ROBEX RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2010 and 2009

Robex Resources Inc.

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Independent auditor's report

To the Shareholders of Robex Resources Inc.

We have audited the accompanying consolidated financial statements of Robex Resources Inc., which comprise the consolidated balance sheets as at December 31, 2010 and 2009, and the consolidated statements of loss, comprehensive loss, shareholders' equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Robex Resources Inc. as at December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 in the financial statements which indicates that the Company incurred significant losses during the last years and that its viability is contingent, among other things, on periodically obtaining new funding to pursue its activities and to verify the title to mining properties in which it has an interest. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Samson Bélair
Deloitte & Touche s.e.n.c.r.l. [1]

April 28, 2010

[1] Chartered accountant auditor permit no. 16162

ROBEX RESOURCES INC.

CONSOLIDATED STATEMENTS OF LOSS

YEARS ENDED DECEMBER 31	**2010**	2009
(all amounts are in Canadian dollars unless otherwise indicated)	**$**	$
EXPENSES		
Administration	**22,342**	39,973
Stock-based compensation expense	**192,375**	77,519
Professional fees	**167,480**	184,592
Interest and bank charges	**2,970**	7,230
Financial reporting and stock exchange fees	**50,931**	48,927
Financing solutions	**46,000**	64,000
Advertising and promotion	**1,924**	33,941
Telecommunications	**547**	725
Office (including taxes)	**859**	324
Realized loss on disposal of investments available for sale	**32,625**	61,772
Foreign exchange loss	**2,010**	3,534
Amortization of fixed assets	**958**	1,342
LOSS BEFORE INCOME TAXES	**521,021**	523,879
FUTURE INCOME TAXES - Note 11	**(9,310)**	(22,476)
NET LOSS	**511,711**	501,403
NET LOSS PER SHARE, BASIC AND DILUTED – Note 12	**0.004**	0.005

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

YEARS ENDED DECEMBER 31 (all amounts are in Canadian dollars unless otherwise indicated)	2010 $	2009 $
NET LOSS	**(511,711)**	(501,403)
Other comprehensive loss		
Unrealized loss (gain) on investments available for sale		
Change during the year	**(3,532)**	8,467
Income taxes	**1,130**	(2,709)
	(2,402)	5,758
Reclassification to consolidated loss		
Realized loss	**32,625**	61,772
Income taxes	**(10,440)**	(19,767)
	22,185	42,005
Total other comprehensive loss	**19,783**	47,763
COMPREHENSIVE LOSS	**(491,928)**	(453,640)

ROBEX RESOURCES INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31
(all amounts are in Canadian dollars unless otherwise indicated)

	2010	2009
	$	$
SHARE CAPITAL		
Balance at beginning	**23,738,355**	22,429,755
Issue and subscription for common shares	**543,300**	1,308,600
Exercise of warrants	**647,754**	---
Exercise of stock options	**85,500**	---
Balance at end	**25,014,909**	23,738,355
EQUITY COMPONENT OF CONVERTIBLE DEBENTURE		
Balance at beginning	**---**	12,000
Equity component of convertible debenture reimbursed during the period	**---**	(12,000)
Balance at end	**---**	---
WARRANTS		
Balance at beginning	**473,400**	207,700
Issue of stock purchase warrants	**226,700**	473,400
Exercise of warrants	**(88,311)**	---
Warrants expired	**---**	(207,700)
Balance at end	**611,789**	473,400
CONTRIBUTED SURPLUS		
Balance at beginning	**4,237,254**	3,952,035
Stock options expensed during the period	**192,375**	77,519
Exercise of stock options	**(35,500)**	---
Expired warrants	**---**	207,700
Balance at end	**4,394,129**	4,237,254
DEFICIT		
Balance at beginning	**(15,661,606)**	(15,076,091)
Share issue expenses	**(9,850)**	(84,112)
Net loss	**(511,711)**	(501,403)
Balance at end	**(16,183,167)**	(15,661,606)

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31
(all amounts are in Canadian dollars unless otherwise indicated)

	2010	2009
	$	$
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Balance at beginning	**(19,783)**	(67,546)
Other comprehensive loss for the year	**19,783**	47,763
Balance at end	**---**	(19,783)
TOTAL SHAREHOLDERS' EQUITY	**13,837,660**	12,767,620

ROBEX RESOURCES INC.

