

NOTICE TO SHAREHOLDERS

BENTON RESOURCES CORP.

(A Development Stage Enterprise)

Consolidated Financial Statements

For the Nine Months Ended March 31, 2010

Responsibility for Consolidated Financial Statements

The accompanying consolidated financial statements for Benton Resources Corp. have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the June 30, 2009 audited consolidated financial statements. Recognizing that the Company is responsible for both the integrity and objectivity of the consolidated financial statements, management is satisfied that these consolidated financial statements have been fairly presented. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the period ended March 31, 2010.

BENTON RESOURCES CORP.
(A Development Stage Enterprise)

March 31, 2010

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BENTON RESOURCES CORP.
(A Development Stage Enterprise)

CONSOLIDATED BALANCE SHEETS
(Prepared by Management)

As at	March 31, 2010 \$ (Unaudited)	June 30, 2009 \$ (Audited)
ASSETS		
Current		
Cash	92,984	424,451
Temporary investments (note 4)	11,774,178	12,922,274
Accounts and other receivables	207,297	31,006
Prepaid expenses	20,030	14,311
Refundable security deposits (note 18)	48,025	33,850
	12,142,514	13,425,892
Long-term investments (note 5)	2,351,768	1,501,709
Property and equipment, net (note 6)	149,517	167,370
Mineral properties and deferred development expenditures (note 7)	13,193,284	11,592,324
Investment in Coro Mining Corp. (note 8)	3,836,386	2,814,209
	31,673,469	29,501,504
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current		
Accounts payable and accrued liabilities (note 10)	370,693	375,485
Future income tax liability (note 13(b))	952,723	640,326
	1,323,416	1,015,811
Shareholders' Equity		
Capital Stock (note 9)		
Share capital	30,199,288	27,947,572
Warrants	4,294,072	4,233,444
Contributed Surplus	5,026,925	4,421,683
Deficit	(9,170,232)	(8,117,006)
	30,350,053	28,485,693
	31,673,469	29,501,504

Ability to continue as a going concern (note 1)

Subsequent events (note 21)

Approved by the Board:

“Stephen Stares” President, Chief Executive Officer and Director

“Clint Barr” Director

See accompanying notes to consolidated financial statements

BENTON RESOURCES CORP.
(A Development Stage Enterprise)

**CONSOLIDATED STATEMENTS OF OPERATIONS,
COMPREHENSIVE INCOME AND DEFICIT
(Prepared by Management – Unaudited)**

	Three Months Ended March 31, 2010 \$	Three Months Ended March 31, 2009 \$	Nine Months Ended March 31, 2010 \$	Nine Months Ended March 31, 2009 \$
EXPENSES				
Advertising and promotion	92,580	69,217	261,877	235,214
Compensation costs (note 14)	411,410	168,286	608,422	505,943
General and administrative	226,675	214,733	685,884	550,105
Professional fees	27,785	38,606	105,027	111,804
Stock exchange and filing fees	8,807	7,600	32,952	20,796
Part XII.6 tax	3,567	-	3,567	-
Amortization expense	14,162	26,145	41,357	78,125
Total Expenses and loss before the following:	(784,986)	(559,957)	(1,739,086)	(1,501,987)
Interest income	225,166	181,429	561,194	557,406
Adjustment to fair market value for held for trading investments	159,216	57,503	507,830	(503,809)
Fees earned on mineral properties (note 7(i))	284,779	-	286,419	6,937
Gain on sale of warrants (note 8)	-	-	143,116	-
Gain on sale of investments (note 5)	-	-	100	-
Write-down of mineral properties (note 7(q))	(87,630)	-	(1,421,463)	(979,597)
Equity and dilution gains (losses) (note 8)	(190,054)	(99,287)	221,061	(99,287)
Net loss before taxes	(393,509)	(420,312)	(1,440,829)	(2,520,337)
Recovery of (provision for) future income taxes (note 13(a))	(76,826)	336,396	387,603	409,031
Net loss being comprehensive loss for the period	(470,335)	(83,916)	(1,053,226)	(2,111,306)
Deficit - Beginning of Period	(8,699,897)	(7,865,993)	(8,117,006)	(5,838,603)
Deficit - End of Period	(9,170,232)	(7,949,909)	(9,170,232)	(7,949,909)
Net Income (Loss) Per Share (note 12)	0.01	0.00	0.01	0.03
Weighted Average Shares Outstanding (note 12)	74,507,698	67,169,003	73,037,936	69,464,037

See accompanying notes to financial statements

BENTON RESOURCES CORP.
(A Development Stage Enterprise)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Prepared by Management – Unaudited)

	Three Mos Ended Mar 31, 2010 \$	Three Mos Ended Mar 31, 2009 \$	Nine Mos Ended Mar 31, 2010 \$	Nine Mos Ended Mar 31, 2009 \$
CASH FLOWS FROM (USED IN):				
OPERATING ACTIVITIES				
Net loss being comprehensive loss for the period	(470,335)	(83,916)	(1,053,226)	(2,111,306)
Provision for (recovery of) future income taxes	76,826	(336,396)	(387,603)	(409,031)
Write-down of mineral properties	87,630	-	1,421,463	979,597
Unrealized change in fair market value of investments	(159,216)	(57,503)	(507,830)	503,809
Gain on sale of warrants	-	-	(143,116)	-
Amortization expense	14,162	26,145	41,357	78,125
Compensation and other expenses paid through stock options	411,410	203,656	608,422	505,943
Equity and dilution (gains) losses	190,054	99,287	(221,061)	99,287
Decrease (increase) in accounts and other receivables	(44,851)	-	(130,639)	5,383
Decrease (increase) in prepaid expenses	10,603	4,193	(5,719)	(970)
Decrease (increase) in refundable security deposits	6,475	120,000	(14,175)	106,600
Increase (decrease) in accounts payable and accrued liabilities	49,415	(58,286)	67,816	(69,478)
Cash flows used in operating activities	172,173	(82,820)	(324,311)	(312,041)
FINANCING ACTIVITIES				
Proceeds from private placements, net of issue costs	-	-	2,632,000	1,696,763
Proceeds from the exercise of stock options	14,063	-	21,063	-
Shares held for cancellation under normal course issuer bid	-	(78,500)	-	(78,500)
Shares purchased and cancelled under normal course issuer bid	-	(3,060)	(7,600)	(145,325)
Cash flows from (used in) financing activities	14,063	(81,560)	2,645,463	1,472,938
INVESTING ACTIVITIES				
Deferred development expenditures	(1,039,767)	(268,629)	(2,658,723)	(1,817,776)
Purchase of property and equipment	(6,529)	(754)	(23,504)	(2,449)
Purchase of shares pursuant to exercise of warrants	-	-	(1,008,000)	-
Net redemption of fixed income investments	755,187	3,400,583	798,768	3,178,620
Proceeds from sale of long-term investments	-	-	7,100	-
Decrease (increase) in accounts receivable	(15,101)	107,862	(45,652)	148,062
Investment in Coro Mining Corp.	-	(3,000,000)	-	(3,000,000)
Proceeds on sale of Coro Mining warrants	-	-	350,000	-
Decrease in accounts payable and accrued liabilities	38,424	(104,599)	(72,608)	(195,480)
Cash flows used in investing activities	(267,786)	134,463	(2,652,619)	(1,689,023)
Increase (decrease) in cash	(81,550)	(29,515)	(331,467)	(528,126)
Cash - beginning of period	174,534	605,692	424,451	1,103,901
Cash - end of period	92,984	575,775	92,984	575,775

