ROBEX RESOURCES INC.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - 1st QUARTER (UNAUDITED)

March 31, 2011

The condensed consolidated financial statements of Robex Resources Inc. for the first quarter ended March 31, 2011 as well as the corresponding comparative data were not subject to a review by the Company's auditor.

ROBEX RESOURCES INC.

	First quarter ended	
CONSOLIDATED STATEMENTS OF LOSS		**March 31,**
(unautided)	**2011**	2010
(all amounts are in Canadian dollars unless otherwise indicated)	**$**	$
		(Note 17)
INCOME		
Interest	**1,859**	---
EXPENSES		
Administration	**64,306**	2,600
Stock-based compensation expense	**17,920**	38,000
Professional fees	**91,584**	44,429
Interest and bank charges	**1,687**	692
Financial reporting and stock exchange fees	**26,366**	12,910
Financing solutions	**32,787**	2,000
Advertising and promotion	**28,685**	354
Telecommunications	**111**	54
Office	**1 649**	493
Foreign loss exchange	**9 395**	4 793
Depreciation of fixed assets	**171**	239
	274,661	106,564
LOSS BEFORE INCOME TAXES	**272,802**	106,564
FUTURE INCOME TAXES	**---**	480
NET LOSS	**272,802**	107,044
LOSS ATTRIBUTABLE TO:		
Common and ordinary shareholders	**272,802**	107,044
Non controlling interests	**---**	---
	272,802	107,044
NET LOSS PER SHARE, BASIC AND DILUTED (Note 12)	**0.002**	0.001

ROBEX RESOURCES INC.

	First quarter ended March 31,	
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS		
(unautided)	**2011**	2010
(all amounts are in Canadian dollars unless otherwise indicated)	**$**	$
		(Note 17)
NET LOSS	**(272,802)**	(107,044)
Other comprehensive loss		
Unrealized loss (gain) on investments available for sale		
Change during the period	**---**	1,500
Income taxes	**---**	(480)
	---	1,020
Currency translation adjustments	**(466,473)**	(1,042,426)
Total other comprehensive loss	**(466,473)**	(1,041,406)
COMPREHENSIVE LOSS	**(739,275)**	(1,148,450)
COMPREHENSIVE LOSS ATTRIBUTABLE TO:		
Common and ordinary shareholders	**(739,275)**	(1,148,450)
Non controlling interests	**---**	---
	(739,275)	(1,148,450)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unautided)

(all amounts are in Canadian dollars unless otherwise indicated)

	Stated common share capital	Warrants	Contributed surplus	Deficit	Total shareholder's equity	Total accu-mulated other comprenhensive loss	Non controlling interest	Total equity
Balance December 31, 2010	**25,014,909**	**611,789**	**4,394,129**	**(16,189, 328)**	**13,831,499**	**(1,414, 187)**	**938**	**12,418,250**
Net loss	---	---	---	(272,802)	(272,802)	---	---	(272,802)
Comprehensive loss	---	---	---	---	---	466,473	---	466,473
Shares issued	2,585,800	---	---	---	2,585,800	---	---	2,585,800
Issue of stock purchase warrant	---	451,893	---	---	451,893	---	---	451,893
Exercise of warrants	1,186,078	(118,720)	---	---	1,067,358	---	---	1,067,358
Shares issued expense	---	---	---	(177,051)	(177,051)	---	---	(177,051)
Expired warrants	---	(144,312)	144,312	---	---	---	---	---
Effect of stock compensation plan	---	---	17,920	---	17,920	---	---	17,920
Stock options included in the share issue expenses	---	---	5,889	---	5,889	---	---	5,889
Balance March 31, 2011	**28,786,787**	**800,650**	**4,562,250**	**(16,639,181)**	**17,510,506**	**(947,714)**	**938**	**16,563,730**

ROBEX RESOURCES INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unautided)

(all amounts are in Canadian dollars unless otherwise indicated)

	Stated common share capital	Warrants	Contributed surplus	Deficit	Total shareholder's equity	Total accu-mulated other comprenhensive loss	Non controlling interest	Total equity
Balance, January 1, 2010	**23,738,355**	**473,400**	**4,237,254**	**(15,661,606)**	**12,787,403**	**(19,783)**	**938**	**12,768,558**
Net loss	---	---	---	(107,044)	(107,044)	---	---	(107,044)
Comprehensive loss	---	---	---	---	---	1,041,406	---	1,041,406
Shares issued	343,000	---	---	---	343,000	---	---	343,000
Issue of stock purchase warrant	---	157,000	---	---	157,000	---	---	157,000
Shares issued expense	---	---	---	(8,500)	(8,500)	---	---	(8,500)
Exercise of warrants	368,146	(45,704)	---	---	322,442	---	---	322,442
Exercise of stock option	4,788	---	(1,988)	---	2,800	---	---	2,800
Effect of stock compensation plan	---	---	38,000	---	38,000	---	---	38,000
Balance March 31, 2010	**24,454,289**	**584,696**	**4,273,266**	**(15,777, 150)**	**13,535,101**	**1,021,623**	**938**	**14,557,662**

ROBEX RESOURCES INC.

CONSOLIDATED BALANCE SHEETS **(unautided)** (all amounts are in Canadian dollars unless otherwise indicated)	**March 31, 2011** **$**	December 31, 2010 $	January 1, 2010 $
		(Note 17)	(Note 17)
ASSETS			
CURRENT			
Cash and cash equivalent	**2,237,593**	165,376	360,568
Accounts receivable - Note 6	**554,930**	28,974	25,345
	2,792,523	194,350	385,913
MINING RIGHTS AND TITLES - at cost - Note 7	**13,140,619**	11,791,747	12,309,546
INVESTMENTS	**---**	---	9,900
FIXED ASSETS - Note 9	**747,097**	693,769	284,455
	16,680,239	12,679,866	12,989,814
LIABILITIES			
CURRENT			
Accounts payable	**116,509**	261,616	221,256
SHAREHOLDERS' EQUITY			
Share capital - Note 10	**28,786,787**	25,014,909	23,738,355
Warrants - Note 10	**800,650**	611,789	473,400
Contributed surplus - Note 10	**4,562,250**	4,394,129	4,237,254
Deficit	**(16,639,181)**	(16,189,328)	(15,661,606)
Accumulated other comprehensive loss	**(947,714)**	(1,414,187)	(19,783)
Total shareholders' equity	**16,562,792**	12,417,312	12,767,620
Non controlling interests	**938**	938	938
Total equity	**16,563,730**	12,418,250	12,768,558
	16,680,239	12,679,866	12,989,814

