COGITORE RESOURCES INC.

(A DEVELOPMENT STAGE COMPANY)

INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2010

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements of Cogitore Resources Inc. (a Development Stage Company) were prepared by management in accordance with Canadian generally accepted accounting principles. The most significant of these accounting principles have been set out in the December 31, 2009 audited financial statements. Only changes in accounting policies have been disclosed in these unaudited interim financial statements. Management acknowledges responsibility for the preparation and presentation of the unaudited interim financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company’s circumstances.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim financial statements and (ii) the unaudited interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE TO READER

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

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

COGITORE RESOURCES INC.
(A Development Stage Company)
Interim Balance Sheets
(Expressed in Canadian Dollars)

(Unaudited)	March 31, 2010	December 31, 2009
Assets		
Current		
Cash	**$ 1,012,146**	$ 1,603,078
Sundry receivables and prepaid expenses	**210,760**	106,959
Quebec refundable tax credit and refundable mining duty	**1,150,751**	1,304,066
Restricted cash	**-**	750,000
	2,373,657	3,764,103
Restricted cash (*note 5*)	**30,000**	30,000
Exploration properties and deferred exploration expenditures (*note 6*)	**11,494,446**	10,263,137
Property and Equipment (*note 7*)	**233,817**	236,429
	$ 14,131,920	$ 14,293,669
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	**$ 730,726**	$ 734,869
	730,726	734,869
Future income tax liability	**2,521,932**	2,093,709
	3,252,658	2,828,578
Shareholders' equity		
Capital stock (*note 8*)	**16,084,255**	16,512,478
Contributed surplus	**2,946,780**	2,946,780
Deficit	**(8,151,773)**	(7,994,167)
	10,879,262	11,465,091
	$ 14,131,920	$ 14,293,669

Nature of Operations and Going Concern (*note 1*)
Commitments (*note 11*)
Subsequent Event (*note 15*)

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

COGITORE RESOURCES INC.
(A Development Stage Company)
Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

(Unaudited)	Three months ended March 31, 2010	Three months ended March 31, 2009	Cumulative from date of inception to March 31, 2010
Expenses			
General and administrative (*note 12*)	**$ 105,275**	$ 122,139	$ 2,190,114
Stock-based compensation	**-**	2,001	1,261,986
Professional fees	**40,805**	17,784	1,022,297
Director fees	**7,250**	13,250	66,750
Amortization	**2,612**	2,700	32,605
Write-off of exploration costs (*note 6*)	**1,679**	5,089	6,153,468
	157,621	162,963	10,727,220
Other income			
Interest income	**(15)**	(3,080)	(274,085)
Net loss before the following	**(157,606)**	(159,883)	(10,453,135)
Future tax recovery	**-**	-	2,322,683
Net loss and comprehensive loss for the period	**$ (157,606)**	$ (159,883)	$ (8,130,452)
Loss per share - basic and diluted	**$ (0.00)**	$ (0.00)	
Weighted average number of common shares	**53,347,553**	45,326,953	

Interim Statements of Deficit
(Expressed in Canadian Dollars)

(Unaudited)	Three months ended March 31, 2010	Three months ended March 31, 2009	Cumulative from date of inception to March 31, 2010
Balance, beginning of period	**$ (7,994,167)**	$ (4,658,732)	$ (21,321)
Net loss for the period	**(157,606)**	(159,883)	(8,130,452)
Balance, end of period	**$ (8,151,773)**	$ (4,818,615)	$ (8,151,773)

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

COGITORE RESOURCES INC.
(A Development Stage Company)
Interim Statements of Shareholders' Equity
(Expressed in Canadian Dollars)

