**ROBEX RESOURCES INC.**

**CONSOLIDATED FINANCIAL STATEMENTS - 3rd QUARTER**
**(UNAUDITED)**

**September 30, 2010**

The consolidated financial statements of Robex Resources Inc. for the third quarter ended September 30, 2010 as well as the corresponding comparative data were not revised by the Company's auditor, as envisaged by chapter 7050 of the Handbook of the Canadian Institute of chartered accountants.

| CONSOLIDATED STATEMENTS OF LOSS (unaudited) | Third quarter ended September 30, | | Period of nine months ended September 30, | |
|---|---|---|---|---|
| | **2010** | 2009 | **2010** | 2009 |
| | **$** | $ | **$** | $ |
| (all amounts are in Canadian dollars unless otherwise indicated) | | | | |
| **EXPENSES** | | | | |
| Administration | **2,872** | 12,157 | **15,632** | 34,689 |
| Stock-based compensation expense | **---** | --- | **87,750** | 77,519 |
| Professional fees | **29,757** | 47,356 | **122,962** | 138,329 |
| Interest and bank charges | **543** | 309 | **1,995** | 5,689 |
| Accreted interest on convertible debenture | **---** | --- | **---** | 1,036 |
| Financial reporting and stock exchange fees | **4,724** | 19,197 | **37,126** | 43,155 |
| Financing solutions | **---** | 12,500 | **5,000** | 58,000 |
| Advertising and promotion | **1,045** | 131 | **2,587** | 19,367 |
| Telecommunications | **82** | 53 | **191** | 621 |
| Office | **---** | --- | **562** | 245 |
| Realized loss on disposal of investments available for sale | **---** | --- | **---** | 21,703 |
| Amortization of fixed assets | **239** | 336 | **718** | 1,007 |
| **LOSS BEFORE INCOME TAXES** | **39,262** | 92,039 | **274,523** | 401,360 |
| **FUTURE INCOME TAXES** | **(288)** | (276) | **1,056** | (7,845) |
| **NET LOSS** | **38,974** | 91,763 | **275,579** | 393,515 |

| **CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (unaudited)** (all amounts are in Canadian dollars unless otherwise indicated) | **Third quarter ended September 30, 2010 $** | **Third quarter ended September 30,** 2009 $ | **Period of nine months ended September 30, 2010 $** | **Period of nine months ended September 30,** 2009 $ |
|---|---|---|---|---|
| **NET LOSS** | **38,974** | 91,763 | **275,579** | 393,515 |
| Other comprehensive income | | | | |
| Unrealized loss on investments available for sale | | | | |
| Change during the year | **900** | 862 | **(3,300)** | 2,812 |
| Income taxes | **(288)** | (275) | **1,056** | (899) |
| | **612** | 587 | **(2,244)** | 1,913 |
| Reclassification to consolidated loss | | | | |
| Realized loss | **---** | --- | **---** | 21,703 |
| Income taxes | **---** | --- | **---** | (6,945) |
| | **---** | **---** | **---** | 14,758 |
| Total other comprehensive loss | **612** | 587 | **(2,244)** | 16,671 |
| **COMPREHENSIVE LOSS** | **38,362** | 91,176 | **277,823** | 376,844 |

ROBEX RESOURCES INC.

| CONSOLIDATED STATEMENT OF SHARHOLDER'S EQUITY (unaudited) | Third quarter ended September 30, 2010 | 2009 | Period of nine months ended September 30, 2010 | 2009 |
|---|---|---|---|---|
| | **$** | $ | **$** | $ |

(all amounts are in Canadian dollars unless otherwise indicated)

