		800,500
Warrants exercised	-		-	4,897,150		1,704,319
Options exercised	81,000		64,880	75,000		32,995
	35,036,439		13,911,342	27,175,439		9,677,728
Less: Share issue costs paid	–		165,737	–		143,766
Balance, end of period	35,036,439	$	13,745,605	27,175,439	$	9,533,962

b) In June 2009, the Company completed a non-brokered private placement of 4,702,000 units at $0.25 for gross proceeds of $ 1,175,500, of which $ 445,000 was received in July 2009. Each unit consisted of one common share and one common share purchase warrant exercisable at $ 0.35 in the first year and at $ 0.55 in the second year. Finder's fees of $ 10,000 cash were paid and 127,000 share purchase warrants were issued; the warrants are exercisable at $ 0.25 for eighteen months. The share purchase warrants were accounted for at their estimated fair value, determined using the Black-Scholes option pricing model of $ 8,847.

In November 2009, the Company completed a non-brokered private placement of 3,744,539 units at a price of $0.65 per unit, for gross proceeds of $2,433,950. Each unit consisted of one common share and one half of one share purchase warrant; each full warrant is exercisable at $0.90 in year one and at $1.25 in year two. Finders' fees of $114,863 were paid on the private placement.

5. **SHARE CAPITAL** – continued

In November 2010, the Company completed a non-brokered private placement of 4,530,000 units at $0.55 for gross proceeds of $2,491,500. Each unit consists of one common share and one share purchase warrant exercisable at $0.80 for 18 months. Finders' fees of $123,096 were paid on the private placement. The Company also received subscriptions totaling $231,000 for an additional 420,000 units subject to the approval of the TSX Venture Exchange.

c) Pursuant to an escrow agreement, 1,680,000 common shares are being held in escrow and 840,000 will be released every six months with the next release scheduled for January 2011. The escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

d) Details of share purchase warrant transactions during the periods ended December 31, 2010 and June 30, 2010 are as follows:

	Six months ended December 31, 2010	Year ended June 30, 2010
Outstanding, beginning of period	5,647,270	8,672,250
Issued	4,530,000	1,872,270
Exercised	(3,775,000)	(4,897,150)
Expired		(100)
Outstanding, end of period	6,402,270	5,647,270

As at December 31, 2010, the Company has outstanding share purchase warrants as follows:

Number	Exercise price	Expiry date
1,872,270	$ 1.25	November 2011
4,530,000	$ 0.80	April 2012

6. **STOCK-BASED COMPENSATION**

The Company has an incentive stock option plan (the "plan"). Under the plan, the Company may issue options to purchase common shares, at prices determined by the Board of Directors on the date of award, for periods of not more than five years. Stock options awarded under the plan vest immediately upon issue. The total number of common shares that may be reserved for issue under the stock option plan is limited to 10% of the number of issued common shares.

6. **STOCK-BASED COMPENSATION** - continued

The following is a summary of the stock option transactions during the periods ended December 31, 2010 and June 30, 2010:

	Options Outstanding		Weighted average exercise price
Outstanding, June 30, 2009	1,100,000	$	0.42
Awarded	1,350,000		0.44
Exercised	(75,000)		0.27
Outstanding, June 30, 2010	2,375,000		0.43
Awarded	375,000		0.51
Exercised	(81,000)		0.44
Balance, December 31, 2010	2,669,000	$	0.44

The following is a summary of stock options outstanding at December 31, 2010:

	Exercise price	Number of stock options outstanding	Number of stock options exercisable	Expiry dates
$	0.20	260,000	260,000	November 2012
$	0.50	790,000	790,000	September 2013
$	0.40	365,000	365,000	August 2014
$	0.45	779,000	779,000	March 2015
$	0.50	100,000	100,000	March 2015
$	0.50	25,000	25,000	August 2015
$	0.52	200,000	200,000	September 2012
$	0.50	150,000	150,000	September 2012
		2,669,000	2,669,000	

The fair value of stock-based compensation awarded was estimated using the Black-Scholes option pricing model with the following assumptions:

	Six months ended December 31, 2010	Year ended June 30, 2010
Risk-free interest rate:	1.46%	2.43%
Expected volatility	82%	89%
Expected lives:	2 years	5 years
Estimated Forfeiture rate	-	-

The average fair value of stock options awarded during the year ended June 30, 2010 was $0.36 and during the six months ended December 31, 2010 was $0.30.

The Black-Scholes option pricing model was developed for use in estimating the fair value of stock options that have no vesting provisions and are fully transferable. Also, option-pricing models require the use of estimates and assumptions including the expected volatility. The Company uses expected volatility rate that are based upon historical volatility rates. Changes in the underlying assumptions can materially affect the fair value estimates.