(Unaudited)	Capital Stock	Warrants	Contributed Surplus	Deficit	Total
Balance, December 31, 2008	**$ 15,349,726**	**$ 1,022,481**	**$ 1,855,340**	**$ (4,658,732)**	**$ 13,568,815**
Flow-through tax effect	(449,500)	-	-	-	(449,500)
Stock-based compensation	-	-	2,001	-	2,001
Net loss for the period	-	-	-	(159,883)	(159,883)
Balance, March 31, 2009	**$ 14,900,226**	**$ 1,022,481**	**$ 1,857,341**	**$ (4,818,615)**	**$ 12,961,433**
Balance, December 31, 2009	**$ 16,512,478**	**$ -**	**$ 2,946,780**	**$ (7,994,167)**	**$ 11,465,091**
Flow-through tax effect *(note 8(i))*	(428,223)	-	-	-	(428,223)
Net loss for the period	-	-	-	(157,606)	(157,606)
Balance, March 31, 2010	**$ 16,084,255**	**$ -**	**$ 2,946,780**	**$ (8,151,773)**	**$ 10,879,262**

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

COGITORE RESOURCES INC.
(A Development Stage Company)
Interim Statements of Cash Flows
(Expressed in Canadian Dollars)

(Unaudited)	Three months ended March 31, 2010	2009	Cumulative from date of inception to March 31, 2010
Cash flows provided by (used in) operating activities			
Net loss for the period	**$ (157,606)**	$ (159,883)	$ (8,130,452)
Adjustments for:			
Amortization	**2,612**	2,700	32,605
Write-off of exploration costs (*note 6*)	**1,679**	5,089	6,153,468
Stock-based compensation	**-**	2,001	1,261,986
Future tax recovery	**-**	-	(2,322,683)
Changes in non-cash working capital items (*note 13*)	**795,371**	138,474	(1,029,406)
	642,056	(11,619)	(4,034,482)
Cash flows used in investing activities			
Acquisition of property and equipment	**-**	(719)	(266,422)
Exploration properties and deferred exploration expenditures	**(1,232,988)**	(1,097,406)	(15,163,573)
	(1,232,988)	(1,098,125)	(15,429,995)
Cash flows provided by financing activities			
Proceeds from issuance of shares, net of costs	**-**	-	20,309,323
Change in cash	**(590,932)**	(1,109,744)	844,846
Cash, beginning of period	**1,603,078**	2,400,642	167,300
Cash, end of period	**$ 1,012,146**	$ 1,290,898	$ 1,012,146

Supplemental cash flow information

Shares issued on acquisition of property	**$ -**	$ -	$ 2,037,370
Stock-based compensation capitalized to exploration properties	**$ -**	$ -	$ 66,972
Flow-through taxes paid	**$ 2,261**	$ 47,874	$ 182,931
Income tax paid	**$ -**	$ -	$ 30,186

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Cogitore Resources Inc. (the "Company" or "Cogitore") was incorporated by a Certificate of Incorporation issued pursuant to the provisions of the Ontario Business Corporations Act on December 13, 2002. The Company is engaged in the acquisition, exploration and development of properties for the mining of precious and base metals. As defined by the Canadian Institute of Chartered Accountants ("CICA") Accounting Guideline 11, the Company is considered to be a development stage enterprise as it has yet to generate significant revenue from operations. The Company was a private entity until it completed an initial public offering during the first quarter of fiscal 2004. The Company is classified as a Tier 2 - Mining issuer, and its common shares commenced trading on the Toronto Venture Exchange on March 4, 2004.

These unaudited interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. The Company had an accumulated deficit of $8,151,773 and net current assets of $1,642,931 as at March 31, 2010.

The Company's ability to continue to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing. There is, however, no assurance that any such initiatives will be sufficient and, as a result, there may be significant doubt regarding the going concern assumption and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These unaudited interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the going concern assumptions were not appropriate. These adjustments could be material. On April 30, 2010 the Company completed (i) a non-brokered private placement with accredited investors of 2,000,000 flow-through common shares at a price of $0.35 per flow-through common share for aggregate gross proceeds of $700,000, and (ii) a non-brokered private placement with accredited investors of 1,933,333 units at a price of $0.30 per unit for aggregate gross proceeds of $580,000. Each unit consisted of one common share and one-half common share purchase warrant. Each whole common share purchase warrant will entitle the holder to purchase one additional common share at a price of $0.45 per common share for a period of eighteen months after the closing date (see *note 15*).