ROBEX RESOURCES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS	**First quarter ended March 31,**	
(unautided)	**2011**	2010
(all amounts are in Canadian dollars unless otherwise indicated)	**$**	$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES :		(Note 17)
Operating		
Net loss	**(272,802)**	(107,044)
Adjustments for :		
Future income taxes	**---**	480
Depreciation of fixed assets	**171**	239
Stock based compensation expense	**17,920**	38,000
Changes in non-cash operating working capital items - Note 9	**(671,063)**	(86,768)
	(925,774)	(155,093)
Investing		
Addition to mining rights and titles	**(260,718)**	884,368
Acquisition of fixed assets	**(118,144)**	(173,285)
	(378,862)	711,083
Financing		
Issue and subscription of common shares	**3,634,673**	668,242
Issue of warrants	**448,775**	157,000
Share issue expenses	**(149,562)**	(8,500)
	3,933,886	816,742
Effect of exchange rate changes on cash and cash equivalents	**(557,033)**	(1,042,426)
Increase (decrease) in cash and cash equivalents	**2,072,217**	330,306
Cash and cash equivalents at beginning	**165,376**	360,568
Cash and cash equivalents at end	**2,237,593**	690,874
Supplemental cash flow information is provided in note 9		
Interest paid	**1,687**	692
Interest received	**1,859**	---
Cash and cash equivalents are comprised of:		
Cash in bank	**535,874**	690,874
Short-term money market instruments	**1,701,719**	---
	2,237,593	690,874

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unautided)
Period of three months ended March 31, 2011
(all amounts are in Canadian dollars unless otherwise indicated)

1 - NATURE OF OPERATION AND GOING CONCERN

Robex Ressources Inc. (the ñCompanyò), and its subsidiaries (the ñGroupò) are a development stage Natural Resources Group engaged in exploration and development of gold properties in West Africa area. The company was 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. The adress of the Company's corporate office is 1191, De Montigny, Québec (Québec), G1S 3T8.

The interim condensed consolidated financial statements (the financial statements) are prepared in accordance with accounting principles applicable to a going concern, on the assumption that the Group 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 reserves that could be commercially profitable.

The Groupôs viability is contingent on periodically obtaining new funding to pursue its activities. Even though the Group 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 Group 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 Companyôs title. Property title may be subject to unregistered prior agreements and may not be in compliance with regulatory requirements.

2 - STATEMENT OF COMPLIANCE

The unaudited condensed consolidated interim financial statements for the three months ended March 31, 2011 have been prepared under IFRS in accordance with International Accounting Standard (ñIASò) 34 *Interim Financial Reporting.* These interim financial statements do not include all the information required for the full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2010.

The unaudited condensed consolidated interim financial statements, which have been prepared on the going concern basis, were approved by the Board of Directors on June 29, 2011.

This set of unaudited condensed consolidated interim financial statements has not been reviewed by the group's auditors and thus no review report was issued.

The financial statements are presented in Canadian dollars.

3 - ACCOUNTING POLICIES

Basis of presentation

The Canadian Accounting Standards Board confirmed in February 2008 that International Financial Reporting Standards will replace Canadian generally accepted accounting principles for publicly accountable enterprises for financial periods beginning on and after January 1 2011. The disclosures concerning the transition from Canadian GAAP to IFRS are included in note 17.

These IFRS Interim Financial Statements are for part of the period covered by the Company's first IFRS consolidated annual financial statements to be presented in accordance with IFRS for the year ending December 31, 2011. The Company previously prepared its consolidated annual and consolidated interim financial statements in accordance with Canadian GAAP.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, "Société Robex NóGary ï SA", in which the Company has an 85% interest and "Robex Resources Mali S.A.R.L", a wholly-owned subsidiary. All significant intercompany transactions and balances have been eliminated.

Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Company's equity. Non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non controlling interest's share of changes in equity since the date of acquisition.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the fair values at the acquisition date, except fo non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognized and measured at faire value less costs to sell.

3 - ACCOUNTING POLICIES (CONTINUED)

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholderĝs proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

Foreign currency translation

Foreign currency transactions are transactions denominated in a currency other than the entity's functionnal currency. At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the entity's functional currency by the use of the exchange rate in effect at that date. At each balance sheet date, unsettle moneraty assets and liabilities are translated into the entity's functional currency by using the exchange rate in effect at the period-end and the related translation differences are recorded in "Foreign exchange losses (gains)" ine the entity's statement of operations and comprehensive loss.

Non-monetary assets and liabilities that are measured at historical cost are translated into the entity's functional currency by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilites that are measured at fair value or a revaluated amount are translated into the entity's functional currency by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in the entity's statement of operations and comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liabiliy has been recognized.

Functionnal and presentation currency

The presentation currency of these consolidated financial statements is the Canadian dollar unless noted otherwise.The CFA francs is concidered to be the functional currency of the company and of its subsidiaries.

The translation from the functionnal currency into the presentation currency is made as follows :

- All assets and liabilities, both monetary and non-monetary, are translated at the closing exchange rates at the dates of each statement of financial position presented;

- All income and expenses in each statement of opérations and comprehensive loss are translated at the average exchange rates for the periods presented;

- All resulting exchange differences are recognized as a separate component in other comprehensive income.

3 - ACCOUNTING POLICIES (CONTINUED)

Any conversion af amounts into Canadian dollar should not be construed as a representation that such amounts have been, could be, or will be in the future, convertible into Canadian dollar at the exchange rates used, or at any other exchange rate.

Change in functionnal currency

As a result of the adoption of IFRS, effective January 1, 2010, the functionnal currency of the Company changed from the Canadian dollars to th CFA francs as a significant portion of the Company's expenses are denominated in this currency. The change in functionnal currency has been accounted for on propective basis and as a result all items in the statement of financial position and statement of loss and comprehensive loss have been translated into the new functionnal currency using the exchange rate at the date of the change and comparative financial information has not been changed.