See accompanying notes to financial statements

BENTON RESOURCES CORP.

(A Development Stage Enterprise)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**(Prepared by Management – Unaudited)**

March 31, 2010

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN:

Benton Resources Corp. (the “Company”) was incorporated on July 10, 2003 under the laws of British Columbia and is a development stage public company whose shares began trading on the TSX Venture Exchange in April of 2005. Its principal business activities are the acquisition, exploration and development of mineral properties.

The accompanying consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the settlement of liabilities in the normal course of business. The appropriateness of the going concern assumption is dependent upon the Company’s ability to generate future profitable operations and/or generate continued financial support in the form of equity financings. The Company feels that sufficient working capital will be obtained from public share offerings to meet the Company’s liabilities and commitments as they come due. These consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classification that would be necessary if the going concern assumption were not appropriate and such adjustments could be material.

	March 31, 2010	June 30, 2009
Working capital	\$11,771,821	\$13,050,407
Deficit	\$(9,170,232)	\$(8,117,006)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:Basis of Presentation

The Company has prepared these consolidated financial statements for the nine months ended March 31, 2010 in accordance with generally accepted accounting principles in Canada.

These consolidated financial statements include the Company’s investment in Coro Mining Corp. This investment was accounted for using the equity method. Under the equity method, the investment is initially recorded at cost and the carrying value is adjusted thereafter, to reflect the Company’s pro-rata share of income or loss of the investee. In addition, if the investee issues its own shares to outside interests, a dilution gain or loss arises as a result of the difference between the Company’s proportionate share of the proceeds and the carrying value of the underlying equity.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and their basis of application is consistent with that of the previous year. Outlined below are those policies considered particularly significant.

Mineral Properties and Deferred Developmental Expenditures

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold or abandoned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production or written-down if the properties are allowed to lapse, are abandoned, are impaired or continued development is not deemed appropriate in the foreseeable future.

Costs include the cash consideration and the fair market value of the shares issued for the acquisition of mineral properties. The carrying value of an individual property is reduced by option proceeds received until such time as the property cost and deferred expenditures are reduced to nominal amounts and thereafter any excess will be recorded as a gain.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) . . .

Properties acquired under option agreements or by joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at the time of payment.

Foreign Currency Translation

The temporal method of translation is used to translate the financial statements of investees accounted for under the equity method into the Company's functional currency. The temporal method is applied as follows:

- (i) Monetary assets and liabilities are translated at the rate of exchange in effect at the balance sheet date;
- (ii) Non-monetary assets and liabilities, and equity are translated at historical rates; and
- (iii) Revenue and expense items are translated at the rate of exchange prevailing at the time of the transaction or at average exchange rates during the period as appropriate.

Gains and losses on re-measurement to the functional currency are included in net income for the period.

Other than for the purposes of accounting for the investment in Coro Mining Corp., the Company does not have any transactions in foreign currencies.

Revenue Recognition

Operator fees on mineral properties are earned based on an agreed upon percentage of development expenses incurred on specific properties. Recognition of all revenue is subject to the provision that ultimate collection is reasonably assured at the time of recognition.

Land Reclamation Costs

During the course of acquiring and exploring potential properties, the Company must comply with government regulated environmental evaluation, updating and reclamation requirements. The fair value of the liability is recorded when it is incurred and the corresponding increase to the assets is capitalized as deferred costs until such time as the properties are put into commercial production, at which time the costs incurred will be charged to operations on a unit-of-production basis over the estimated mine life. Upon abandonment or sale of a property all deferred costs relating to the property will be expensed in the year of such abandonment or sale.

General and Administrative Expenses

The Company charges all general and administrative expenses not directly related to development activities to operations as incurred.

Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the related reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of assets, resource property values, useful lives for amortization, future income taxes, and determination of fair value for stock based transactions. Actual results could differ from those reported. Management believes that the estimates are reasonable.

Income Taxes

The Company accounts for income taxes using the asset and liability method of accounting which focuses on the amounts of income taxes payable or receivable that will arise if an asset is realized or a liability is settled for its carrying amount. The resulting future income tax asset or liability is recorded based on substantively enacted income tax rates. In the case of unused tax losses, income tax reductions and certain items that have a tax basis but cannot be identified with an asset or liability on the balance sheet, the recognition of future income tax assets is determined by reference to the more likely than not realization of such benefits at the balance sheet date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) . . .

Flow-Through Financing

Under this arrangement, shares are issued which transfer the tax deductibility of mineral property development expenditures to investors. Proceeds received on the issuance of these shares have been credited to share capital and the related development costs will be capitalized to mining and resource properties in the year in which they are incurred.

The entire amount of flow-through financing received was renounced to the investors. Accordingly, as the actual expenditures are incurred, they will carry no tax deductibility and the result will be amounts subject to tax. Future income tax liabilities resulting from these tax differences are recorded in the year in which the expenditures are renounced when the forms are filed with the Canada Revenue Agency and share capital is reduced, provided there is reasonable assurance that the expenditures will be made. Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property development expenditures within a two year period.

Stock-Based Compensation

The Company uses the fair value-based method of accounting for stock-based compensation awards based on the Black-Scholes option pricing model with the portion of the fair value of the granted option related to vesting for the period charged to expense with the offset to contributed surplus. On the exercise of stock options, consideration received and the accumulated contributed surplus attributed to the portion exercised is credited to share capital.