2. SUMMARY OF PRESENTATION AND ACCOUNTING POLICIES

The unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") for interim financial information. Accordingly, they do not include all of the information and notes to the financial statements required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2010 may not necessarily be indicative of the results that may be expected for the year ending December 31, 2010.

The balance sheet at December 31, 2009 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by Canadian GAAP for annual financial statements. The unaudited interim financial statements have been prepared by management in accordance with the accounting policies described in the Company's annual audited financial statements for the year ended December 31, 2009. For further information, refer to the audited financial statements and notes thereto for the year ended December 31, 2009.

2. SUMMARY OF PRESENTATION AND ACCOUNTING POLICIES (Continued)

Future accounting changes

International Financial Reporting Standards ("IFRS")

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. On February 13, 2008, the AcSB confirmed that publicly accountable, profit oriented enterprises will be required to report under IFRS for interim and annual financial statements for periods commencing on or after January 1, 2011. Accordingly, the Company will be required to have prepared, in time for its fiscal 2011 first quarter filing, comparative financial statements in accordance with IFRS for the three months ended March 31, 2010. This will be an ongoing process as the International Accounting Standards Board and the AcSB continue to issue new standards and recommendations. The Company is in the process of evaluating the potential impact of IFRS on its financial statements. Based on the current guidance provided regulatory bodies, it is anticipated that the Company's financial results and position as disclosed in its current Canadian GAAP financial statements will not differ significantly from that which is required in accordance with IFRS.

Business combinations, consolidated financial statements and non-controlling interests

The CICA issued three new accounting standards in January 2009: Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling interests". These new standards will be effective for fiscal years beginning on or after January 1, 2011. Section 1582, "Business Combinations" replaces section 1581, "Business Combinations", and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 - "Business Combinations". Sections 1601, "Consolidated Financial Statements", and 1602, "Non-Controlling interests", together replace section 1600, "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements and applies to interim and annual consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, "Consolidated and Separate Financial Statements". The Company is in the process of evaluating the requirements of the new standards.

3. CAPITAL MANAGEMENT

The Company defines capital that it manages as its shareholders' equity. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management team to sustain the future development of the business. As at March 31, 2010, total shareholders' equity (managed capital) was $10,879,262 (December 31, 2009 - $11,465,091).

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

3. CAPITAL MANAGEMENT (Continued)

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

(i) minimizing discretionary disbursements; and
(ii) focusing financing exploration expenditures on those properties considered to have the best potential.

In light of the above, the Company will continue to assess new properties and seek to acquire an interest in additional properties if the Company believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate.

There were no changes in the Company's approach to capital management during the three months ended March 31, 2010. The Company is not subject to externally imposed capital requirements.

4. PROPERTY AND FINANCIAL RISK FACTORS AFFECTING FINANCIAL INSTRUMENTS

(a) Property risk

The Company’s significant mineral properties are the Estrades Property, Lemoine Property, Scott Lake Project, Normetal West Project and Caribou Project (the "Projects"). Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon these Projects. If no additional mineral properties are acquired by the Company, any adverse development affecting the Projects would have a material adverse effect on the Company’s financial condition and results of operations.

(b) Financial risk factors

The Company’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and commodity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, sundry receivables, Quebec refundable tax credit and mining duty refund and restricted cash. The Company has no significant concentration of credit risk arising from operations. Cash is held in higher yield chequing accounts at a major financial institution, from which management believes the risk of loss to be minimal. Restricted cash consists of a guaranteed investment certificate, which has been invested with a reputable financial institution.