7. FINANCIAL INSTRUMENTS

a) **Fair value**

The fair value of financial instruments at December 31, 2010 and June 30, 2010 are summarized in the following table. Fair value estimates are made at the balance sheet date, based on relevant quoted market and other information about the financial instruments.

	December 31, 2010		June 30, 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Held for trading				
Cash	$ 3,227,655	$ 3,227,655	$ 3,458,450	$ 3,458,450
Loans and receivables				
Accounts receivable	51,942	51,942	7,878	7,878
Financial liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	211,203	211,203	206,015	206,015

b) **Financial risk management**

The Company's activities potentially expose it to a variety of financial risks, including credit risk, liquidity risk and foreign exchange risk.

Credit risk

Credit risk arises due to the potential to one party to a financial instrument to fail to discharge its obligations and cause the other party to suffer a loss. Financial instruments that potentially subject the Company to credit risk consist of cash and accounts receivable. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. The Company holds its cash with financial institutions that are believed to be creditworthy.

Liquidity risk

Liquidity risk arises when adequate funds cannot be raised to settle liabilities and commitments when they become payable. The Company manages its liquidity by maintaining adequate cash to meet anticipated cash needs.

Foreign currency risk

The Company is subject to foreign exchange rate risk as the Company enters into transactions and has assets and liabilities denominated in a currency other than the Company's functional currency, which is the Canadian dollar.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to explore its unproven mineral interests. The Company manages the components of shareholders' equity and its cash as capital, and makes adjustments to these components in response to the Company's business objectives and the economic climate. To maintain or adjust its capital structure, the Company may attempt to issue new common shares from treasury, issue debt instruments or borrow money or acquire or dispose of other assets. The Company does not anticipate the payment of dividends in the foreseeable future.

9. RELATED PARTY TRANSACTIONS

Unless otherwise states, related party transactions are measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

During the six months ended December 31, 2010, the Company incurred management fees of $60,000 (2009: $60,000) to a corporation controlled by a director, consulting fees of $17,225 (2009: $11,400) for accounting services to an officer, and business consulting services of $1,500 (2009: Nil) to a corporation controlled by a director. At December 31, 2010, $Nil (2009: $14,854) of these fees remained outstanding and are included in accounts payable and accrued liabilities, and $26,500 (2009: $10,000) were prepaid and are included in prepaid expenses.

10. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash financing and investing transactions were as follows:

	Six months ended December 31, 2010	Year ended June 30, 2010
Financing activities		
Common shares issued for unproven mineral interests	$ 1,821,000	$ 800,500
Investing activities		
Unproven mineral interest purchased through share issue	$ (1,821,000)	$ (800,500)

11. CONTRIBUTED SURPLUS

	December, 2010	June, 2010
Balance, beginning of period	$ 577,453	$ 117,237
Fair value of stock-based compensation	110,950	486,450
Reclassified on exercise of options	(28,930)	(12,995)
Reclassified on exercise of agents options	-	(13,239)
	$ 659,473	$ 577,453

12. SEGMENTED INFORMATION

The Company operates in a single business segment and in two geographic segments. The accounting policies for these segments are the same as those described in Note 2 to the consolidated financial statements.

Geographic distribution of operating results in the two geographic segments is as follows:

	December 31, 2010		
	Canada	United States	Total
Total assets	$ 3,334,837	$ 9,071,335	$ 12,406,172
Unproven mineral interests	-	9,032,926	9,032,926
Net income (loss)	(852,002)	132,815	(719,187)
Property and equipment additions	-	8,953	1,464
Amortization of property and equipment	85	1,984	2,069

	December 31, 2009		
	Canada	United States	Total
Total assets	$ 4,316,718	$ 4,110,895	$ 8,427,613
Unproven mineral interests	-	4,083,204	4,083,204
Net income (loss)	(455,597)	(26,720)	(482,317)
Property and equipment additions	-	8,869	8,869
Amortization of property and equipment	122	1,026	1,148

13. SUBSEQUENT EVENTS

Subsequent to December 31, 2010,

a) the Company completed a non-brokered private placement of 5,780,557 units at $0.70 per unit for gross proceeds of $4,046,390. Each unit consists of one common share and one-half a share purchase warrant exercisable at $1.10 for 18 months. Finder's fees of $209,985 were paid and 131,186 finder's warrants were issued, exercisable at $1.10 for 18 months;

b) 160,000 options were exercised for proceeds of $74,500;

c) the Company issued 750,000 common shares in connection with the purchase of the Blue Hill Creek property; and

d) the Company paid US $750,000 in connection with the purchase of the Kilgore property.