| | 2010 | 2009 | 2010 | 2009 |
|---|---|---|---|---|
| **SHARE CAPITAL** | | | | |
| **Balance at beginning of period** | **24,545,232** | 23,212,755 | **23,738,355** | 22,429,755 |
| Issue and subscription for common shares | **---** | --- | **343,000** | 783,000 |
| Exercise of warrants | **71,639** | --- | **450,016** | --- |
| Exercise of stock options | **---** | --- | **85,500** | --- |
| **Balance at end of period** | **24,616,871** | 23,212,755 | **24,616,871** | 23,212,755 |
| **EQUITY COMPONENT OF CONVERTIBLE DEBENTURE** | | | | |
| **Balance at beginning of period** | **---** | --- | **---** | 12,000 |
| Équity component of convertible debenture expired during the period | **---** | --- | **---** | (12,000) |
| **Balance at end of period** | **---** | --- | **---** | --- |
| **WARRANTS** | | | | |
| **Balance at beginning of period** | **578,952** | 374,300 | **473,400** | 207,700 |
| Issue of warrants | **---** | --- | **157,000** | 217,000 |
| Exercise of warrants | **(13,625)** | --- | **(65,073)** | --- |
| Expired warrants | **---** | --- | **---** | (50,400) |
| **Balance at end of period** | **565,327** | 374,300 | **565,327** | 374,300 |
| **CONTRIBUTED SURPLUS** | | | | |
| **Balance at beginning of period** | **4,289,504** | 4,079,954 | **4,237,254** | 3,952,035 |
| Stock options expensed during the period | **---** | --- | **87,750** | 77,519 |
| Exercise of stock options | **---** | --- | **(35,500)** | --- |
| Expired warrants | **---** | --- | **---** | 50,400 |
| **Balance at end of period** | **4,289,504** | 4,079,954 | **4,289,504** | 4,079,954 |
| **DEFICIT** | | | | |
| **Balance at beginning of period** | **(15,906,711)** | (15,392,413) | **(15,661,606)** | (15,076,091) |
| Share issue expenses | **---** | --- | **(8,500)** | (14,570) |
| Net loss | **(38,974)** | (91,763) | **(275,579)** | (393,515) |
| **Balance at end of period** | **(15,945,685)** | (15,484,176) | **(15,945,685)** | (15,484,176) |

| CONSOLIDATED STATEMENT OF SHARHOLDER'S EQUITY (unaudited) | Third quarter ended September 30, | | Period of nine months ended September 30, | |
|---|---|---|---|---|
| | **2010** | 2009 | **2010** | 2009 |
| (all amounts are in Canadian dollars unless otherwise indicated) | **$** | $ | **$** | $ |
| **ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME** | | | | |
| **Balance at beginning of period** | **(22,639)** | (51,462) | **(19,783)** | (67,546) |
| Other comprehensive loss for the year | **612** | 587 | **(2,244)** | 16,671 |
| **Balance at end of period** | **(22,027)** | (50,875) | **(22,027)** | (50 875) |
| **TOTAL SHAREHOLDERS' EQUITY** | **13,503,990** | 12,131,958 | **13,503,990** | 12,131,958 |

**ROBEX RESOURCES INC.**

**CONSOLIDATED BALANCE SHEETS**
(all amounts are in Canadian dollars unless otherwise indicated)

| | **September 30, 2010 (unaudited) $** | December 31, 2009 (audited) $ |
|---|---|---|
| **ASSETS** | | |
| **CURRENT** | | |
| Cash | **172,105** | 360,568 |
| Accounts receivable - Note 3 | **23,018** | 25,345 |
| | **195,123** | 385,913 |
| **MINING RIGHTS AND TITLES - at cost - Note 4** | **13,403,952** | 12,590,569 |
| **INVESTMENTS** | **6,600** | 9,900 |
| **FIXED ASSETS - Note 6** | **2,714** | 3,432 |
| | **13,608,389** | 12,989,814 |
| **LIABILITIES** | | |
| **CURRENT** | | |
| Accounts payable | **103,461** | 221,256 |
| **NON-CONTROLLING INTEREST** | **938** | 938 |
| **SHAREHOLDERS' EQUITY** | | |
| **Share capital - Note 7** | **24,616,871** | 23,738,355 |
| **Warrants - Note 7** | **565,327** | 473,400 |
| **Contributed surplus - Note 7** | **4,289,504** | 4,237,254 |
| **Deficit** | **(15,945,685)** | (15,661,606) |
| **Accumulated other comprehensive loss** | **(22,027)** | (19,783) |
| | **13,503,990** | 12,767,620 |
| | **13,608,389** | 12,989,814 |