Sundry receivables consist mostly of goods and services tax refunds due from the Federal Government of Canada and sales tax refunds due from the Quebec Government. Quebec refundable tax credits and mining duty refunds consist of tax refunds from the Quebec Government for incurring exploration expenditures in Quebec. Sundry receivables and Quebec refundable tax credit and mining duty refund are in good standing as of March 31, 2010. The Company has not yet received the 2008 Quebec Mining Duty refund. Management believes that the credit risk with respect to sundry receivables and Quebec refundable tax credit and mining duty refund is minimal.

4. PROPERTY AND FINANCIAL RISK FACTORS AFFECTING FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk factors (Continued)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company generates cash flow primarily from its financing activities. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. As at March 31, 2010, the Company had a cash balance of $1,012,146 (December 31, 2009 - $1,603,078) to settle current liabilities of $730,726 (December 31, 2009 - $734,869). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. Subsequent to quarter end, the Company completed a non-brokered private placement of flow-through common shares for aggregate gross proceeds of $700,000, and a non-brokered private placement of units for aggregate gross proceeds of $580,000. Each unit consisted of one common share and one-half common share purchase warrant. Each whole common share purchase warrant will entitle the holder to purchase one additional common share at a price of $0.45 per common share for a period of eighteen months after the closing date (see *note 15*).

Market risk

Interest rate risk
The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in high yield savings accounts and guaranteed investment certificates. The Company regularly monitors its cash management policy.

Foreign currency risk
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company presently has relatively little exposure to foreign currency risk.

Commodity price risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as it relates to precious and base metals, to determine the appropriate course of action to be taken by the Company.

Sensitivity analysis

The Company has designated, for accounting purposes, its cash and restricted cash as held-for-trading, which are measured at fair value. Sundry receivables and Quebec refundable tax credit and mining duty refund are classified for accounting purposes as loans and receivables, which are measured at amortized cost and are equal to fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost and are also equal to fair value.

As of March 31, 2010, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

(Expressed in Canadian Dollars)

4. PROPERTY AND FINANCIAL RISK FACTORS AFFECTING FINANCIAL INSTRUMENTS (Continued)

Sensitivity analysis (Continued)

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a three month period:

(i) Cash and restricted cash are subject to floating interest rates. The Company has no debt and receives low interest rates on its cash balances. As such the Company does not have significant interest rate risk.

(ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

(iii) Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of precious and base metals. Precious and base metals prices have fluctuated significantly in recent years. There is no assurance that, even as commercial quantities of precious and base metals may be produced in the future, a profitable market will exist for them. As of March 31, 2010, the Company was not a producing entity. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Fair value hierarchy and liquidity risk disclosure

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at March 31, 2010.

	Level 1	Level 2	Level 3	Total
Cash	$ 1,012,146	$ -	$ -	$ 1,012,146
Restricted Cash	30,000	-	-	30,000
	$ 1,042,146	**$ -**	**$ -**	**$ 1,042,146**

5. RESTRICTED CASH

The Company has several company credit cards with a major financial institution with an aggregate credit limit of $30,000. The financial institution holds $30,000 in a Guaranteed Investment Certificate as collateral on the credit amount as long as the credit cards are active. The restricted cash amounts would change if there were any changes in the credit limits on the cards.

6. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

2010	Balance January 1,	Additions	Write-off	Balance March 31,
Estrades Property	$ 1,531,606	$ 269,074	$ -	$ 1,800,680
Lemoine Property	2,570,136	2,714	-	2,572,850
Inmet Back-In Properties	-	1,679	(1,679)	-
Scott Lake Project	4,594,904	370,558	-	4,965,462
Normetal West Project	841,439	6,435	-	847,874
Caribou Project	725,052	582,528	-	1,307,580
Total	$ 10,263,137	$ 1,232,988	$ (1,679)	$ 11,494,446

(Expressed in Canadian Dollars)