Measurement uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet dates, as well as the reported amounts of revenue and expenses during the reporting periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

The key estimates used by the Corporation relate mainly to the assumptions to useful lives of mining rights, fixed assets, provision for environmental rehabilitation, stock option plan and subscription bonds, functionnal currency.

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

Actual results could differ from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include accounting property, plant and equipment, provision for environmental rehabilitations, share-based payment.

3 - ACCOUNTING POLICIES (CONTINUED)

Depreciation and depletion of property, plant and equipment assets are dependent upon estimates of useful lives and reserve estimates, both of which are determined with the exercise of judgement. The assessment of any impairment of property, plant and equipment is dependent upon estimates of recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets. Provisions for environmental rehabilitations are recognized in the period in which they arise and are stated as the fair value of estimated future costs. These estimates require extensive judgement about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations and remediation practices.

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The board of directors grants such options for periods of up to five years, with no vesting period except for stock option granted to financial advisor which vest over a twelve months period at 25% rate per quarter and at prices to board of directorsô discretion.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Earning (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting year. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Comprehensive profit (loss)

Comprehensive profit (loss) is the change in the Companyös net assets that results from transactions, events and circumstances from sources other than the Companyös shareholders and includes items that would not normally be included in net profit such as unrealized gains or losses on available-for-sale investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to selfsustaining operations. The Companyös comprehensive profit (loss), components of other comprehensive income, and cumulative translation adjustments are presented in the Condensed Consolidated Statements of Comprehensive Profit (Loss) and the Condensed Consolidated Statements of Shareholdersô Equity.

3 - ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Mining assets

Costs related to acquisition, exploration and development of mining properties are capitalized by property until the commencement of commercial production. If commercially profitable ore reserves are recognized, the capitalized costs of the related property will be transferred to mining assets and depreciated on the unit-of-production method. If it is determined that capitalized acquisition and exploration expenses are not recoverable over the useful economic life of the property, or if the project is abandoned, the project is written down to its net realizable value.

The recoverability of the amounts shown as mining properties depends on the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and future profitable production or the proceeds from the disposition thereof. The amounts shown for mining interests do not necessarily represent the fair value.

Exploration equipmentôs depreciation is capitalized in mining rights and titles as presented in Note 8.

The company assesses its mineral properties for imparment whenever facts and circumstances suggests that the carrying amount of an asset may exceed its recoverable amount.

Management's capitalization of exploration and developments costs and assumptions regarding the future recoverability of such costs are subjects to significant measurement uncertainty. Management's assessment of recoverability is based on, amoung other things, the period for wich the entity has the right to explore in the specific area, the decision of the Company to discontinue activities in specific area or sufficient date exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration an evaluation asset is unlikely tu be recovered in full from successful development or by sale. These assumptions and estimates could change in the future and this could materially affect the carrying value and the ultimate recoverability of the amounts recorded for mineral properties and deffered expenditures.

3 - ACCOUNTING POLICIES (CONTINUED)

Fixed assets

Fixed assets are stated at cost and depreciated under the declining balance method at the following annual rates:

Office furniture	20%
Computer equipment	30%
Exploration equipment	20%
Drilling rig	20%
Vehicules	30%
Other assets	45%

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment.

Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Directly attributable expenses incurred for major capital projects and site preparation are capitalized until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognized as a provision.

The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate portion of normal overheads.

The costs of day-to-day servicing are recognized in profit or loss as incurred. These costs are more commonly referred to as ñmaintenance and repairs.ò

Financing costs directly associated with the construction or acquisition of qualifying assets are capitalized at interest rates relating to loans specifically raised for that purpose, or at the average borrowing rate where the general pool of group borrowings is utilized. Capitalization of borrowing costs ceases when the asset is substantially complete.

Subsequent Costs

The cost of replacing part of an item within property, plant and equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the group and the cost of the item can be measured reliably. All other costs are recognized as an expense as incurred.

3 - ACCOUNTING POLICIES (CONTINUED)

Impairment of non financial assets

The Companyǿs tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the assetǿs recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cashgenerating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the assetǿs fair value less costs to sell and value in use. 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. 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.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assetǿs carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Financial instruments

Financial instruments are initially recorded at fair value and subsequent measurements depend on how they are classified.

Financial assets are classified based on their intent and the ability to hold the invested assets and are recorded using the following methods:

Cash and Short-term money market instruments is classified as financial assets held for trading and is measured at fair value. This asset is classified in level 1 fair values.

3 - ACCOUNTING POLICIES (CONTINUED)

Assets available for sale (investments) are recorded at fair value and the change in fair value is recorded in other comprehensive income until they are derecognized. These investments are classified in level 1 fair values.

Loans and receivables that include accounts receivable are recorded at amortized cost using the effective interest method.

For investments available for sale, a significant or prolonged decline in the fair value of a security below its cost is evidence of impairment. In such a case, the accumulated loss, which is the difference between the acquisition cost and the current fair value, minus any impairments of this financial asset previously recorded in net loss, is recognized in net loss.

Furthermore, the transaction costs related to securities classified as available for sale or as loans and receivables are capitalized and then amortized over the expected term of the instrument using the effective interest method.

Regular-way purchases or sales of financial assets are accounted for using trade-date accounting.

Financial liabilites are recorded at amortized cost using the effective interest method and include accounts payable.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities are classified as either financial liabilities at ñFair Value through profit and lossesò or óother financial liabilities'.

3 - ACCOUNTING POLICIES (CONTINUED)

Other financial liabilities

Other financial liabilities (including borrowings) are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. This interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Exploration and evaluation costs

Once the legal right to explore has been acquired, exploration and evaluation expenditure is capitalized to mining properties. These costs include materials and fuel used, surveying costs, drilling costs and payments made to contractors.

Income taxes

Taxes expense comprises current and deferred tax. Tax is recognized in the income statement except to the extent it relates to items recognized directly in equity, in which case the related tax is recognized in equity. Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and law that were enacted or substantively enacted at the balance sheet date.

Defered taxes is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets arising from deductible temporary differences are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

4- FUTURE ACCOUNTING CHANGES IN ACCOUNTING POLICIES

The IASB and IFRIC have issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods.