**ROBEX RESOURCES INC.**

| **CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)** | **Third quarter ended September 30,** | | **Period of nine months ended September 30,** | |
|---|---|---|---|---|
| | **2010** | 2009 | **2010** | 2009 |
| | **$** | $ | **$** | $ |
| (all amounts are in Canadian dollars unless otherwise indicated) | | | | |
| **NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES :** | | | | |
| **Operating** | | | | |
| Net loss | **(38,974)** | (91,763) | **(275,579)** | (393,515) |
| Adjustments for : | | | | |
| Future income taxes | **(288)** | (276) | **1,056** | (7,845) |
| Realized loss on disposal of investments available for sale | **---** | --- | **---** | 21,703 |
| Amortization of fixed assets | **239** | 336 | **718** | 1,007 |
| Stock based compensation expense | **---** | --- | **87,750** | 77,519 |
| Accreted interest on convertible debenture | **---** | --- | **---** | 1,036 |
| Changes in non-cash operating working capital items - Note 8 | **(20,688)** | 55,568 | **(115,468)** | (399,021) |
| | **(59,711)** | (36,135) | **(301,523)** | (699,116) |
| **Investing** | | | | |
| Disposal of long-term investments | **---** | --- | **---** | 3,901 |
| Addition to mining rights and titles | **(165,288)** | (49,673) | **(813,383)** | (230,763) |
| | **(165,288)** | (49,673) | **(813,383)** | (226,862) |
| **Financing** | | | | |
| Issue and subscription of common shares | **58,014** | --- | **777,943** | 783,000 |
| Issue of warrants | --- | --- | **157,000** | 217,000 |
| Share issue expenses | --- | --- | **(8,500)** | (14,570) |
| Repayment of equity component of convertible debenture | --- | --- | **---** | (12,000) |
| Repayment of a convertible debenture | --- | --- | **---** | (93,538) |
| | **58,014** | --- | **926,443** | 879,892 |
| **Increase (decrease) in cash and cash equivalents** | **(166,985)** | (85,808) | **(188,463)** | (46,086) |
| **Cash and cash equivalents, beginning of period** | **339,090** | 105,499 | **360,568** | 65,777 |
| **Cash and cash equivalents, end of period - Note 8** | **172,105** | 19,691 | **172,105** | 19,691 |

## 1 - DESCRIPTION OF BUSINESS

The Company, incorporated under Part 1A of the Companies Act (Québec), has interests in mining properties that are at the exploration stage and for which the profitability of operations has not yet been determined.

## 2 - ACCOUNTING POLICIES

### Basis of presentation

The financial information as at September 30, 2010 and for the periods ended September 30, 2010 and September 30, 2009 is unaudited ; however, in the opinion of management, all adjustments necessary to present fairly the results of those periods have been included. The adjustments made were of a normal recurring nature. Interim results may not necessarily be indicative of results anticipated for the year.

These interim financial statements are prepared in accordance with generally accepted accounting principles in Canada and use the same accounting policies and methods used in the preparation of the company's most recent annual financial statements. All disclosures required for annual financial statements have not been included in these financial statements. These interim financial statements should be read in conjunction with the company's most recent annual financial statements. Furthermore, they have not been reviewed by the Company's auditor.

### Going concern

The financial statements are prepared in accordance with accounting principles applicable to a going concern, on the assumption that Robex Resources Inc. will continue its operations for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of business. The Company has incurred substantial operating losses in the past fiscal years and has yet to determine if its mining properties contain ore reserves that could be commercially profitable.

The Company's viability is contingent on periodically obtaining new funding to pursue its activities. Even though the Company has been successful in obtaining support in the past, there is no guarantee that it will be able to do so in the future.

Although the Company has taken steps to verify the title to mining properties in which it has an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Companyǿs title. Property title may be subject to unregistered prior agreements and may not be in compliance with regulatory requirements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(unaudited)**
**Period of nine months ended September 30, 2010**
(all amounts are in Canadian dollars unless otherwise indicated)

## 2 - ACCOUNTING POLICIES - (continued)

### Principles of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, "Société Robex NôGary ï SA", in which the Company has an 85% interest and "Robex Resources Mali S.A.R.L", a wholly-owned subsidiary.