Note 14 provides details on stock-based compensation and other stock-based payments.

Property and Equipment

Purchased property and equipment are recorded at cost. Amortization is provided using the declining balance method using annual rates as follows:

Computer Equipment	30-55%
Computer Software	100%
Furniture and Equipment	20%
Exploration Camps	30%

Risk Management

The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is at risk for environmental issues.

The Company's functional currency is the Canadian dollar. All current development occurs within Canada. There is no significant foreign exchange risk to the Company.

Loss Per Share

Loss per share is calculated on the basis of weighted average number of shares outstanding during the year. Diluted earnings per share are computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares from the exercise of warrants and stock options, if dilutive. For warrants and stock options, the number of additional common shares is calculated by assuming that outstanding warrants and stock options were exercised and that the proceeds from such exercises were used to acquire shares of common stock at the average market price during the reporting period. Diluted loss per share has not been presented as the result is anti-dilutive.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) . . .

Asset Retirement Obligation

CICA 3110, "Asset Retirement Obligations" requires companies to record the fair value of an asset retirement obligation as a liability in the period in which it incurred a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development and/or normal use of the assets. The obligation is measured initially at fair value using discounted future cash flows and the resulting costs are capitalized into the carrying amount of the related asset. In subsequent periods, the liability will be adjusted for any changes in the amount or timing of the underlying future cash flows. Capitalized asset retirement costs are depreciated on the same basis as the related asset and the discounted accretion of the liability is included in determining the results of operations.

The Company has only performed preliminary exploratory work on its mineral properties and has not incurred significant reclamation obligations.

Impairment of Long-lived Assets

The Company periodically evaluates the future recoverability of its long-lived assets. In the situation that events and circumstances indicate impairment is probable, impairment losses or write-downs are measured as the difference between the carrying amount and the fair value. If fair value cannot be determined through market observation or using an undiscounted cash flow technique, then the entire carrying amount is written off.

Financial instruments - recognition and measurement (CICA Handbook Section 3855)

These standards set out criteria for the recognition and measurement of financial instruments for fiscal years beginning on or after October 1, 2006. This standard requires all financial instruments within its scope, including derivatives, to be included on a Company's balance sheet and measured either at fair value or, in certain circumstances when fair value may not be considered most relevant, at cost or amortized cost. Changes in fair value are to be recognized in the statements of operations and comprehensive income.

All financial assets and liabilities are recognized when the entity becomes a party to the contract creating the item. As such, any of the Company's outstanding financial assets and liabilities at the effective date of adoption are recognized and measured in accordance with the new requirements as if these requirements had always been in effect. Any changes to the fair values of assets and liabilities prior to July 1, 2007 are recognized by adjusting opening deficit or opening accumulated other comprehensive income.

All financial instruments are classified into one of the following five categories: held for trading, held-to-maturity, loans and receivables, available-for-sale, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depend on their initial classification:

Held for trading financial instruments are measured at fair value. All gains and losses are included in net loss in the period in which they arise.

Held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost. Amortization of premiums or discounts and losses due to impairment are included in current period net earnings.

Available-for-sale financial assets are measured at fair value. Revaluation gains and losses are included in other comprehensive income until the asset is removed from the balance sheet.

All derivative financial instruments are classified as held for trading financial instruments and are measured at fair value, even when they are part of a hedging relationship. All gains and losses are included in net earnings in the period in which they arise.

The Company has classified its financial instruments at the date of adoption as follows:

Cash, temporary investments and long term investments are classified as held-for-trading. Accounts and other receivables and refundable security deposits are classified as loans and receivables and accounts payable are classified as other financial liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued) . . .

Impairment Testing of Mineral Exploration Properties (Emerging Issue Committee – EIC 174)

On March 27, 2009, the CICA approved EIC 174 “Mining Exploration Costs”. This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Also, it clarified when exploration costs related to mining properties may be capitalized, in particular when the company has not established mineral reserves objectively. This standard was effective for the quarter ended April 30, 2009.

The Company has evaluated this new standard and determined it did not have any impact on its consolidated financial statements.

3. CURRENT AND FUTURE CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION:

Capital Disclosures (CICA Handbook Section 1535)

The Company has early adopted CICA Handbook section 1535, Capital Disclosures in the June 30, 2008 audited financial statements. This section requires the disclosure of both qualitative and quantitative information that provides users of financial statements with information to evaluate the entity’s objectives, policies and procedures for managing capital, including disclosures of any externally imposed capital requirements and the consequences of non-compliance. See note 16 for the disclosures related to this standard.

There was no effect on opening equity as of July 1, 2007 as a result of applying these new standards.

Assessing Going Concern (CICA Handbook Section 1400)

The AcSB amended CICA Handbook Section 1400 to include requirements for management to assess and disclose an entity’s ability to continue as a going concern. The standard became effective for fiscal years beginning on or after January 1, 2008 and is applicable to the Company as of July 1, 2008. The effect of this accounting change increases disclosures in the consolidated financial statements. See note 1 for the disclosures related to the amended standards.

Financial Instruments – Disclosures (CICA Handbook Section 3862)

The CICA has issued this new handbook section which affected disclosures in the Company’s consolidated financial statements beginning on July 1, 2008. The new standards describe the required disclosure for the assessment of the significance of financial instruments for an entity’s financial position and performance and of the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks. The new standards increase disclosures in future consolidated financial statements. See note 17 for disclosures related to this new standard.

Financial Instruments – Presentation (CICA Handbook Section 3863)

The CICA has issued this new handbook section which affected disclosures in the Company’s consolidated financial statements beginning on July 1, 2008. This new section establishes the standards for presentation of the financial instruments and non-financial derivatives. It carries forward the presentation related requirements of Section 3861 “Financial Instruments – Disclosure and Presentation”. The new standards increase disclosures in the consolidated financial statements. See note 17 for disclosures related to this new standard.

3. CURRENT AND FUTURE CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION (continued)...

International Financial Reporting Standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly accountable enterprises to use IFRS, replacing Canada’s own GAAP. The transition date is for interim and annual consolidated financial statements relating to fiscal year’s beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011. The Company is in the process of developing a plan for IFRS convergence. Detailed analysis of the differences between IFRS and the Company’s accounting policies and assessment of the various alternatives for first time adoption of IFRS are in progress. While the Company has begun assessing the adoption of IFRS for 2011, the Company has not yet determined the impact of transition to IFRS on the consolidated financial statements at this time.