CONSOLIDATED BALANCE SHEETS

AS AT DECEMBER 31 (all amounts are in Canadian dollars unless otherwise indicated)	**2010** **$**	2009 $
ASSETS		
CURRENT		
Cash	**165,376**	360,568
Accounts receivable – Note 4	**28,974**	25,345
	194,350	385,913
MINING RIGHTS AND TITLES – at cost – Note 5	**13,652,362**	12,590,569
INVESTMENTS	**---**	9,900
FIXED ASSETS – Note 7	**253,502**	3,432
	14,100,214	12,989,814
LIABILITIES		
CURRENT		
Accounts payable	**261,616**	221,256
NON-CONTROLLING INTEREST	**938**	938
SHAREHOLDERS' EQUITY		
Share capital – Note 8	**25,014,909**	23,738,355
Warrants – Note 8	**611,789**	473,400
Contributed surplus – Note 8	**4,394,129**	4,237,254
Deficit	**(16,183,167)**	(15,661,606)
Accumulated other comprehensive loss	**---**	(19,783)
	13,837,660	12,767,620
	14,100,214	12,989,814

Going concern – Note 2
Contingencies – Note 13
Commitments – Note 14

Approuved by:

[Signed Michel Doyon]
______________________________, director

[Signed Claude Goulet]
______________________________, director

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31 (all amounts are in Canadian dollars unless otherwise indicated)	**2010** **$**	2009 $
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
Operating		
Net loss	**(511,711)**	(501,403)
Adjustments for:		
Future income taxes	**(9,310)**	(22,476)
Realized loss on disposal of investments available for sale	**32,625**	61,772
Amortization of fixed assets	**958**	1,342
Stock based compensation expense	**192,375**	77,519
Accreted interest on convertible debenture	**---**	1,036
Changes in non-cash operating working capital items – Note 9	**36,731**	(269,352)
	(258,332)	(651,562)
Investing		
Disposal of long-term investments	**6,368**	12,427
Addition to mining rights and titles	**(1,033,898)**	(658,424)
Acquisition of fixed assets	**(278,923)**	---
	(1,306,453)	(645,997)
Financing		
Issue and subscription of common shares	**1,152,743**	1,308,600
Issue of warrants	**226,700**	441,400
Share issue expenses	**(9,850)**	(52,112)
Repayment of equity component of convertible debenture	**---**	(12,000)
Repayment of a convertible debenture	**---**	(93,538)
	1,369,593	1,592,350
Increase (decrease) in cash and cash equivalents	**(195,192)**	294,791
Cash and cash equivalents at beginning	**360,568**	65,777
Cash and cash equivalents at end – Note 9	**165,376**	360,568

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(all amounts are in Canadian dollars unless otherwise indicated)

1 - DESCRIPTION OF BUSINESS

Robex Resources Inc. (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

2 - SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with Canadian generally accepted accounting principles and include the following accounting policies:

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 few 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 Company’s title. Property title may be subject to unregistered prior agreements and may not be in compliance with regulatory requirements.

Moreover, Note 13b) specifies that the Company is waiting on a new mining agreement for one of the properties and that the Company is also waiting on the renewal of its prospect and mining exploration licences on certain properties.

If the going concern assumption was not appropriate for these consolidated financial statements, adjustments would be necessary in the carrying values of assets and liabilities, the reported net loss and the balance sheet classifications used.

Principles of consolidation

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

2 - SIGNIFICANT ACCOUNTING POLICIES – (continued)

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts presented in the financial statements and the accompanying notes. The critical accounting estimates made by management are with respect to the measurement and impairment of mining rights and titles, and the measurement of the asset stock-based compensation and warrants. Although these estimates are based on management's knowledge of current events and the actions the Company could take in the future, actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank balances and overdraft and highly liquid temporary investments with an initial maturity of no more than three months.