## 3 - ACCOUNTS RECEIVABLE

| | **September 30, 2010 (unaudited)** | December 31, 2009 (audited) |
|---|---|---|
| | **$** | $ |
| Advances | **3,000** | 3,000 |
| Taxes | **20,018** | 22,345 |
| | **23,018** | 25,345 |

## 4 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES

The acquisition cost and deferred exploration and development expenses by project are as follows:

| | | |
|---|---|---|
| Diangounté - Mali (1) | | |
| 85% undivided interest | | |
| Acquisition | **1,187,075** | 1,187,075 |
| Exploration | **3,544,036** | 3,494,776 |
| Kolomba - Mali | | |
| Undivided interest (2) | | |
| Acquisition | **64,616** | 64,616 |
| Exploration | **562,777** | 538,629 |
| Moussala - Mali | | |
| Undivided interest (3) | | |
| Acquisition | **24,052** | 24,052 |
| Exploration | **648,105** | 623,957 |
| Carried forward : | **6,030,661** | 5,933,105 |

(all amounts are in Canadian dollars unless otherwise indicated)

| 4 - **MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES (continued)** | **September 30, 2010 (unaudited) $** | December 31, 2009 (audited) $ |
|---|---|---|
| Carried forward : | **6,030,661** | 5,933,105 |
| Willi-Willi | | |
| Undivided interest (4) | | |
| Acquisition | **152,101** | 152,101 |
| Exploration | **1,054,161** | 826,019 |
| Willi-Willi West | | |
| Undivided interest (4) | | |
| Acquisition | **151,987** | 151,987 |
| Exploration | **286,689** | 249,623 |
| Mininko | | |
| Undivided interest (5) | | |
| Acquisition | **534,772** | 534,772 |
| Exploration | **2,905,637** | 2,533,435 |
| Kamasso | | |
| Undivided interest (5) | | |
| Acquisition | **533,034** | 533,034 |
| Exploration | **125,297** | 100,791 |
| Sanoula | | |
| Options for undivided interest (6) | | |
| Acquisition | **195,524** | 195,524 |
| Exploration | **598,561** | 574,671 |
| N'Golopène | | |
| Options for undivided interest (7) | | |
| Acquisition | **278,995** | 278,995 |
| Exploration | **556,533** | 526,512 |
| | **13,403,952** | 12,590,569 |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(unaudited)**
**Period of nine months ended September 30, 2010**
(all amounts are in Canadian dollars unless otherwise indicated)

## 4 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES (continued)

When totalled, the acquisition costs and exploration expenses amount to \$3,122,154 (\$3,122,154 on December 31, 2009) and \$10,281,798 (\$9,468,415 on December 31, 2009).

(1) The mining right of Diangounté is 100% held by Société Robex N'Gary SA, a Malian company in which Robex Ressources Inc. holds 85% of the issued shares and in which N'Gary Transport holds 15%. During 2008, the Company signed a new licence agreement with the Gouvernment of the Republic of Mali and on June 2009, the Company obtained a prospecting and mining exploration licence for a three-year period from the Malian Ministry of Mines, Energy & Water. This licence is renewable for two consecutive periods of three years.

Under an agreement, the Company must pay a royalty of US\$750,000 per million ounces of proven gold in excess of 500,000 ounces. Under the terms of the agreement, the royalty is 50% payable in cash and 50% in shares.

(2) In November 2003, the Company entered into an agreement to progressively acquire a mining and exploration licence in the Republic of Mali over a five-year period. The progressive acquisition transpired as follows :

| | Undivided interest |
|---|---|
| First year | 51% |
| Second year | 61% |
| Third year | 71% |
| Fourth year | 81% |
| Fifth year | 95% |

Payments required under the agreement to progressively acqire the licence were made; moreover, the acquisition of an additional 5% of undivided interest in November 2009 is completed. The Company also repurchased the "net smelter return" ("NSR") royalties of 2% in consideration of \$4,809 paid in cash.

The prospecting and mining exploration licence expired in September 2007, however the mining convention is effective until August 2013. In the event that the Company does not obtain a new licence, acquisition and exploration expenses totalling \$627,393 will have to be written off.

(all amounts are in Canadian dollars unless otherwise indicated)

## 4 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES (continued)

(3) The company holds 100% of the prospecting and mining exploration licence.

The prospect and mining exploration licence was renewed in September 2008. The licence is renewable for an additional three-year period and will expire in September 2014.

If a decision is made to mine a deposit, a mining company will have to be created to operate this activity. The Malian Government will hold, at all times, a 10% interest in the share capital for free and considered preferred. This mining company will have to repay an amount of US$871,000 to the Malian Government as research or prospecting work.