Business Combinations (CICA Handbook Section 1582)

In January 2009, the CICA issued Handbook Section 1582, "Business combinations," which replaces the existing standards. This section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. This standard is equivalent to the International Financial Reporting Standards on business combinations. This standard is applied prospectively to business combinations with acquisition dates on or after January 1, 2011. Earlier adoption is permitted. Management is currently evaluating the impact of adopting this standard on the Company’s financial statements.

Non-controlling Interests (CICA Handbook Section 1602)

In January 2009, the CICA issued Handbook Section 1602, "Non-controlling interests," which establishes standards for the accounting of non-controlling interests of a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. This standard is equivalent to the International Financial Reporting Standards on consolidated and separate financial statements. This standard is effective for 2011. Earlier adoption is permitted. Management is currently evaluating the impact of adopting this standard on the Company’s financial statements.

Consolidated Financial Statements (CICA Handbook Section 1601)

In January 2009, the CICA issued Handbook Section 1601, "Consolidated financial statements," which replaces the existing standards. This section establishes the standards for preparing consolidated financial statements and is effective for 2011. Earlier adoption is permitted. Management is currently evaluating the impact of adopting this standard on the Company’s financial statements.

4. TEMPORARY INVESTMENTS:

	March 31, 2010	June 30, 2009
Coupon	3,484,219	-
Senior deposit notes	-	5,779,355
Investment Trust Units	-	880,391
Money Market Mutual funds	4,660,184	1,688,876
Guaranteed investment certificates	3,629,775	4,573,652
	<u>\$ 11,774,178</u>	<u>\$ 12,922,274</u>

These funds are available for exploration and other purposes upon the request of the Company.

4. TEMPORARY INVESTMENTS (continued)...

The coupons have maturity dates ranging from July 19, 2010 to February 15, 2012 and interest rates ranging from 1.09% to 1.92%.

The mutual funds consist of fully liquid, managed money market fund units that yield regular monthly dividends at market rates.

The guaranteed investment certificates have maturity dates ranging from January 20, 2011 to March 20, 2012 and interest rates ranging from 2.65% to 5.04%.

5. LONG-TERM INVESTMENTS:

	March 31, 2010		June 30, 2009	
	Market \$	Cost \$	Market \$	Cost \$
Canadian Equities				
Marathon PGM Corporation	1,976,400	1,429,991	1,377,000	1,429,991
Bell Copper Corporation	346,500	288,743	84,500	295,743
Puget Ventures Inc.	28,868	32,992	40,209	32,992
	<u>2,351,768</u>	<u>1,751,726</u>	<u>1,501,709</u>	<u>1,758,726</u>

The Marathon PGM Corporation (“Marathon”) shares are valued at the March 31, 2010 closing price of \$1.22 per common share (June 30, 2009 - \$0.85). 120,000 of these shares were received pursuant to an option agreement with Marathon (see note 7(a)). An additional 1,500,000 shares of Marathon were received pursuant to the sale of the Bamoo claims and one additional claim (see note 7(a)). The cost of the shares was determined to be \$840,791 which was the difference between \$1,140,791 in capitalized project costs and the \$300,000 cash proceeds received for the claims sold. As a result, no gain or loss was recorded on the disposal. Marathon is listed on the TSX under the symbol “MAR”.

The Bell Copper Corporation (“Bell”) shares are valued at the March 31, 2010 closing price of \$0.42 per common share (June 30, 2009 - \$0.10). The shares were received pursuant to an amendment to a joint venture agreement with Bell’s predecessor, GrandCru Resources, whereby in lieu of cash settlement of an outstanding balance owing to the Company for work performed on the joint venture property, the \$295,743 balance was settled by Bell issuing to the Company 845,000 common shares with an underlying value of \$0.35 per common share. Bell is listed on the TSX Venture Exchange under the symbol “BCU”. During the period, the Company sold 20,000 Bell shares for gross proceeds of \$7,100 and a resulting gain of \$100 was recognized in income in the current period.

The Puget Ventures Inc. (“Puget”) shares are valued at the March 31, 2010 closing price of \$0.28 per common share (June 30, 2009 - \$0.39). These shares were received pursuant to a joint venture agreement with Puget. The closing price of the shares on the date the joint venture agreement was executed was \$0.32 per common share. Puget is listed on the TSX Venture Exchange under the symbol “PVS”.

6. PROPERTY AND EQUIPMENT:

	March 31, 2010			June 30, 2009		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Computer Equipment	\$ 48,014	35,208	12,806	\$ 41,424	\$ 29,796	\$ 11,628
Furniture and Equipment	68,101	24,845	43,256	54,038	18,453	35,585
Computer Software	81,291	78,819	2,472	78,440	75,681	2,759
Exploration Camps	197,307	106,324	90,983	197,307	79,909	117,398
Total	<u>\$ 394,713</u>	<u>245,196</u>	<u>149,517</u>	<u>\$ 371,209</u>	<u>\$ 203,839</u>	<u>\$ 167,370</u>

7. MINERAL PROPERTIES AND DEFERRED DEVELOPMENT EXPENDITURES:

Mineral property acquisition, exploration and development expenditures are deferred until the properties are placed into production, sold, impaired or abandoned. These deferred costs will be amortized over the estimated useful life of the properties following commencement of production, or written-down if the properties are allowed to lapse, are impaired, or are abandoned. The deferred costs associated with each property is as follows:

<u>For the nine months ended March 31, 2010</u>	<u>Opening balance</u>	<u>Expenditures</u>	<u>Recoveries/write downs/disposals</u>	<u>Ending balance</u>
Bermuda/Bamoos/Claw Lake/Four Dams	4,761,803	9,486	-	4,771,289
Saganaga Lake Property	441,440	590,125	-	1,031,565
Goodchild and South Goodchild Property	765,436	20,414	(158,200)	627,650
Armit Lake Property	1,336,247	315	-	1,336,562
Kingurutik Lake Nickel Property	557,672	14,948	(3,000)	569,620
Q-9 Gold Property	127,196	36,700	-	163,896
Sibley Basin Property	91,348	5,656	(97,003)	1
Bark Lake Property	543,783	37,996	-	581,779
Swayze Property	135,016	-	-	135,016
Hope Brook Property	1,156,376	307	(1,156,683)	-
Rim Property	521,268	16,150	-	537,418
Golden Harp Joint Venture	302,977	801,746	-	1,104,723
Deloro Property	-	784,270	-	784,270
Other Properties	851,762	887,262	(189,529)	1,549,495
Total	11,592,324	3,205,375	(1,604,415)	13,193,284