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 is classified as financial assets held for trading and is measured at fair value. This asset is classified in level 1 fair values.

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 and 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(all amounts are in Canadian dollars unless otherwise indicated)

2 - SIGNIFICANT ACCOUNTING POLICIES – (continued)

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.

Mining rights and titles

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 present or future value.

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%

Foreign currency translation

Transactions concluded in foreign currencies are translated as follows: monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date, and revenue and expenses are translated at the exchange rate in effect at the time of the transaction. Non-monetary assets and liabilities are translated at historical exchange rates. All resulting exchange gains and losses are included in the statement of loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(all amounts are in Canadian dollars unless otherwise indicated)

2 - SIGNIFICANT ACCOUNTING POLICIES – (continued)

Income taxes

The Company follows the liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on deductible or taxable temporary differences between the carrying amounts and tax bases of the assets and liabilities. The change in future income tax assets and liabilities is reported in the consolidated statements of loss. Future income tax assets and liabilites are recognized using enacted or substantively enacted income tax rates expected to be in effect for the year in which the differences are expected to reverse.

The Company establishes a valuation allowance against future income tax assets if, based on available information, it is more likely than not that a portion or all the future income tax assets will not be realized.

Share capital

Shares issued in consideration of non-monetary items are recorded at the quoted market price of the shares during a reasonable amount of time preceding and following the announcement of the agreement on their issuance.

Stock option plan

The Company has a stock option plan, which is described in Note 8. The Company now accounts for stock options using the fair value method. Under this method, compensation expense in respect of stock options awarded since January 1, 2002 is measured at fair value at the grant date using the Black-Scholes option pricing model and accounted for over the vesting period of the options granted.

Earnings per share

The Company uses the treasury stock method to calculate diluted earnings per share for warrants and stock options. Under this method, the weighted number of outstanding common shares used to calculate the diluted earnings per share is determined on the assumption that the proceeds receivable on the exercise of stock options will be used to purchase the common shares at their average market price during the year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(all amounts are in Canadian dollars unless otherwise indicated)

3 - CHANGES IN ACCOUNTING POLICIES

Future accounting changes

International financial reporting standards (IFRS)

On February 13, 2008, the Accounting Standards Board of Canada (AcSB) confirmed that International Financing Reporting Standards (IFRS) will be required in 2011 for publicly accountable profit-oriented enterprises. The changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company will present a first set of annual financial statements consistent with IFRS for the year ending December 31, 2011. Beforehand, the Company will present its first set of interim financial statements consistant with IFRS for the three-month period ending March 31, 2011. IFRS uses a conceptual framework similar to Canadian GAAP, but there are significant differences in recognition, measurement and disclosure requirements.

4 - ACCOUNTS RECEIVABLE

	2010	2009
	$	$
Advances	**3,000**	3,000
Corporates taxes	**25,974**	22,345
	28,974	25,345

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(all amounts are in Canadian dollars unless otherwise indicated)

5 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES

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

	2010	2009
	$	$
Diangounté (1)		
85% undivided interest		
Acquisition	**1,187,075**	1,187,075
Exploration	**3,537,175**	3,494,776
Kolomba		
Undivided interest (2)		
Acquisition	**64,614**	64,614
Exploration	**558,866**	538,631
Moussala		
Undivided interest (3)		
Acquisition	**24,052**	24,052
Exploration	**644,193**	623,957
Willi-Willi		
Undivided interest (4)		
Acquisition	**152,101**	152,101
Exploration	**1,047,205**	826,019
Willi-Willi West		
Undivided interest (4)		
Acquisition	**151,987**	151,987
Exploration	**282,777**	249,623
Carried forward:	**7,650,045**	7,312,835

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(all amounts are in Canadian dollars unless otherwise indicated)

5 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES – (continued)	2010 $	2009 $
Carried forward:	**7,650,045**	7,312,835
Mininko		
Undivided interest (5)		
Acquisition	**534,772**	534,772
Exploration	**3,191,338**	2,533,435
Kamasso		
Undivided interest (5)		
Acquisition	**533,034**	533,034
Exploration	**121,384**	100,791
Sanoula		
Undivided interest (6)		
Acquisition	**195,524**	195,524
Exploration	**594,649**	574,671
N'Golopène		
Undivided interest (7)		
Acquisition	**278,995**	278,995
Exploration	**552,621**	526,512
	13,652,362	12,590,569

When totalled, the acquisition costs and exploration expenses amount to $3,122,154 ($3,122,154 on December 31, 2009) and $10,530,208 ($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 Resources 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.