6. EXPLORATION PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (Continued)

2009	Balance January 1,	Additions	Write-offs	Balance December 31,
Estrades Mining Lease	$ 3,455,610	$ (82,994)	$ (3,372,616)	$ -
Estrades Property	1,533,163	(1,557)	-	1,531,606
Lemoine Property	2,580,706	(10,570)	-	2,570,136
Inmet Back-In Properties	-	33,672	(33,672)	-
Scott Lake Project	3,585,111	1,009,793	-	4,594,904
Normetal West Project	815,155	26,284	-	841,439
Caribou Project	249,492	475,560	-	725,052
Total	$ 12,219,237	$ 1,450,188	$ (3,406,288)	$ 10,263,137

On a quarterly basis, management of the Company reviews exploration costs to ensure deferred exploration expenditures include only costs and projects that are eligible for capitalization, and reviews all projects to determine if any impairment is necessary.

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net Carrying Amount March 31, 2010
Computer equipment	$ 5,111	$ 3,415	$ 1,696
Office equipment	5,120	2,069	3,051
Site building	256,191	27,121	229,070
	$ 266,422	$ 32,605	$ 233,817

	Cost	Accumulated Amortization	Net Carrying Amount December 31, 2009
Computer equipment	$ 5,111	$ 3,278	$ 1,833
Office equipment	5,120	1,908	3,212
Site building	256,191	24,807	231,384
	$ 266,422	$ 29,993	$ 236,429

8. CAPITAL STOCK

Authorized
Unlimited common shares

Issued - 53,347,553 common shares

	Shares	Amount
Balance, December 31, 2009	**53,347,553**	**$ 16,512,478**
Flow-through tax effect (i)	-	(428,223)
Balance, March 31, 2010	**53,347,553**	**$ 16,084,255**

(i) The Company filed renouncement documents with the tax authorities pertaining to the flow-through shares it had issued in fiscal 2009. As a result of this renunciation, capital stock decreased and long-term future income tax liability increased by $428,223.

(Expressed in Canadian Dollars)

9. STOCK OPTIONS

A summary of the Company's option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2009	3,892,000	$ 0.37
Expired/Cancelled	(300,000)	0.66
Balance, March 31, 2010	**3,592,000**	**$ 0.35**

As at March 31, 2010, the Company had the following stock options outstanding and exercisable:

	Outstanding Options			Exercisable Options	
Exercise price	Number of options	Weighted average remaining contractual life (years)	Weighted average exercise price	Number of options	Weighted average exercise price
$0.10 to $0.19	2,105,000	4.16	$ 0.15	2,105,000	$ 0.15
$0.50 to $0.59	670,000	2.60	0.55	670,000	0.55
$0.60 to $0.70	620,000	0.48	0.63	620,000	0.63
$0.80 to $0.95	197,000	1.63	0.87	197,000	0.87
	3,592,000	3.09	$ 0.35	3,592,000	$ 0.35

10. RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amounts, which are the amounts of consideration established and agreed to by the related parties.

During the three months ended March 31, 2010, the Company paid/accrued $12,500 (three months ended March 31, 2009 - $nil) to 2142058 Ontario Inc., a company controlled by an officer of the Company, for management services provided to the Company.

(Expressed in Canadian Dollars)

11. COMMITMENTS

(a) The Company entered into agreements to lease head office space until May 2011. Minimum annual rent payable in each of the next two years is as follows:

2010	$ 48,065
2011	26,703
	$ 74,768

(b) The Company has entered into an agreement to lease regional office space until June 2013. Minimum annual rent payable in each of the next four years is as follows:

2010	$ 48,000
2011	64,000
2012	64,000
2013	32,000
	$ 208,000

12. GENERAL AND ADMINISTRATIVE EXPENSE DISCLOSURE

	Three months ended March 31, 2010	Three months ended March 31, 2009	Cumulative from date of inception to March 31, 2010
Interest and bank charges	**$ 300**	$ 841	$ 17,888
Flow-through taxes paid	**(479)**	1,380	180,191
Consulting fees	**-**	-	46,402
Office and general	**11,332**	12,928	274,457
Transfer agent, listing and filing fees	**10,508**	9,774	173,951
Salaries and benefits	**23,731**	27,700	541,876
Rent	**13,009**	16,450	132,341
Shareholder/investor relations	**38,774**	52,656	465,909
New project development	**8,100**	410	329,606
Capital tax	**-**	-	27,493
Total	**$ 105,275**	$ 122,139	$ 2,190,114

(Expressed in Canadian Dollars)

13. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended March 31, 2010	Three months ended March 31, 2009	Cumulative from date of inception to March 31, 2010
Change in non-cash working capital items:			
(Increase) decrease in sundry receivables and prepaid expenses	**$ (103,801)**	$ 16,475	$ (132,356)
Decrease (increase) in Quebec refundable tax credit and mining duty refund	**153,315**	-	(1,150,751)
Increase in restricted cash (non-current)	**-**	-	(30,000)
Decrease in restricted cash (current)	**750,000**	-	-
(Decrease) increase in accounts payable and accrued liabilities	**(4,143)**	151,985	283,701
Decrease in income tax payable	**-**	(29,986)	-
	$ 795,371	$ 138,474	$ (1,029,406)

14. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform with current period financial statement presentation.

15. SUBSEQUENT EVENT

Subsequent to quarter end, on April 30, 2010, the Company announced that it had closed (i) the non-brokered private placement of flow-through common shares (the “Flow-Through Offering”) and (ii) the non-brokered private placement of units (the “Unit Offering”, and together with the Flow-Through Offering, the “Offerings”).

2,000,000 flow-through common shares of the Company were issued at a price of $0.35 per flow-through common share for aggregate gross proceeds of $700,000. The Company paid a cash commission equal to 6% of certain gross proceeds of the Flow-Through Offering to participating registered dealers for an aggregate total of $26,760. 1,933,335 units of the Company were issued at a price of $0.30 per unit for aggregate gross proceeds of $580,000, each unit consisting of one common share of the Company and one-half common share purchase warrant. Each whole common share purchase warrant will entitle the holder to purchase one additional common share at a price of $0.45 per common share for a period of eighteen months following the closing date, or earlier pursuant to the acceleration terms set forth below.

If on any 20 consecutive trading days after the issuance of the common share purchase warrants, the closing sales price (or closing bid price on the days when there are no trades) of the common shares of the Company listed on the TSX Venture Exchange is greater than $0.55, the expiry date of the common share purchase warrants shall accelerate and be automatically amended to be the 30th day after the date on which the Company gives notice to the warrant holder of such acceleration.

15. SUBSEQUENT EVENT (Continued)

The Company paid a due diligence fee (including legal fees and expenses) incurred by subscribers in connection with the Unit Offering equal to $18,288.

The proceeds of the Flow-Through Offering will be used to fund the Company's ongoing exploration program, while the proceeds of the Unit Offering will be used to fund the Company's ongoing exploration program and for general corporate purposes.

The common shares and common share purchase warrants issued at closing are, and the common shares issued upon exercise of the common share purchase warrants will be, subject to resale restrictions pursuant to applicable securities laws requirements and notably to a hold period of four months plus one day from the closing date.

A number of insiders participated in the Flow-Through Offering, thereby making the Flow-Through Offering a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101"). Insiders, including officers and directors of the Company, subscribed for a total of 296,831 common shares of the Company. The Flow-Through Offering was unanimously approved by the directors of the Company, with the directors participating in the Flow-Through Offering disclosing their interest and abstaining from voting with respect thereto.

The Flow-Through Offering was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any common shares issued to or the consideration paid by such persons exceeded 25% of the Company's market capitalization.