<u>For the year ended June 30, 2009</u>	<u>Opening balance</u>	<u>Expenditures</u>	<u>Recoveries/write downs/disposals</u>	<u>Ending balance</u>
Bermuda/Bamoos/Claw Lake/Four Dams	5,853,422	49,172	(1,140,791)	4,761,803
Saganaga Lake Property	323,190	118,250	-	441,440
Nipigon Uranium Property	83,368	-	(83,368)	-
Flying Loon Property	612,944	-	(612,944)	-
Goodchild and South Goodchild Property	231,999	836,664	(303,227)	765,436
Armit Lake Property	1,236,965	99,282	-	1,336,247
Kingurutik Lake Nickel Property	592,361	(34,689)	-	557,672
Q-9 Gold Property	102,224	24,972	-	127,196
Sibley Basin Property	14,027	77,321	-	91,348
Bark Lake Property	484,056	59,727	-	543,783
Swayze Property	116,173	269,999	(251,156)	135,016
Hope Brook Property	560,253	596,123	-	1,156,376
Rim Property	400,775	120,493	-	521,268
Golden Harp Joint Venture	-	302,977	-	302,977
Other Properties	596,287	740,842	(485,367)	851,762
Total	\$11,208,044	3,261,133	(2,876,853)	11,592,324

(a) Bermuda/Bamoos/Claw Lake/Four Dams

Pursuant to an asset purchase and sale and royalty agreement (the "Acquisition Agreement") dated December 15, 2003 between the Company and Stephen Stares, a Director and Shareholder, the Company acquired, subject to a 1% net smelter royalty ("NSR"), a 100% interest in the Bermuda Property, located in the Seeley Lake area of the Thunder Bay Mining Division in Ontario, Canada approximately 215 km east-northeast of the City of Thunder Bay and 12 km north of the Town of Marathon. The Bermuda Property consists of 17 contiguous mineral claims comprising 210 units (approx. 3,400 hectares). Consideration for the acquisition of the Bermuda Property was 2,000,000 Vendors' Special Warrants, exchangeable for common shares, allocated as to 500,000 Vendor Special Warrants to each of Stephen Stares, Michael Stares, Wayne Reed and Paul Degagne at an agreed price of \$0.10 each. The Acquisition Agreement includes an area of interest clause of one kilometre from the outside boundary of the Bermuda Property.

7. MINERAL PROPERTIES AND DEFERRED DEVELOPMENT EXPENDITURES (continued)...

The Bamooos Property consists of a mining lease comprised of 16 units contiguous to the south boundary of the Bermuda Property and the north boundary of Marathon PGM Corp's Property. Pursuant to an option agreement dated May 25, 2005 and amended June 30, 2005, the Company earned a 100% interest (subject to a 2% net smelter royalty) by spending \$400,000 of exploration expenditures over four years and issuing 300,000 units of the Company's stock. Benton has now completed all expenditures required and has earned 100% interest in the Bamooos project subject to royalties pertaining to the underlying agreement. The Claw Lake/Four Dams portion of the BCF property consists of 11 staked claims.

During the 2008 fiscal year, the Company signed an agreement to enter into an Option and Joint Venture Agreement ("OJVA") with Marathon PGM Corporation ("Marathon") on the eastern portion of the Bermuda property named the Bamooos/Claw Lake/Four Dams Property ("BCF"). Under the terms of the agreement, the Company will allow Marathon to earn a 60% interest in the BCF property by (i) issuing to the Company 120,000 common shares of Marathon, (ii) spending \$1.5 million in each of the first four option years and an additional \$2 million on or before the fifth anniversary year, and (iii) issuing to the Company cash payments of \$500,000 per year for the first three years totaling \$1.5 million. In addition, any ore mined on the property during the earn in period would entitle the Company to a 2% NSR royalty payable by Marathon.

During the 2009 fiscal year, the Company and Marathon elected to terminate the OJVA and alternatively, the Company agreed to sell to Marathon the Bamooos portion of the property and one additional claim block. Under the terms of the agreement, Marathon has issued to the Company 1,500,000 common shares and \$300,000 in cash. The common shares carry with them a two year voting restriction. The Company will retain a 2% net smelter royalty of which 1% can be purchased for \$1 million. Marathon will assume the 2% net smelter royalty that applies to the Bamooos lease and an existing 1% net smelter royalty that applies to the additional claim block included in the land package. The Company recorded a \$nil gain on the disposal (see note 7(s)).

The Bermuda West (Redstone) property consists of mining rights for 37 leases and 21 staked claims located in the Seeley Lake, Martinet, Grain, and Foxtrap Lake Townships. Pursuant to a purchase agreement with Redstone Resources Inc. (owned 100% by Newmont Mining Corporation) dated April 20, 2005, the Company acquired a 100% interest in these properties from the vendor for the sum of \$100,000. The vendor will retain a 2% NSR.

(b) Saganaga Lake Property

The Saganaga Lake Property consists of mining rights for 100% of 20 claims totalling 51 units and the Company also has the right to earn 100% in one claim totalling 2 units and 99% of 10 claims under option from Wing Resources in the Saganaga Lake area of Thunder Bay. Pursuant to an option agreement dated September 27, 2005, the Company has the right to acquire a 100% interest in the mining claims by paying the vendor a total of \$100,000 in cash and issuing 100,000 shares over a four year period. The vendor will retain a 3% NSR of which the Company will have the right to buy back up to 50% for \$500,000 per 0.5% NSR.

(c) Nipigon Uranium Property

The Company has acquired the property by staking in the Nipigon basin, 60 km east of Thunder Bay, Ontario. In January 2007, the Company completed a Joint Venture Agreement (the "Agreement") with Tri-Gold Resources Corp. ("Tri-Gold"), whereby Tri-Gold had the right and option to earn up to 60% interest in the Nipigon Uranium Project by spending \$500,000 by September 1, 2007 and making certain commitments to the Company over the duration of the agreement. During the previous year, the Company determined that no further work would be conducted on the property and as a result recorded a write down of all capitalized exploration costs in the previous fiscal year (see Note 7(q)).

(d) Flying Loon Property

The Company has acquired the property by staking a 100% interest in the Flying Loon copper-nickel project. The property consists of 45 claim units located 40 km southeast of the Town of Sioux Lookout, Ontario.