(all amounts are in Canadian dollars unless otherwise indicated)

5 - MINING RIGHTS AND DEFERRED EXPLORATION EXPENSES – (continued)

(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 acquire 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 $623,480 will have to be written off.

(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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(all amounts are in Canadian dollars unless otherwise indicated)

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

(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% and 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.

(5) Since April 30, 2007, the Company holds 100% of the undivided interest of Mininko et Kamasso. 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.

Although the mining convention of the Mininko property and the prospecting and mining exploration licence have expired since November 2009, the Malian Government granted the Company with a moratorium for a period of 18 months valid until December 2011.

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 transfer of the mining title to the Company was approved by the Malian Ministry of Mines, Energy & Water.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(all amounts are in Canadian dollars unless otherwise indicated)

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

(6) Since December 31, 2008, the Company holds 100% of mining titles.

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

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 $790,173 will have to be written off.

(7) The Company holds 93% of the undivided interest of the property.

An NSR royalties of 2%, which will be redeemable for US$500,000 by the Company, is payable 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 for another nine years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(all amounts are in Canadian dollars unless otherwise indicated)

	2010	2009
6 - ACQUISITION COST AND DEFFERED EXPLORATION AND DEVELOPMENT EXPENSES	**$**	$
ACQUISITION COST		
Balance at beginning	**3,122,154**	3,074,002
Add:		
Acquisition cost for the period paid in cash	**---**	48,152
Balance at end	**3,122,154**	3,122,154

	2010	2009
DEFERRED EXPLORATION AND DEVELOPMENT EXPENSES	**$**	$
Balance at beginning	**9,468,415**	8,858,143
Add:		
Management fees	**75,344**	47,826
Exploration expenses	**627,503**	388,920
Equipment	**171,146**	13,494
Development fees	**32,274**	30,824
Travel expenses	**76,095**	52,040
Entertainment expenses	**---**	2,370
Supplies and other	**51,536**	74,798
	1,033,898	610,272
Amortization of exploration equipment	**27,895**	---
	1,061,793	610,272
Balance at end	**10,530,208**	9,468,415

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(all amounts are in Canadian dollars unless otherwise indicated)

7 - FIXED ASSETS

			2010
			$
	Cost	**Accumulated amortization**	**Net book value**
Office furniture	**10,943**	**10,367**	**576**
Computer equipment	**22,882**	**20,984**	**1,898**
Exploration equipment	**278,923**	**27,895**	**251,028**
	312,748	**59,246**	**253,502**

			$
	Cost	Accumulated amortization	Net book value
Office furniture	10,943	10,223	720
Computer equipment	22,882	20,170	2,712
Exploration equipment	---	---	---
	33,825	30,393	3,432

Exploration equipment's amortization is capitalized in mining rights and titles as presented in Note 5.

8 - SHARE CAPITAL

Authorized :

Unlimited number of shares without par value:

Common shares

shares, non-

Issued :

	2010	2009
	$	$
120,349,623 common shares (2009 - 106,661,205 shares)	**25,014,909**	23,738,355

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009
(all amounts are in Canadian dollars unless otherwise indicated)

8 - SHARE CAPITAL – (continued)

During the year, the Company issued 5,555,555 units at a price of $0.09 each. Each of these units is composed of one common 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.

The Company also issued 2,076,923 units at a price of $0.13 each. Each of these units is composed 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 $0.18 until October, 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 $9,850.

The Company also issued 500,000 shares on exercise of options for $50,000 paid in cash and issued 5,555,940 shares on exercise of warrants for $559,443 paid in cash.

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 Company's 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 Company's 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.