(4) In February 2005, the company entered into an agreement to progressively acquire, over a four-year period, prospecting and exploration licences in the Republic of Mali. The balance of US$40,000 was paid during April 2009. The progressive acquisition of each of these two properties transpired as follows :

| | Undivided interest | |
|---|---|---|
| First year | 55% | ** |
| | 65% | ** |
| Second year | 75% | ** |
| Third year | 85% | ** |
| Fourth year | 95% | ** |

** As the payments of the first four years have now been made, the 95% undivided interest is now acquired.

The seller will receive NSR royalties of 2%, of which 1% is redeemable for US$1,000,000 for each of the properties. An NSR becomes payable when an entity is created for purposes of extracting mineral substances from the region covered by the exploration licence. The NSR corresponds to the revenue generated from selling the extracted mineral substances less certain costs. The NSR must be paid within 30 days after collection of revenue from the sale of the minerals.

The seller retains, at all times, 5% of the shares of the entity to be created without any financial obligations on its part.

Prospecting and exploration licences expired in September 2008 and the Company obtained renewals for a three-year period. These licences are renewable for a three-year period.

## 4 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES (continued)

(5)

Since April 30, 2007, the Company holds 100% of the undivided interest of Mininko and Kamasso properties. The seller will receive NSR royalties of 2% on which Robex Resources Inc. will have a right of first refusal. During 2008, the transfer of the mining title to the Company was approved by the Malian Ministry of Mines, Energy & Water.

The mining convention of the Mininko property with the Malian Government and the prospecting and mining exploration licence have expired since November 2009. The Company requested a new mining convention from the Malian Government. In the event the Company does not obtain this new convention, the acquisition costs and exploration expense totalling $3,440,409 will have to be written off.

The prospecting and mining exploration licence of the Kamasso property was renewed by the Malian Ministry of Mines, Energy & Water in June 2009, with an effective date in November 2008. The licence was renewed for a three-year period and is subject to an extension for a last additional three-year period. During 2008, the transfert of the mining title to the Company was approved by the Malian Ministry of Mines, Energy & Water.

(6)

On March 8, 2005, the Company entered into an agreement to acquire the Sanoula property. Under this agreement, to obtain an undivided interest of 51%, the Company had to pay US$175,000 and carry out exploration work for an amount of US$725,000 over a maximum three-year period. Half of the US$175,000 was payable in cash, and the other half was payable in shares. The initial payment of US$75,000 was settled by way of payment of US$37,500 and an issue of 185,015 shares in November 2005. The second payment of US$100,000 was settled by way of payment of US$50,000 and an issuance of 280,446 shares in August 2007. At the end of the three years, the Company could acquire the remaining 49% undivided interest for US$240,000. The Company has not exerciced this option. As at December 31, 2008, the Company has spent $759,221 on exploration work and both parties agreed that the conditions to acquire 51% on undivided interest were satisfied.

The seller will receive NSR royalties of 2% on which Robex Resources Inc. will have a right of first refusal.

During 2008, the request to transfert the mining title to the Company was approved by the Malian Ministry of Mines, Energy & Water.

The prospecting and mining exploration licence and the mining agreement with the Malian Government expired in June 2008. The Company has requested a new licence from the Malian Government. In the event that the Company does not obtain this new agreement, the acquisition costs and exploration expenses totalling $794,085 will have to be written off.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(unaudited)**
**Period of nine months ended September 30, 2010**
(all amounts are in Canadian dollars unless otherwise indicated)

## 4 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES (continued)

(7) In June 2006, the Company concluded an agreement to acquire, over a two-year period, prospecting and exploration licences in the Republic of Mali for US$245,000. On January 2008, the Company concluded a new agreement specifying that it would instead acquire 93% of the undivided interest of the property. The balance of the acquisition of US$125,000 was settled in full during 2008.

| | Undivided interest |
|---|---|
| January 2008 | 51% |
| May 2008 | 70.21% |
| November 2008 | 93% |

NSR royalties of 2%, which will be redeemable for US$500,000, will be retained by the seller.

The mining convention with the Malian Government and the prospecting and mining exploration licence expired in January 2010. The Company requested a new mining convention from the Malian Government and the latter was granted during the second quarter of 2010. Consequently, the prospecting and mining exploration licence was renewed fot another nine years.