During the 2009 fiscal year, the Company determined that no further work would be conducted on the property and as a result recorded a write down of all capitalized exploration costs in the previous period (see Note 7(q)).

7. MINERAL PROPERTIES AND DEFERRED DEVELOPMENT EXPENDITURES (continued)...

(e) Goodchild and South Goodchild Property

The Company has acquired the property by staking a 100% interest in the Goodchild copper-nickel project. The property consists of 209 claim units located 10 km north of the Town of Marathon, Ontario.

In the 2007 fiscal period, the Company entered into an option agreement to earn a 100% interest in the South Goodchild Property, which is tied directly onto the south end of the Company's 100% owned Goodchild Property. To earn a 100% interest in the South Goodchild Property, the Company must pay the vendors \$105,000 cash, issue 200,000 shares over 4 years and complete development expenditures of \$200,000. The Company has met the abovementioned obligations to date. The agreement is also subject to a 3% Net Smelter Royalty, of which 2% can be purchased by the Company for \$500,000 per each 0.5%. During the current period the Company decided to terminate its option on the South Goodchild Property and the property reverted back to the vendors and as a result, the Company wrote off \$158,200 in deferred development costs associated with the option.

In the 2008 fiscal year, a new Participation Agreement was formed with Stillwater Mining ("Stillwater") of Billings, Montana, whereby Stillwater can earn up to 70% interest in the project by completing three separate financings in the Company totaling \$6,000,000 over three years and completing \$24,000,000 in development expenditures on the project over the duration of the agreement at which point Stillwater would have a 70% interest in the project.

During the current period, the Company was notified by Stillwater that they would not be exercising their option to earn 50% of the project and the project reverted back 100% to the Company.

(f) Armit Lake Property

The Company has acquired the property by staking a 100% interest in the Armit Lake property. The property consists of 141 claim units located 25 km northwest of the Town of Savant Lake, Ontario.

(g) Kingurutik Lake Nickel Property (previously NBK Property)

The Kingurutik Lake property was acquired 100% by staking in late October 2006. The Property is located approximately 60 km north of Voisey's Bay, Labrador and consists of 488 claim units.

The Company has entered into a Participation Agreement with Teck Resources Ltd. ("Teck") whereby the Company and Teck will form the Kingurutik Lake project by amalgamating and jointly exploring certain of their land positions in Labrador. The project is located approximately 60 km north of the Voisey's Bay copper-nickel deposit and consists of 488 claim units held by the Company, (previously known as the NBK property), and 266 claim units held by Teck.

Under the terms of the Agreement, Teck completed a private placement financing with the Company during a previous fiscal year whereby the Company issued 1,000,000 common shares at \$0.70 per share for total proceeds of \$700,000 which resulted in the Company and Teck Cominco each holding a 50% interest in the combined properties. The Company then agreed to fund the initial \$600,000 in exploration work to be carried out by Teck, which Teck then has the option to increase its interest in the property to 60% by incurring an additional \$4 million in expenditures over the initial three years with an additional right to increase its interest to 70% by incurring an additional \$7 million in expenditures (for a total of \$11 million) over a further three years.

During the 2009 fiscal year, Teck notified the Company that it has elected to exercise its option to increase its interest in the project to 60% by incurring the aforementioned expenditures. However, subsequent to the period ended March 31, 2010, Teck informed the Company that it did not fulfill its expenditure requirement under the 60% option and would not be participating in future exploration programs. The Company will assume operatorship and will dilute Teck's interest accordingly.

7. MINERAL PROPERTIES AND DEFERRED DEVELOPMENT EXPENDITURES (continued)...

(h) Q-9 Gold Property

The Q-9 property is located approximately 160 km west of Thunder Bay, Ontario and adjoins the Saganaga Gold property. The project is subject to an asset purchase, sale and royalty agreement dated May 8, 2006 between the Company and Stares Contracting Corp., a company controlled by Stephen Stares, Director and Officer and Michael Stares, Director of the Company, whereby the Company can earn a 100% interest subject to a 2% NSR in the project by making payments of \$75,000 cash and issuing 200,000 shares over four years.

(i) Sibley Basin Property

The Company has entered into an agreement with Bell Copper Corporation (“Bell”) (formerly Grandcru Resources Corp.) whereby Bell, a company of which a director of the Company is a director of Bell, can earn a 60% interest in the South Sibley Block, Block “B” and Block “D” (collectively the “Property”) by spending \$1 million on development. The parties intend to form a joint venture for the further development of the Property once Bell has ceased to increase its interest.

During the 2009 fiscal year, the option agreement was amended to allow Bell to reimburse the Company for its work commitment on the project in common shares rather than cash. As a result, the \$295,743 outstanding balance was settled by Bell issuing to the Company 845,000 common shares at an underlying price of \$0.35 per common share. The Company derecognized the account receivable and recognized the securities as long-term investments and as such accounted for them in accordance with their policy for held for trading investments.

During the 2009 fiscal year, Bell notified the Company that it would no longer continue in the option agreement and as a result, the agreement was terminated and the property reverted back to the Company.

During the 2009 fiscal year, the Company announced that it had entered into an agreement with Kennecott Canada Exploration Inc. (“KCEI”), a wholly owned subsidiary of Rio Tinto. Under the terms of the agreement, KCEI can earn a 60% interest by incurring \$1.5 million in expenditures and paying \$100,000 cash to the Company on or before December 31, 2013. After the initial earn-in, KCEI has the option to increase their interest to 70% by incurring a further \$3.0 million on the property by December 31, 2015 after which they can increase their interest to 80% by incurring a further \$5.75 million by December 31, 2017. KCEI has the right to form a joint venture with the Company after fulfilling the requirements of the option agreement to earn either 60, 70, or 80 percent interest.

During the period ended March 31, 2010, the Company received a cash payment of \$400,000 from an arms-length third party (the “Third Party”) in exchange for granting consent to the disposition of surface rights to the Third Party for the use of a corridor through the project for a power transmission line. The cash payment was accounted for by reducing the costs associated with the project down to a nominal sum, offset legal costs associated with the negotiations between the Company, KCEI and the Third Party. The excess funds, \$284,383 was included in income in the current period.

(j) Bark Lake Property

The Company previously entered into an option agreement with two prospectors whereby the Company has the right to earn a 100% interest in the Bark Lake claims located in Northern Ontario by making cash payments totaling \$59,000 and issuing 40,000 common shares over a three year period. The property is subject to a 2% NSR royalty, half of which can be purchased by the Company for \$1 million.