The year's expense related to share payments amounts to $192,375 ($77,519 in 2009). It was estimated on the grant dates using the Black & Sholes option pricing model and the following weighted average assumptions:

	2010	2009
Risk-free interest rate	2.30%	0.41%
Expected volatility	68.30%	105.76%
Expected dividend yield	0%	0%
Expected life	5 years	1 year

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(all amounts are in Canadian dollars unless otherwise indicated)

8 - SHARE CAPITAL - (continued)

The stock options changed as follows:

	2010		2009	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Oustanding at beginning	**575,000**	**0.14**	3,640,000	0.32
Granted	**2,125,000**	**0.14**	1,500,000	0.15
Exercised	**(500,000)**	**---**	---	---
Cancelled or expired	**(175,000)**	**0.22**	(4,565,000)	0.29
Oustanding at end	**2,025,000**	**0.15**	575,000	0.14
Exercisable	**2,025,000**	**0.15**	575,000	0.14

The following table summarizes certain information on the Company's stock options as at December 31, 2010:

	Outstanding Options as at December 31, 2010		**Exercisable Options as at December 31, 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	4.2	625,000	4.2
From \$0.15 to \$0.29	1,375,000	4.7	1,375,000	4.7
From \$0.35 to \$0.39	25,000	1.0	25,000	1.0
	2,025,000		2,025,000	

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8 - SHARE CAPITAL - (continued)

Warrants

The total fair value of warrants granted in 2010 was $226,700 ($473,400 in 2009). 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:

	2010	2009
Risk-free interest rate	**1.74%**	1.31%
Expected volatility	**82.12%**	80.56%
Expected dividend yield	**0%**	0%
Expected life	**2 years**	1.72 year

The warrants that were granted experienced the following changes:

	2010		2009	
	Number	**Weighted exercise price**	Number	Weighted exercise price
Outstanding at beginning	**35,500,000**	**0.10**	3,739,814	0.28
Granted	**6,594,016**	**0.14**	35,500,000	0.10
Exercised	**(5,555,940)**	**0.10**	---	---
Cancelled or expired	**---**	**---**	(3,739,814)	0.28
Outstanding at end	**36,538,076**	**0.13**	35,500,000	0.10
Exercisable	**36,538,076**	**0.13**	35,500,000	0.10

The following table summarizes certain information on the Company's warrants as at December 31, 2010:

Outstanding, exercisable warrants as at December 31, 2010

Number	**Exercise price**	**Weighted Average Remaining Life (years)**
16,817,080	$0.15	0.2
13,000,000	$0.11	0.8
5,555,555	$0.13	1.2
1,038,461	$0.18	1.8
126,980	$0.05	0.8
36,538,076		

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9 - ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENTS OF CASH FLOW

	2010	2009
Changes in non-cash operating working capital items	**$**	$
Decrease (increase) in current assets		
Accounts receivable	**(3,629)**	(10,261)
Prepaid expenses	**---**	6,578
Increase (decrease) in current liabilities		
Accounts payable	**40,360**	(65,669)
Prepaid subscription	**---**	(200,000)
	36,731	(269,352)
Cash and cash equivalents		
Cash	**165,376**	360,568

10 - RELATED PARTY TRANSACTIONS

The statements of loss and share issue expenses include an amount of $69,000 ($67,155 in 2009) incurred directly with directors and officers or with companies controlled by them. These transactions occurred 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(all amounts are in Canadian dollars unless otherwise indicated)

11 - INCOME TAXES AND POTENTIAL TAX BENEFIT

Income taxes

The following table presents a reconciliation of the income tax expenses at the statutory rates (federal and provincial), i.e., 29.9% as at December 31, 2010 (30.9% as at December 31, 2009) and the income tax expense effectively recorded in the statement of loss.