- IFRS 9 - Financial Instruments - Classification and Measurement (effective for annual periods beginning on or after January 1, 2013);

- IFRS 10 - Consolidated financial statements - Guidance in the determination of control where this is difficult to assess (effective for annual periods beginning on or after January 1, 2013);

- IFRS 11 - Joint arrangements - Guidance on how to account for interest in jointly controlled entities (effective for annual periods beginning on or after January 1, 2013);

- IFRS 12 - Disclosure of interest in other entities - Disclosure guidance on interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities (effective for annual periods beginning on or after January 1, 2013);

- IFRS 13 - Fair Value Measurement, defines fair value and requires disclosure about fair value measurements and provides a framework for measuring fair value when it is required or permitted within the IFRS standard s(effective for annual periods beginning on or after January 1, 2013);

- IFRS 13 - Fair Value Measurement, defines fair value and requires disclosure about fair value measurements and provides a framework for measuring fair value when it is required or permitted within the IFRS standard s(effective for annual periods beginning on or after January 1, 2013);

The Company has not early adopted these standards, amendments and interpretations, however the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company. These Standards and Interpretations will be first applied in the financial report of the Company that relates to the annual reporting period beginning on or after the effective date of each pronouncement.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unautided)
Period of three months ended March 31, 2011
(all amounts are in Canadian dollars unless otherwise indicated)

5 - SEGMENTED INFORMATION

A) Operating segment - The Company's operations are primarily directed towards the acquisition, exploration and production of gold in West Africa area

B) Geographic segments - The Company's assets, revenues and expenses by geographic areas for the quarters ended March 31, 2011 and March 31, 2010 are as follows :

			March 31, 2011
			$
	West Africa	**Canada**	**Total**
Cash and cash equivalent	**321,209**	**1,916,384**	**2,237,593**
Accounts receivable	**---**	**554,930**	**554,930**
Mining rights ans titles	**13,140,619**	**---**	**13,140,619**
Fixed assets	**745,078**	**2,019**	**747,097**
Total assets	**14,206,906**	**2,473,333**	**16,680,239**
Accounts payable	**---**	**116,509**	**116,509**

(all amounts are in Canadian dollars unless otherwise indicated)

5 - SEGMENTED INFORMATION (continued)

	First quarter ended March 31, 2011 $		
	West Africa	Canada	Total
Administration	---	64,306	64,306
Stock-based compensation expense	---	17,920	17,920
Professional fees	---	91,584	91,584
Interest and bank charges	---	1,687	1,687
Financial reporting and stock exchange fees	---	26,366	26,366
Financing solutions	---	32,787	32,787
Advertising and promotion	---	28,685	28,685
Telecommunications	---	111	111
Office	---	1,649	1,649
Foreign loss exchange	---	9,395	9,395
Depreciation of fixed assets	---	171	171
	---	274,661	274,661

	December 31, 2010 $		
	West Africa	Canada	Total
Cash and cash equivalent	3,467	161,909	165,376
Accounts receivable	---	28,974	28,974
Mining rights ans titles	11,791,747	---	11,791,747
Fixed assets	691,650	2,119	693,769
Total assets	12,486,864	193,002	12,679,866
Accounts payable	121 958	139,658	261,616

(all amounts are in Canadian dollars unless otherwise indicated)

5 - SEGMENTED INFORMATION (continued)

	First quarter ended March 31, 2010 $		
	West Africa	**Canada**	**Total**
Administration	---	2,600	2,600
Stock-based compensation expense	---	38,000	38,000
Professional fees	---	44,429	44,429
Interest and bank charges	---	692	692
Financial reporting and stock exchange fees	---	12,910	12,910
Financing solutions	---	2,000	2,000
Advertising and promotion	---	354	354
Telecommunications	---	54	54
Office	---	493	493
Depreciation of fixed assets	---	239	239
	---	101,771	101,771

	January 1, 2010 $		
	West Africa	**Canada**	**Total**
Cash and cash equivalent	339,259	21,309	360,568
Accounts receivable	---	25,345	25,345
Mining rights ans titles	12,309,546	---	12,309,546
Investments	---	9,900	9,900
Fixed assets	281,023	3,432	284,455
Total assets	12,929,828	59,986	12,989,814
Accounts payable	138,456	82,800	221,256

(all amounts are in Canadian dollars unless otherwise indicated)

6 - ACCOUNTS RECEIVABLE

	March 31, 2011 $	December 31, 2010 $	January 1, 2010 $
Advances	**158,246**	3,000	3,000
Share subscription receivable	**354,020**	---	---
Corporates taxes	**42,664**	22,345	13,307
	554,930	25,345	16,307

7 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES

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

	March 31, 2011 $	December 31, 2010 $	January 1, 2010 $
Diangounté (1)			
85% undivided interest			
Acquisition	**1,093,398**	1,056,442	1,187,075
Exploration	**3,323,471**	3,143,683	3,468,878
Kolomba			
Undivided interest (2)			
Acquisition	**59,515**	57,503	64,614
Exploration	**499,436**	479,031	531,685
Moussala			
Undivided interest (3)			
Acquisition	**22,154**	21,405	24,052
Exploration	**578,028**	554,968	617,011
Willi-Willi			
Undivided interest (4)			
Acquisition	**140,098**	135,363	152,101
Exploration	**896,093**	860,599	777,047
Carried forward :	**6,612,193**	6,308,994	6,822,463

(all amounts are in Canadian dollars unless otherwise indicated)

	March 31, 2011	December 31, 2010	January 1, 2010
7 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES -(continued)	**$**	$	$
Carried forward :	**6,612,193**	6,308,994	6,822,463
Willi-Willi West			
Undivided interest (4)			
Acquisition	**139,993**	135,261	151,987
Exploration	**246,290**	234,442	242,677
Mininko			
Undivided interest (5)			
Acquisition	**492,571**	475,922	534,772
Exploration	**3,596,312**	2,665,895	2,368,958
Kamasso			
Undivided interest (5)			
Acquisition	**490,970**	474,375	533,034
Exploration	**96,936**	89,723	93,845
Sanoula			
Undivided interest (6)			
Acquisition	**180,094**	174,007	195,524
Exploration	**531,945**	510,854	567,725
N'Golopène			
Undivided interest (7)			
Acquisition	**256,978**	248,293	278,995
Exploration	**496,337**	473,981	519,566
	13,140,619	11,791,747	12,309,546

When totalled, the acquisition costs and exploration expenses amount to $2,875,771 ($2,778,571 on December 31, 2010) and $10,264,848 ($9,013,176 on December 31, 2010).