(k) Swayze Property (Tooms/Heenan/Kenogaming)

During the 2008 fiscal year, the Company entered into a 50%/50% Joint Venture agreement with Pacific Northwest Capital Corp. (“PFN”) to explore the Swayze Nickel Project. The Swayze Property is situated in the Swayze Greenstone Belt, approximately 100km south-west of Timmins, Ontario and incorporates approximately fifty Townships. Under the terms of the agreement, the Company and PFN agree to bear all expenditures equally and participate in a single purpose, unincorporated Joint Venture for the purpose of carrying out all mineral exploration for a three year period, totaling a minimum of \$1,200,000 in aggregate expenditures. The Company will act as operator.

7. MINERAL PROPERTIES AND DEFERRED DEVELOPMENT EXPENDITURES (continued)...

The Company has an underlying option agreement dated September 17, 2007 on the claims encompassing the Heenan Lake portion of the joint venture with two arms length individuals. The agreement calls for cash option payments totaling \$100,000 over 4 years of which 50% will be paid by PFN. These payments entitle the Company to acquire a 100% interest in the property subject to a 2% NSR in favour of the optioners, half of which may be purchased by the Company at its option for \$750,000.

During the 2009 fiscal year, the Company determined that no further work would be conducted on the Heenan Lake and Kenogaming Township claims and as a result recorded a write down in the amount of \$118,281 in the previous year (see Note 7(q)).

In addition, the Company has purchased a 100% interest in the claims encompassing the Tooms township portion of the joint venture with two arms length individuals. The amount paid was \$14,000 subject to a 2% NSR, half of which can be purchased back by the Company for \$1 million. PFN reimbursed the Company for 50% of this cost.

(l) Hope Brook Property

During the 2008 fiscal year, the Company acquired, through staking and option, a large land package consisting of 799 claims that includes the past producing Hope Brook Gold Mine located on the southwest coast of Newfoundland. The Company has staked the gold-bearing trend that hosts the Hope Brook deposit for approximately 30 kilometers and has entered into an option agreement with Quinlan Prospecting (Q.P.) of Newfoundland to acquire 3 separate claim blocks, one of which includes the Hope Brook gold deposit. To earn a 100% interest in the 3 claim blocks, the Company will make cash payments to Q.P. totaling \$170,000 and issue 200,000 shares over 4 years. As well, the Company paid a finder's fee to Alexander Stares, brother of Stephen and Michael Stares, for being introduced to the project, of 25,000 shares and 25,000 share purchase warrants exercisable for 24 months at a price of \$1.00. As well, the 3 claim blocks are subject to a 2% NSR royalty payable to Q.P. with an advance royalty payment of \$10,000 per year to a maximum of \$100,000 commencing upon the Company having exercised the option to acquire the 3 claim blocks. The Company has the right to purchase one half of the 2% NSR royalty for \$1 million.

During the current period, the Company elected not to renew the option with Q.P. and has no further exploration plans for the property. The Company plans to seek a joint venture partner on the property and in the current period, wrote off \$1,156,683 in deferred development expenditures associated with the project.

(m) Rim Property

During the 2008 fiscal year, the Company acquired, through staking, 1,823 claims in Northern Labrador. The property is located nearly 100km south of Voisey's Bay and adjacent to the Pants Lake Intrusion.

(n) Golden Harp Joint Venture

During the 2009 fiscal year, the Company signed a letter of intent with Golden Harp Resources Inc. ("Golden Harp") giving the Company the option to earn up to 60% interest in Block A of Golden Harp's 100%-owned Copper Hill Property which represents 351 claim units. The property is located approximately 100 km south of Timmins, Ontario along Highway 560 between Shining Tree and Gowganda, within the Southern Abitibi Greenstone belt.

Under the terms of the agreement, the Company will make payments to Golden Harp totaling \$75,000 and issue common shares totaling 550,000, all payable over a three-year period. In addition, the Company is required to spend \$2 million in work commitments over the three year period.

The Company can acquire an additional 10% (bringing their interest to 70%) by incurring an additional \$1 million in work commitments over 24 months and by paying an additional \$50,000 to Golden Harp. Once the Company has earned its interest in the project, the project will be subject to a joint venture. In the event that Golden Harp's interest is reduced to 10%, its interest shall be converted to a 1% NSR on all claims comprising the Copper Hill Block A Property that do not already have an NSR on them and Golden Harp has solely retained the right to purchase the pre-existing NSRs as per the terms under the original agreements. Additionally, Golden Harp retains a \$0.50 per carat royalty on any diamonds taken from the Copper Hill Block A Property.

7. MINERAL PROPERTIES AND DEFERRED DEVELOPMENT EXPENDITURES (continued)...

(o) Deloro Property

The Deloro property consists of two mining patents and one mining claim located 5 km southeast of the city of Timmins along the Dome-Aunor-Delnite mine trend.

During the period, the Company entered into an agreement with Deloro Mining and Smelting whereby the Company can acquire a 100% interest in the project by paying \$60,000 cash (paid) and issuing 400,000 shares of the Company (paid) to Deloro Mining and Smelting on signing and a further 1.1 million shares of the Company within 24 months following the date of the agreement.

(p) Other Properties

Included in Other Properties are the following: Rex Lake Property, Cheeseman Lake Property, Whitton Lake Property, Portage Lake Property, Forester Lake Property, Kitchen Lake Property, Williams Port Property, Weston Property, Black Sturgeon, Horne Township, Onion Lake, Spike Lake, McGregor Township, Caramat Property, Whitehead Property, Deloro Township Property, Brunswick Property and miscellaneous properties.