	2010	2009
	$	$
Income taxes recoverable at statutory rates	**155,785**	161,879
Non-taxable and non-deductible items	**(57,520)**	(227,409)
	98,265	(65,530)
Tax benefit not recorded	**(98, 265)**	65,530
	---	---

Tax benefit

For tax purposes, the transactions for the year amount to a loss for which a tax benefit has not been recorded. Therefore, the Company has tax losses that can be used to reduce future taxable income. These losses expire as follows:

	Federal	Provincial
	$	$
2014	645,000	636,000
2015	690,000	685,000
2026	656,000	656,000
2027	811,000	808,000
2028	707,000	707,000
2029	529,000	529,000
2030	433,000	429,000
	4,471,000	4,450,000

In 2010, the tax value of mining assets exceeded the book value by approximately $3,631,489 ($3,796,710 in 2009). The difference between the tax basis and the amounts capitalized to the financial statements results primarily from write-offs of mining assets.

The unamortized balance, for tax purposes, of share issue expenses amounted to $144,800 ($168,000 in 2009) and will be deductible over the next five years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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11 - INCOME TAXES AND POTENTIAL TAX BENEFIT - (continued)

Future income tax assets related to tax losses and to tax value that exceeds the carrying value of the mining property and financing costs of approximately $2,216,000 have not been recorded due to the uncertainty surrounding the Company's ability to continue as a going concern. The unrealized loss in value on investments available for sale of $32,625 was realized during the year, thus creating a future income tax revenue with the reversal of future income tax assets registered in the accumulated other comprehensive income.

12 - NET LOSS PER SHARE

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

	2010	2009
	$	$
Basic and diluted net loss	**511,711**	501,403
Weighted average number of basic shares outstanding	**114,767,770**	91,333,004
Stock options and warrants with dilutive effect (1)	**---**	---
Diluted weighted average number of shares outstanding	**114,767,770**	91,333,004
Net loss by basic and diluted share (2)	**0.004**	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 Company’s common shares for each of the periods shown in the table. The average number of excluded options and warrants is 423,914 and 9,581,676, respectively, for the year ended December 31, 2010 (745,813 and 12,423,840 in 2009).

(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 - CONTINGENCIES

a) Protection of the environment

The Company's operations are regulated by legislation on environmental protection. The environmental consequences of these operations are difficult to determine and their impact and duration hard to predict. To the best of management's knowledge, the Company's operations are compliant with all enacted laws and regulations. The potential cost of site restoration will be accounted for in income in the year in which a reasonable estimate of such costs can be made.

b) Mining agreement to be obtained and prospect and mining exploration licence pending renewal

The Company is waiting on a new mining agreement and exploration licences from the Malian Government with respect to the Sanoula property. The Company is also waiting on the renewal of its prospect and mining exploration licences for its Kolomba property. If the Company does not obtain the mining agreement and the prospect and mining exploration licences, the acquisition and exploration expenses related to these properties will have to be written off.

14 - COMMITMENTS

Under certain agreements to acquire prospect and mining exploration licences, the Company has commited to do exploration work for an amount of 351,000,000 CFA francs (CAN$712,530) for a period of nine years.

Furthermore, under contracts to acquire prospect and mining exploration licences, the grantors will receive NSR royalties ranging between 1% and 2%, partially redeemable by the Company at US$2,500,000, that is, CAN$2,486,500 at the exchange rate of 2010 year-end (US$2,500,000 in 2009)

Under agreements entered into with the Malian Government and the holder of the prospect and mining exploration licence, the entity that will be created to mine a deposit will transfer, free of charge, a percentage of the shares to the Malian Government. Furthermore, the entity to be created will have to repay certain prior works carried out by the Malian Government.

15 - 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.

16 - FINANCIAL INSTRUMENTS

a) *Fair value of financial instruments*

The Company has and assumes financial assets and liabilities 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.

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 of these risks has remained unchanged over previous years.

Currency risk

As at December 31, 2010, the Company only holds cash in CFA francs totalling 1,701,660 CFA francs (CDN$3,467).

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.

17 - SUBSEQUENT EVENTS

Since January 1, 2011, a total of 12.2 millions warrants have been exercised for a total cash consideration of $1.5 million.

On February, 2011, the Company issued 23,076,923 units at a price of $0.13 each. Each of these units is composed 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 $0.18 until February, 2013.

In April 2011, the Company's board of directors granted a total of one million stock options at the exercise value of $0.235 to one of its officers. These options have a five-year term.