(all amounts are in Canadian dollars unless otherwise indicated)

7 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES - (continued)

(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 $558,951 will have to be written off.

(all amounts are in Canadian dollars unless otherwise indicated)

7 - 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 fourth 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.

7 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES - (continued)

(5) Since April 30, 2007, the Company holds 100% of the individed interest of Mininko et Kamasso. The seller will receive NSR royalties of 2% on which Robex Ressources 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 $4,088,883 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 threeyear 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 wich Robex Ressources 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 $712,039 will have to be written off.

(all amounts are in Canadian dollars unless otherwise indicated)

7 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES - (continued)

(7) In June 2006, the Company concluded an agreement to acquire, over a two-year period, prospecting an 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%

An 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.

	First quarter ended March 31,	
	2011	2010
8 - ACQUISITION COST AND DEFFERED EXPLORATION AND DEVELOPMENT EXPENSES	**$**	$
ACQUISITION COST		
Balance at beginning	**2,778,571**	3,122,154
Effect on currency presentation	**97,200**	(255,957)
Balance at end	**2,875,771**	2,866,197

(all amounts are in Canadian dollars unless otherwise indicated)

	First quarter ended March 31, 2011	2010
8 - ACQUISITION COST AND DEFFERED EXPLORATION AND DEVELOPMENT EXPENSES - (continued)	**$**	$
DEFERRED EXPLORATION AND DEVELOPMENT EXPENSES		
Balance at beginning	**10,044,395**	9,187,392
Add:		
Management fees	**21,245**	9,719
Exploration expenses	**735,159**	87,445
Equipment, maintenance and supplies	**51,560**	(7,948)
Development fees	**2,163**	5,841
Travel expenses	**13,072**	19,792
Supplies and other	**36,540**	16,543
	859,739	131,392
Depreciation of exploration equipement	**56,935**	19,170
Effect on currency presentation	**(696,221)**	(759,803)
	220,453	(609,241)
Balance at end	**10,264,848**	8,578,151

(all amounts are in Canadian dollars unless otherwise indicated)

9 - FIXED ASSETS

Cost	**Office furniture**	**Computer equipment**	**Exploration equipment**	**Drilling rig**	**Vehicules**	**Other assets**	**TOTAL**
Balance as at January 1, 2010	10,943	22,882	232,087	---	48,936	---	314,848
Additions							
Assets acquired	---	---	3,617	278,923	---	334,462	617,002
Effect of currency presentation	(1,204)	(2,518)	(29,158)	(6,568)	(5,385)	(7,876)	(52,709)
Balance as at December 31, 2010	9,739	20,364	206,546	272,355	43,551	326,586	879,141
Additions							
Assets acquired	---	---	21,551	---	64,000	---	85,551
Effect of currency presentation	341	713	7,689	9,527	2,899	11,424	32,593
Balance as at March 31, 2011	10,080	21,077	235,786	281,882	110,450	338,010	997,285

(all amounts are in Canadian dollars unless otherwise indicated)

9 - FIXED ASSETS (Continued)

ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES

	Office furniture	Computer equipment	Exploration equipment	Drilling rig	Vehicules	Other assets	TOTAL
Balance as at January 1, 2010	10,223	20,170	---	---	---	---	30,393
Depreciation for the period	144	814	46,779	27,892	11,255	75,254	162,138
Effect of currency presentation	(1,128)	(2,239)	(1,102)	(657)	(265)	(1,772)	(7,163)
Balance as at December 31, 2010	9,239	18,745	45,677	27,235	10,990	73,482	185,368
Depreciation for the period	29	142	9,987	12,555	5,229	29 164	57,106
Effect of currency presentation	324	659	1,814	1,223	497	3,197	7,714
Balance as at March 31, 2011	9,592	19,546	57,478	41,013	16,716	105,843	250,188
Carrying amounts							
At January 1, 2010	720	2,712	232,087	---	48,936	---	284,455
At December 31, 2010	500	1,619	160,869	245,120	32,561	253,104	693,773
At March 31, 2011	488	1,531	178,308	240,869	93,734	232,167	747,097

During the three months ended 31 March 2011, the Group acquired assets with a cost of 85,551$

(all amounts are in Canadian dollars unless otherwise indicated)

10 - 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

	March 31, 2011	December 31, 2010	January 1, 2010
Issued :	**$**	$	$
152,084,948 common shares (2010 - 120,349,623 shares)	**28,786,786**	25,014,909	23,738,355

As at March 31, 2011 :

Commun shares issued and paid :	149,346,333
Commun shares issued and recevaible :	2,738,615
	152,084,948

On February, 2011, the Company issued 23,245,075 units at a price of $0.13 each. Each of these units is compromised of one commun share and of one-half warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.18 until February, 2013.

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 $177,051, including an amount of $5,889 representing the fair value of 400,000 stock options and an amount of $21,600 representing 166,153 units issued on February, 2011.

The Company also issued 8,492,250 shares on execise of exercise of warrants for $1,067,358 paid in cash.

(all amounts are in Canadian dollars unless otherwise indicated)

10 - 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 Companyôs 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 Companyôs 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 fix 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:

	First quarter ended March 31, 2011	
	Number	**Weighted average exercice price**
Oustanding at beginning	**2,025,000**	**0,15**
Granted	**600,000**	**0,16**
Oustanding at end	**2,625,000**	**0,15**
Exercisable	**2,225,000**	**0,15**

The total fair value of stocks options granted on 2011 was $51,840. An amount of 5,889$ is included in the issuance costs and an amont of $17,920 in the statement of loss. The total was estimated on the grant dates of each of the warrants using the Black and Scholes option pricing model and the following weighted average assumptions:

Risk-free interest rate	**2,22 %**
Expected volatility	**67,19 %**
Expected dividend yield	**0 %**
Expected life	**3 years**

(all amounts are in Canadian dollars unless otherwise indicated)

10 - SHARE CAPITAL - (continued)

The following table summarizes certain information on the Company's stock options as at March 31, 2011:

	Outstanding Options as at March 31, 2011		Exercisable Options as at March 31, 2011	
Exercise price	**Number**	**Weighted average remaining contractual life (years)**	**Number**	**Weighted average remaining contractual life (years)**
From $0.10 to $0.14	625,000	4.0	625,000	4.0
From $0.15 to $0.29	1,975,000	4.0	1,575,000	4.0
From $0.35 to $0.39	25,000	0.8	25,000	0.8
	2,625,000		2,225,000	

Warrants

The warrants that were granted experienced the following changes :

	First quarter ended March 31, 2011	
	Number	**Weighted exercice price**
Outstanding at beginning	**36,538,076**	**0,13**
Granted	**11,830,537**	**0,18**
Exercised	**(8,492,250)**	**0,13**
Cancelled or expired	**(13,299,330)**	**0,15**
Outstanding at end	**26,577,033**	**0,15**
Exercisable	**26,577,033**	**0,15**

(all amounts are in Canadian dollars unless otherwise indicated)

10 - SHARE CAPITAL - (continued)

The total fair value of warrants granted on 2011 was $451,893. The total was estimated on the grant dates of each of the warrants using the Black and Scholes option pricing model and the following weighted average assumptions:

Risk-free interest rate	**1,79 %**
Expected volatility	**63,01 %**
Expected dividend yield	**0 %**
Expected life	**2 years**

The following table summarizes certain information on the Company's warrants as at March 31, 2011 :

Outstanding, exercisable warrants as at March 31, 2011

Number	Exercise price	Weighted Average Remaining Life (years)
8,150,500	0,11 $	0.6
5,555,555	0,13 $	1.0
1,038,461	0,18 $	1.6
6,202,461	0,18 $	1.9
2,969,076	0,18 $	1.9
2,450,000	0,18 $	1.9
1,980	0,05 $	0.5
209,000	0,18 $	1.9
26,577,033		

(all amounts are in Canadian dollars unless otherwise indicated)

11 - ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENTS OF CASH FLOW

	First quarter ended March 31, 2011	2010
Changes in non-cash operating working capital items	**$**	$
Decrease (increase) in current assets		
Accounts receivable	**(525,956)**	9,038
Increase (decrease) in current liabilities		
Accounts payable	**(145,107)**	(95,806)
	(671,063)	(86,768)

12 - NET LOSS PER SHARE

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

	First quarter ended March 31, 2011	2010
	$	$
Basic and diluted net loss	**272,802**	107,044
Weighted average number of basic shares outstanding	**133,316,086**	108,846,683
Stock options and warrants with dilutive effect (1)	**216,111**	2,140,371
Diluted weighted average number of shares outstanding	**133,532,197**	110,987,054
Net loss by basic and diluted share (2)	**0,002 $**	0,001 $

(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 Companyǿs common shares for each of the periods shown in the table. The average number of excluded options is 216,116, for the first quarter ended March 31, 2011 (75,000 options and 20,861,381 warrants in 2010).

12 - NET LOSS PER SHARE (Continued)

(2) Due to the net losses incurred during each of the years ended December 31, 2010 and 2009, all of the potentially dilutive securities were considered anti-dilutive.

13 - 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.

14 - FINANCIAL INSTRUMENTS

a) Fair value of financial instruments

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

b) 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 forward sales contracts. The risks and managing these risks has remained unchanged over previous years.

Currency risk

As at March 31, 2011, the Company only holds cash in CFA francs totalling 149,587,506 CFA francs (CDN$321,209).

14 - FINANCIAL INSTRUMENTS (Continued)

c) 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 realized value.

d) 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.

15 - RELATED PARTY TRANSACTIONS

The statement of loss and share issue expenses include an amount of $29,000 incurred directly with directors and officiers or with companies controlled by them. These transactions occured in the normal course of business and are measured at the exchange amount, which is the amount of the consideration established by the related parties.

16 - SUBSEQUENT EVENT

On april, 2011, the Company has granted a total of 1,000,000 incentive stock options with an exercice price of $0,235 per share to one of its officer. These options will expire five years from the date of the grant.

On May, 2011, the Company issued 5,555,555 units at a price of $0.27 each. Each of these units is compromised of one common share and of one-half warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $0.30 until May, 2013.

17 - TRANSITION TO IFRS

IFRS 1 First-time Adoption of International Financial Reporting Standards sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional statements of financial position date with all adjustment to assets and liabilities taken to retained earnings unless certain exemptions are applied. The Company has applied the following exemptions to its opening statement of financial position dated January 1, 2010 :

a) Share-based payement transactions

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 Share-based Payment to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has lected not to apply IFRS 2 to awards that vested prior January, 2010.

b) Cumulative translation differences

Retrospective application of IFRS would require the Company to determine cumulative currency translation differences in accordance with IAS 21, The effects of changes in foreign exchange rates (IAS21), from the date a subsidiary was formed or acquired. IFRS 1 permits cumulative translation gains and losses to be reset to zero at te transition date. The Company has elected to reset all cumulative translation gains and losses to zero in opening retained earnings at tis transition date.

IFRS 1 also outlines specific guidelines that a fisrt-time adopter must adhere to under certain circumtances. The Company has applied the following guidelines to its opening statement of financial position dated January 1, 2010:

a) Estimates

In accordance with IFRS 1, an entityös estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Companyös IFRS estimates as of January 1, 2010 are consistent with its Canadian GAAP estimates for the same date.

17 - TRANSITION TO IFRS (CONTINUED)

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. While adoption of IFRS has not changed the Company's actual cash flows, it has resulted in changes to the Company's reported financial position and results of operations. In order to allow the users of the financial statements to better understand these changes, the Company's Canadian GAAP statement of operations, statement of comprehensive profit, statement of financial position and statement of cash flows have been reconciled to IFRS at various date, with the resulting differences explained, as required by IRFS 1.

b) Property plant and equipment

Due to the reclassification of property, plant and equipment included in mining rights and deferred exploration expenses in property plant and equipment, the cost of property plant and equipment and the cost of mining rights and deferred exploration expenses are different in accordance with IFRS than in accordance with Canadian GAAP. As a result, even though depreciation is calculated in the same manner, the amount of depreciation differs.

c) Other comprehensive profit (loss)

Other comprehensive profit (loss) consists of the change in the cumulative translation adjustment ("CTA"). Due to other IFRS adjustments, the balances that are used to calculate the CTA are different in accordance with IFRS than in accordance with Canadian GAAP. As a result, CTA and other comprehensive profit (loss) are different in accordance with IFRS than in accordance with Canadian GAAP.