## 5 - ACQUISITION COST AND DEFFERED EXPLORATION AND DEVELOPMENT EXPENSES

| | Third quarter ended September 30, | | Period of nine months ended September 30, | |
|---|---|---|---|---|
| | **2010** | 2009 | **2010** | 2009 |
| | **$** | $ | **$** | $ |
| **ACQUISITION COST** | | | | |
| **Balance, beginning of period** | **3,122,154** | 3,117,347 | **3,122,154** | 3,074,002 |
| Add: | | | | |
| Acquisition cost for the period paid in cash | **---** | --- | **---** | 43,345 |
| **Balance, end of period** | **3,122,154** | 3,117,347 | **3,122,154** | 3,117,347 |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(unaudited)**
**Period of nine months ended September 30, 2010**
(all amounts are in Canadian dollars unless otherwise indicated)

## 5 - ACQUISITION COST AND DEFFERED EXPLORATION AND DEVELOPMENT EXPENSES (continued)

| | **Third quarter ended September 30,** | | **Period of nine months ended September 30,** | |
|---|---|---|---|---|
| | **2010** | 2009 | **2010** | 2009 |
| | **$** | $ | **$** | $ |
| **DEFERRED EXPLORATION AND DEVELOPMENT EXPENSES** | | | | |
| **Balance, beginning of period** | **10,116,510** | 8,995,888 | **9,468,415** | 8,858,143 |
| Add: | | | | |
| Management fees | **16,495** | 10,248 | **49,290** | 35,253 |
| Exploration expenses | **52,706** | 14,797 | **291,884** | 56,250 |
| Equipment | **76,699** | 337 | **366,288** | 6,215 |
| Development fees | **6,325** | 6,794 | **20,904** | 27,227 |
| Travel expenses | **1,667** | 4,732 | **49,035** | 21,706 |
| Entertainment expenses | **---** | 544 | **---** | 1,601 |
| Supplies and other | **11,396** | 12,221 | **35,982** | 39,166 |
| | **165,288** | 49,673 | **813,383** | 187,418 |
| **Balance, end of period** | **10,281,798** | 9,045,561 | **10,281,798** | 9,045,561 |

## 6 - FIXED ASSETS

| | | | **September 30, 2010 (unaudited)** | December 31, 2009 (audited) |
|---|---|---|---|---|
| | | | **$** | $ |
| | **Cost** | **Accumulated amortization** | **Net book value** | Net book value |
| Office furniture | **10,943** | **10,331** | **612** | 720 |
| Computer equipment | **22,882** | **20,780** | **2,102** | 2,712 |
| | **33,825** | **31,111** | **2,714** | 3,432 |

(all amounts are in Canadian dollars unless otherwise indicated)

## 7 - SHARE CAPITAL

**Authorized :**

Unlimited number of shares without par value :

Common shares

Preferred shares, non-voting, variable non-cumulative dividend not exceeding 14 %, non-participating in the remaining assets, redeemable at the purchase price

| | **September 30, 2010 (unaudited)** | December 31, 2009 (audited) |
|---|---|---|
| | **$** | $ |
| **Subscribe for :** | | |
| 582,088 common shares | **71,639** | --- |
| **Issued :** | | |
| 116,704,518 common shares ( 106,661,205 as at December 31, 2009) | **24,545,232** | 23,738,355 |
| | **24,616,871** | 23,738,355 |

On March, 2010, the Company issued 5,555,555 units at a price of $0.09 each. Each of these units is compromised of one commun share and of one warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.13 until March, 2012.

Proceeds from these issuances have been allocated porportionally between share capital and warrants based on the respective fair values of each of these instruments issued.

The issuance costs of this private placement amounted to $8,500.

The Company also issued 500,000 shares on execise of options for $ 50,000 paid in cash and issued 3,405,670 shares on exercise of warrants for $ 326,930 paid in cash.

During the third quarter of 2010, 582 088 common shares were subscribed following the exercise of warrants for a cash consideration of 58 014 $.  These shares were issued in October 2010.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(unaudited)**
**Period of nine months ended September 30, 2010**
(all amounts are in Canadian dollars unless otherwise indicated)

## 7 - SHARE CAPITAL - (continued)

### Stock option plan

Under the stock option plan, the Company can award options to certain directors, officers, key employees and suppliers. The total number of common shares in the Companyǿs share capital that can be issued under this plan is 10,000,000 shares. The total number of common shares reserved for the exercising of options in favour of an option holder should not represent more than five percent (5%) of the Companyǿs common shares issued and outstanding. At the time that options are granted, the board of directors determines their terms and exercise prices. The terms of issued options cannot exceed five years, and since April 2009, the exercise price can be fixed at a discounted price. Since April 2009, options granted under the terms of this plan can be exercised at the time that options are granted except for financial advisers for whom options granted will have to vest over a period of 12 months at a rate of 25% per three-month period. Previously, the exercice price of the options could not be less than the closing price of the day preceding the grant date. Also, the options granted under the term of this plan vested over a period of 12 months at a rate of 25%, per three-month period fo financial advisers and over a period of 18 months at a rate of 16.67% per three-month for all other holders.