d) Functional currency

IAS 21, the effects of changes in foreign exchange rates, prescribes a hierarchy of indicators to determine the functionnal currency, contrary to canadian GAAP. This hierarchy led the company to adopt the CFA francs as its functionnal currency while it was the canadian dollars under canadian GAAP.

e) Presentation

The presentation of the cash flow statement in accordance with IFRS differs from the presentation of the cash flow statement in accordance with Canadian GAAP. The January 1, 2010 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

(all amounts are in Canadian dollars unless otherwise indicated)

17 - TRANSITION TO IFRS (CONTINUED)

	As at January 1, 2010			
	GAAP	Effect of transition to IFRS		IFRS
		Note		
ASSETS				
CURRENT				
Cash and cash equivalents	**360,568**		**---**	**360,568**
Accounts receivable	**25,345**		**---**	**25,345**
	385,913		**---**	**385,913**
MINING RIGHTS AND TITLES	**12,590,569**	**b)**	**(281,023)**	**12,309,546**
INVESTEMENTS	**9,900**		**---**	**9,900**
FIXED ASSETS	**3,432**	**b)**	**281,023**	**284,455**
	12,989,814		**---**	**12,989,814**
LIABILITIES				
CURRENT				
Accounts payable	**221,256**		**---**	**221,256**
NON-CONTROLING INTEREST	**938**		**(938)**	**---**
SHAREHOLDERS' EQUITY				
Share capital	**23,738,355**		**---**	**23,738,355**
Warrants	**473,400**		**---**	**473,400**
Contributed surplus	**4,237,254**		**---**	**4,237,254**
Deficit	**(15,661,606)**		**---**	**(15,661,606)**
Accumulated other comprehensive loss	**(19,783)**		**---**	**(19,783)**
Total sharehoders' equity	**12,767,620**		**---**	**12,767,620**
Non controlling interests	**---**		**938**	**938**
Total equity	**12,767,620**		**938**	**12,768,558**
	12,989,814		**---**	**12,989,814**

(all amounts are in Canadian dollars unless otherwise indicated)

17 - TRANSTITION TO IFRS (CONTINUED)

	Stated common share capital	Warrants	Contributed surplus	Deficit	Total shareholder's equity	Total accu-mulated other comprenhensive loss	Non controlling interest	Total equity
Balance as at January 1, 2010								
GAAP	**23,738,355**	**473,400**	**4,237,254**	**(15,661, 606)**	**12,787,403**	**(19,783)**	**---**	**12,767,620**
Effect of transition to IFRS								
Reclassification	**---**	**---**	**---**	**---**	**---**	**---**	**938**	**938**
Balance as at January 1, 2010								
IFRS	**23,738,355**	**473,400**	**4,237,254**	**(15,661,606)**	**12,787,403**	**(19,783)**	**938**	**12,768,558**

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17 - TRANSITION TO IFRS (CONTINUED)

	First quarter ended March 31, 2010			
	GAAP	Note	Effect of transition to IFRS	IFRS
EXPENSES				
Administration	2,600		---	2,600
Stock-based compensation expense	38,000		---	38,000
Professional fees	44,429		---	44,429
Interest and bank charges	692		---	692
Financial reporting and stock exchange fees	12,910		---	12,910
Financing solutions	2,000		---	2,000
Advertising and promotion	354		---	354
Telecommunications	54		---	54
Office	493		---	493
Foreign loss exchange	---	d)	4 793	4 793
Depreciation of fixed assets	239		---	239
LOSS BEFORE INCOME TAXES	101,771		4 793	106,564
FUTURE INCOME TAXES	480		---	480
NET LOSS	102,251		4 793	107,044

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17 - TRANSITION TO IFRS (CONTINUED)

	First quarter ended March 31, 2010			
	GAAP		Effect of transition to IFRS	IFRS
		Note		
NET LOSS	**102,251**		**4 793**	**107,044**
Other comprehensive loss				
Unrealized gain on investements availaible for sale				
Change during the period	**(1,500)**		**---**	**(1,500)**
Income taxes	**480**		**---**	**480**
	(1,020)		**---**	**(1,020)**
Currency translation adjustments	**---**	**d)**	**1,042,426**	**1,042,426**
Total other comprehensive loss	**(1,020)**		**1,042,426**	**1,041,406**
COMPREHENSIVE LOSS	**101,231**		**1,047,219**	**1,148,450**

(all amounts are in Canadian dollars unless otherwise indicated)

17 - TRANSTITION TO IFRS (CONTINUED)

	Stated common share capital	Warrants	Contributed surplus	Deficit	Total shareholder's equity	Total accu-mulated other comprenhensive loss	Non controlling interest	Total equity
Balance as at March 31, 2010								
GAAP	**24,454,289**	**584,696**	**4,273,266**	**(15,772, 357)**	**13,539,894**	**(20,803)**	**---**	**13,519,091**
Effect of transition to IFRS								
Reclassification	**---**	**---**	**---**	**---**	**---**	**---**	**938**	**938**
Currency translation adjustements d)	**---**	**---**	**---**	**(4,793)**	**(4,793)**	**1,042,426**	**---**	**1,037,633**
Balance as at March 31, 2010								
IFRS	**24,454,289**	**584,696**	**4,273,266**	**(15,777,150)**	**13,535,101**	**1,021,623**	**938**	**14,557,662**

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17 - TRANSITION TO IFRS (CONTINUED)

	Years ended December 31, 2010			
	GAAP	Effect of transition to IFRS		IFRS
		Note		
EXPENSES				
Administration	**22,342**		**---**	**22,342**
Stock-based compensation expense	**192,375**		**---**	**192,375**
Professional fees	**167,480**		**---**	**167,480**
Interest and bank charges	**2,970**		**---**	**2,970**
Financial reporting and stock exchange fees	**50,931**		**---**	**50,931**
Financing solutions	**46,000**		**---**	**46,000**
Advertising and promotion	**1,924**		**---**	**1,924**
Telecommunications	**547**		**---**	**547**
Office	**859**		**---**	**859**
Realized loss on disposal of investments available for sa	**32,625**		**---**	**32,625**
Foreign exchange loss	**2,010**	**d)**	**5 479**	**7,489**
Depreciation of fixed assets	**958**		**---**	**958**
LOSS BEFORE INCOME TAXES	**521,021**		**5 479**	**526,500**
FUTURE INCOME TAXES	**(9,310)**		**---**	**(9,310)**
NET LOSS	**511,711**		**5 479**	**517,190**