The stock options changed as follows:

| | **Third quarter ended September 30, 2010** | | **Period of nine months ended September 30, 2010** | |
|---|---|---|---|---|
| | **Number** | **Weighted average exercice price** | **Number** | **Weighted average exercice price** |
| Oustanding, beginning of period | **1,050,000** | **0,13** | **575,000** | **0,14** |
| Granted | **---** | **---** | **1,000,000** | **0,14** |
| Exercised | **---** | **---** | **(500,000)** | **0,10** |
| Expired | **(125,000)** | **0,12** | **(150,000)** | **0,21** |
| Oustanding, end of period | **925,000** | **0,15** | **925,000** | **0,15** |
| Exercisable | **925,000** | **0,15** | **925,000** | **0,15** |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(unaudited)**
**Period of nine months ended September 30, 2010**
(all amounts are in Canadian dollars unless otherwise indicated)

## 7 - SHARE CAPITAL - (continued)

The following table summarizes certain information on the Companyǿs stock options as at September 30, 2010 :

| | Outstanding Options as at September 30, 2010 | | Exercisable Options as at September 30, 2010 | |
|---|---|---|---|---|
| **Exercise price** | **Number** | **Weighted average remaining contractual life (years)** | **Number** | **Weighted average remaining contractual life (years)** |
| From $0.10 to $0.14 | 625,000 | 4.5 | 625,000 | 4.5 |
| From $0.15 to $0.19 | 250,000 | 4.7 | 250,000 | 4.7 |
| From $0.30 to $0.34 | 25,000 | 0.1 | 25,000 | 0.1 |
| From $0.35 to $0.39 | 25,000 | 1.3 | 25,000 | 1.3 |
| | 925,000 | | 925,000 | |

### Warrants

The warrants that were granted experienced the following changes:

| | Third quarter ended September 30, 2010 | | Period of nine months ended September 30, 2010 | |
|---|---|---|---|---|
| | **Number** | **Weighted average exercice price** | **Number** | **Weighted average exercice price** |
| Outstanding, beginning of period | **37,649,885** | **0,13** | **35,500,000** | **0,10** |
| Granted | **---** | **---** | **5,555,555** | **0,13** |
| Exercised | **(582,088)** | **0,10** | **(3,987,758)** | **0,10** |
| Outstanding, end of period | **37,067,797** | **0,13** | **37,067,797** | **0,13** |
| Exercisable | **37,067,797** | **0,13** | **37,067,797** | **0,13** |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(unaudited)**
**Period of nine months ended September 30, 2010**
(all amounts are in Canadian dollars unless otherwise indicated)

## 7 - SHARE CAPITAL - (continued)

The following table summarizes certain information on the Companyǿs warrants as at September 30, 2010 :

**Outstanding, exercisable warrants as at September 30, 2010**

| Number | Exercise price | Weighted Average Remaining Life (years) |
|---|---|---|
| 16,867,080 | 0,15 $ | 0.4 |
| 14,518,182 | 0,11 $ | 1.1 |
| 5,555,555 | 0,13 $ | 1.5 |
| 126,980 | 0,05 $ | 1.0 |
| 37,067,797 | | |

## 8 - ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENTS OF CASH FLOW

| *Changes in non-cash operating working capital items* | **Third quarter ended September 30,** | | **Period of nine months ended September 30,** | |
|---|---|---|---|---|
| | **2010** | 2009 | **2010** | 2009 |
| | **$** | $ | **$** | $ |
| **Decrease (increase) in current assets** | | | | |
| Accounts receivable | **(5 871)** | 12,542 | **2,327** | 5,356 |
| Prepaid expenses | **---** | --- | **---** | 4,228 |
| **Increase (decrease) in current liabilities** | | | | |
| Accounts payable | **(14,817)** | 43,026 | **(117,795)** | (208,605) |
| Advance from a director | **---** | --- | **---** | (200,000) |
| | **(20,688)** | 55,568 | **(115,468)** | (399,021) |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**(unaudited)**
**Period of nine months ended September 30, 2010**
(all amounts are in Canadian dollars unless otherwise indicated)