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17 - TRANSITION TO IFRS (CONTINUED)

	Years ended December 31, 2010			
	GAAP	Effect of transition to IFRS		IFRS
		Note		
NET LOSS	**511,711**		**5 479**	**517,190**
Other comprehensive loss				
Unrealized gain on investements availaible for sale				
Change during the period	**(3,532)**		**---**	**(3,532)**
Income taxes	**1,130**		**---**	**1,130**
	(2,402)		**---**	**(2,402)**
Reclassification to consolidated loss				
Realized loss	**32,625**		**---**	**32,625**
Income taxes	**(10,440)**		**---**	**(10,440)**
	22,185		**---**	**22,185**
Currency translation adjustments		**d)**	**1,414,869**	**1,414,869**
Total other comprehensive loss	**19,783**		**1,414,869**	**1,434,652**
COMPREHENSIVE LOSS	**491,928**		**1,420,348**	**1,912,276**

(all amounts are in Canadian dollars unless otherwise indicated)

17 - TRANSTITION TO IFRS (CONTINUED)

	Stated common share capital	Warrants	Contributed surplus	Deficit	Total shareholder's equity	Total accu-mulated other comprenhensive loss	Non controlling interest	Total equity
Balance as at December 31, 2010								
GAAP	**25,014,909**	**611,789**	**4,394,129**	**(16,183, 167)**	**13,837,660**	**---**	**---**	**13,837,660**
Effect of transition to IFRS								
Reclassification	**---**	**---**	**---**	**---**	**---**		**938**	**938**
Currency translation adjustements d)				**(6,161)**	**(6,161)**			**(,6, 161)**
Balance as at December 31, 2010								
IFRS	**25,014,909**	**611,789**	**4,394,129**	**(16,189,328)**	**13,831,499**	**---**	**938**	**13,832,437**

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17 - TRANSITION TO IFRS (CONTINUED)

	As at December 31, 2010			
	GAAP	Effect of transition to IFRS		IFRS
		Note		
ASSETS				
CURRENT				
Cash and cash equivalents	**165,376**		**---**	**165,376**
Accounts receivable	**28,974**		**---**	**28,974**
	194,350		**---**	**194,350**
MINING RIGHTS AND TITLES	**13,652,362**	**b), d)**	**(1,860,615)**	**11,791,747**
FIXED ASSETS	**253,502**	**b), d)**	**440,267**	**693,769**
	14,100,214		**(1 420 348)**	**12,679,866**
LIABILITIES				
CURRENT				
Accounts payable	**261,616**		**---**	**261,616**
NON-CONTROLING INTEREST	**938**		**(938)**	**---**
SHAREHOLDERS' EQUITY				
Share capital	**25,014,909**		**---**	**25,014,909**
Warrants	**611,789**		**---**	**611,789**
Contributed surplus	**4,394,129**		**---**	**4,394,129**
Deficit	**(16,183,167)**	**d)**	**(6,161)**	**(16,189,328)**
Accumulated other comprehensive income	**---**	**d)**	**(1,414,187)**	**(1,414,187)**
Total sharehoders' equity	**13,837,660**		**(1,420,348)**	**12,417,312**
Non controlling interests	**---**		**938**	**938**
Total equity	**13,837,660**		**(1,419,410)**	**12,418,250**
	14,100,214		**(1,420,348)**	**12,679,866**

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17 - TRANSITION TO IFRS (CONTINUED)

	First quarter ended March 31, 2010			
	GAAP	Effect of transition to IFRS		IFRS
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES :		Note		
Operating				
Net loss	(102,251)		(4,793)	(107,044)
Adjustments for :				
Future income taxes	480		---	480
Depreciation of fixed assets	239		---	239
Stock based compensation expense	38,000		---	38,000
Changes in non-cash operating working capital items	(86,768)		---	(86,768)
	(150,300)		(4,793)	(155,093)
Investing				
Addition to mining rights and titles	(336,136)	b), d)	1,220,504	884,368
Acquisition of fixed assets	---	b), d)	(173,285)	(173,285)
	(336,136)		1047,219	711,083
Financing				
Issue and subscription of common shares	668,242		---	668,242
Issue of warrants	157,000		---	157,000
Share issue expenses	(8,500)		---	(8,500)
	816,742		---	816,742
Effect of exchange rate changes on cash and cash equivalent	---		(1,042,426)	(1,042,426)
Increase in cash and cash equivalents	330,306		---	330,306
Cash and cash equivalents at beginning	360,568		---	360,568
Cash and cash equivalents at end	690,874		---	690,874

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17 - TRANSITION TO IFRS (CONTINUED)

	Years ended December 31, 2010			
	GAAP	Effect of transition to IFRS		IFRS
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES :		Note		
Operating				
Net loss	(511,711)		---	(511,711)
Adjustments for :				---
Future income taxes	(9,310)		---	(9,310)
Realized loss on disposal of investments available for	32,625		---	32,625
Depreciation of fixed assets	958		---	958
Write-off of mining rights and titles			---	---
Stock based compensation expense	192,375		---	192,375
Accreted interest on convertible debenture			---	---
Changes in non-cash operating working capital items	36,731		---	36,731
	(258,332)		---	(258,332)
Investing				
Disposal of long-term investments	6,368		---	6,368
Addition to mining rights and titles	(1,033,898)	b)	1,712,881	678,983
Acquisition of fixed assets	(278,923)	b)	(292,533)	(571,456)
	(1,306,453)		1,420,348	113,895
Financing				
Issue and subscription of common shares	1,152,743		---	1,152,743
Issue of warrants	226,700		---	226,700
Share issue expenses	(9,850)		---	(9,850)
Repayment of equity component of convertible debentu	---		---	---
Repayment of a convertible debenture	---		---	---
	1,369,593		---	1,369,593
Effect of exchange rate changes on cash and cash equivalent	---		(1,420,348)	(1,420,348)
Increase (decrease) in cash and cash equivalents	(195,192)		---	(195,192)
Cash and cash equivalents at beginning	360,568		---	360,568
Cash and cash equivalents at end	165,376		---	165,376