## 8 - ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENTS OF CASH FLOW - (Continued)

| | **September 30, 2010 (unaudited) $** | December 31, 2009 (audited) $ |
|---|---|---|
| ***Cash and cash equivalents*** | | |
| Cash | **172,105** | 360,568 |

## 9 - NET LOSS PER SHARE

The following table shows a reconciliation between the basic and the diluted loss per share :

| | **Third quarter ended September 30,** | | **Period of nine months ended September 30,** | |
|---|---|---|---|---|
| | **2010 $** | 2009 $ | **2010 $** | 2009 $ |
| Basic and diluted net loss | **38,974** | 91,763 | **275,579** | 393,515 |
| Weighted average number of basic shares outstanding | **116,233,586** | 91,661,205 | **113,347,452** | 87,364,909 |
| Stock options and warrants with dilutive effect (1) | **3,783,696** | --- | **3,799,901** | 1,566,275 |
| Diluted weighted average number of shares outstanding | **120,017,282** | 91,661,205 | **117,147,353** | 88,931,184 |
| Net loss by basic and diluted share (2) | **0,000 $** | 0,001 $ | **0,002 $** | 0,005 $ |

(1) The calculation of the hypothetical conversions excludes all anti-dilutive options and warrants. Some options and warrants are anti-dilutive because their price is higher than the average market value of the Companyôs common shares for each of the periods shown in the table. The average number of excluded options and warrants is 550,000 and 16,867,080, respectively, for the period of three months ended September 30, 2010 ( 241,758 and 12,576,154 for the period of nine months ended September 30, 2010).

(2) Due to the net losses incurred during each of the years ended December 31, 2009 and 2008, all of the potentially dilutive securities were considered anti-dilutive.

## 10 - CAPITAL DISCLOSURES

The Company's objective when managing capital is to maintain adequate cash resources to support planned activities. The Company includes shareholders' equity and cash and cash equivalents in the definition of capital.

The Company's objectives when managing capital are to maintain financial flexibility in order to preserve its ability to meet financial obligations. The Company monitors capital in the light of its monthly burn rate and short-term obligations linked to its financial liabilities.

## 11 - FINANCIAL INSTRUMENTS

### Fair value of financial instruments

The Company has and assumes financial assets an liabilites such as cash, accounts receivable, investments and accounts payable. The fair value of cash, accounts receivable and accounts payable approximate their carrying value due to their short-term maturities.

The fair value of investments varies based on the price of the share held by the Company, and the impact of the change is recorded in the statements of comprehensive loss when the loss or gain has not been realized and in the statement of loss when it is realized.

### Market risk

The Company is exposed to market fluctuations in the price of gold, the U.S. currency and CFA francs with respect to the Canadian currency. The Company is not managing its exposure to these risks by using derivative financial instruments and foward sales contracts. The risks and managing these risks has remained unchanged over previous years.

### Currency risk

As at September 30, 2010, the Company only holds cash in CFA francs totalling 12,830,835 CFA francs (C$27,394).

### Credit risk

Financial instruments exposing the Company to concentrations of credit risk comprise accounts receivable. The Company continuously assesses the possible losses and establishes a provision for losses based upon the estimated realizable value.

## 11 - FINANCIAL INSTRUMENTS - (Continued)

### Liquidity risk

The purpose of managing liquidity risk is to maintain a sufficient amount of cash to ensure that the Company has available funds to meet its obligations.

Accounts payable are due over the next fiscal year.

## 12 - SUBSEQUENT EVENT

On November 8, 2010, the Company closed a non-brokered private placement of $270,000. The private placement consisted of 2,706,923 units at $0.13 each. Each unit includes one common share and one-half warrant. Each full warrant entitles the holder to purchase one additional common share at $0.18 per share, valid for a period of two years following the closing of this private placement.

On November 9, 2010, the Company granted 1,125,000 stock options under its Stock Option Incentive Plan to directors and officers of the Company at an exercice price of $0.15 per share. The options expire five years from the date of grant.