(q) Write Down of Mineral Properties

<u>Property Name</u>	<u>March 31, 2010</u>	<u>June 30, 2009</u>
	\$	\$
Nipigon Uranium Property	-	83,368
Flying Loon Property	-	612,944
Swayze – Heenan/Kenogaming	-	118,281
South Goodchild	158,200	452,366
Hope Brook	1,156,683	-
Other properties	106,579	452,366
Total	<u>1,421,462</u>	<u>1,266,959</u>

(r) Recoveries and Earn-ins

During the period the Company received payments on its properties. The earn-in amounts received, which were recorded as a reduction in the carrying cost of the associated property, were as follows:

<u>Property Name</u>	<u>March 31,</u> <u>2010</u>	<u>June 30,</u> <u>2009</u>
	\$	\$
Goodchild and South Goodchild Property	-	303,227
Kingurutik Lake Property	3,000	-
Swayze Property	-	132,875
Sibley Basin Property	97,003	-
Other Properties	82,950	33,002
Total	<u>182,953</u>	<u>469,104</u>

7. MINERAL PROPERTIES AND DEFERRED DEVELOPMENT EXPENDITURES (continued)...

(s) Disposal of Mineral Properties

During the June 30, 2009 fiscal year, the Company sold to Marathon PGM Corporation (“Marathon”) its interest in the Bamooos lease and one additional claim for \$300,000 in cash and 1.5 million Marathon shares (see notes 5 and 7(a)). The cost of the shares received and the gain/loss on disposal was accounted for in the June 30, 2009 year as follows:

Capitalized deferred development expenditures	\$1,140,791
Less: cash proceeds received on disposal	(300,000)
Cost of shares received	<u>\$ 840,791</u>

Proceeds on disposition	\$1,140,791
Less: cost of mineral property sold	(1,140,791)
Gain/loss on disposal	<u>\$ -</u>

8. INVESTMENT IN CORO MINING CORP.:

On January 23, 2009, the Company acquired through a non-brokered private placement 27,272,727 units of Coro Mining Corp. (“Coro”) at a price of \$0.11 per unit for a total investment of \$3 million, each unit consisting of one common share and one common share purchase warrant of Coro. Each warrant entitles the Company to purchase one common share of Coro for a period of two years at a price of \$0.18 for the first year from the date of closing (since passed) and at a price of \$0.20 until January 23, 2011. During the period the company sold and transferred 5 million warrants to an arms-length party at a price of \$0.07 per warrant for gross proceeds of \$350,000. The cost associated with the warrants sold was \$206,884 (using the Black-Scholes option pricing model). The Company recorded the net proceeds of \$143,116 in income during the period. Also, during the period the Company exercised 5.6 million of its warrants at a price of \$0.18 per warrant for an aggregate cost of \$1,008,000. Currently the Company holds 32,872,727 shares and 16,672,727 warrants of Coro.

The warrants are subject to a forced exercise provision which provides that the Company will exercise the warrants if: (i) the trading price of Coro’s shares on the TSX trade at a price equal to or greater than \$0.50 for a period of 10 consecutive trading days; and (ii) Coro has received approval for its Environmental Impact Study at its San Jorge project; and (iii) at the time of such exercise of warrants, Coro completes a concurrent equity financing at a price of not less than the gross proceeds of the Warrants being exercised. Any warrants not exercised pursuant to the forced exercise provision will expire at the end of the 10 days.

The warrants received pursuant to the private placement were valued by the Company using the Black-Scholes option pricing model and the following assumptions: dividend yield of 0%, expected volatility of 128%, a risk-free interest rate of 1.39% and an expected life of 15 months. This calculation yields an approximate value of \$1,128,460 for the block of warrants held initially by the Company.

The Company has recorded its investment in Coro as an equity investment. At March 31, 2010, the Company holds approximately 36% of the issued and outstanding shares of Coro with a market value of \$16,436,364 (based on the March 31, 2010 closing price of \$0.50 per share).

For the nine month period ended March 31, 2010, the Company recorded equity and dilution gains (losses) totaling \$221,061 (March 31, 2009 – \$(99,287)).

9. CAPITAL STOCK:

(a) Share Capital

Authorized:
Unlimited common shares

Issued:
74,656,531 common shares

- (i) Details of share capital transactions for the nine months ended March 31, 2010 and year ended June 30, 2009 are as follows:

	Number of <u>Shares</u> #	<u>Amount</u> \$
Balance, June 30, 2008	68,128,959	27,859,432
Issued pursuant to private placement	1,290,322	1,999,990
Less: cancellation of shares under normal course issuer bid	(1,459,000)	(598,510)
Less: value of private placement allocated to properties	-	(303,227)
Less: premiums on shares issued pursuant to private placement	-	(1,096,763)
Common shares in connection with property option agreements	<u>380,000</u>	<u>86,650</u>
Balance, June 30, 2009	68,340,281	27,947,572
Issued pursuant to private placement	5,600,000	2,800,000
Less: value of finders' warrants issued	-	(67,730)
Less: share issue costs	-	(168,000)
Less: valuation adjustment arising from tax effect of flow-through common share renunciation	-	(700,000)
Less: cancellation of shares under normal course issuer bid	(20,000)	(8,200)
Common shares issued upon exercise of stock options	56,250	21,063
Reclassified from exercise of stock options	-	10,883
Common shares in connection with property option agreements	<u>680,000</u>	<u>363,700</u>
Balance, March 31, 2010	<u>74,656,531</u>	<u>30,087,288</u>

- (ii) During the previous year, the Company announced its intent to make a normal course issuer bid (the "Bid") to purchase through the facilities of the TSX Venture Exchange (the "Exchange") certain of its outstanding common shares. The number of common shares to be purchased through the Exchange during the period of the Bid from August 26, 2008 to August 26, 2009 will not exceed 3,000,000 common shares. The actual number of shares that may be purchased and the timing of any such purchases will be determined by the Company. All shares purchased under the Bid will be cancelled.

During the period ended March 31, 2010, a total of 20,000 common shares were acquired at a total cost of \$7,600 all of which were cancelled. During the year ended June 30, 2009, a total of 1,459,000 common shares were acquired at a total cost of \$275,555 all of which were cancelled. The Bid expired during the current period.

(b) Share Purchase Warrants

Details of share purchase warrant transactions for the period ended March 31, 2010 and June 30, 2009 are as follows:

	# of Warrants	Weighted Average Exercise Price
Balance, June 30, 2008	10,861,900	\$1.54
Expired during the period	(1,236,900)	\$1.06
Balance, June 30, 2009	9,625,000	\$1.60
Issued during the period to agents	336,000	\$0.50
Expired during the period	(25,000)	\$1.00
Balance, March 31, 2010	<u>9,936,000</u>	<u>\$1.56</u>

9. CAPITAL STOCK (continued)...

The changes in share purchase warrants for the period ended March 31, 2010 and June 30, 2009 are as follows:

	<u>Amount</u>
	<u>\$</u>
Balance, June 30, 2008	4,766,024
Reclassified to contributed surplus upon expiration of warrants	(532,580)
Balance, June 30, 2009	4,233,444
Issued in connection with private placements to agents	67,730
Reclassified to contributed surplus upon expiration of warrants	(7,103)
Balance, March 31, 2010	<u>4,294,071</u>

For all types of warrants issued during the period, the fair values have been estimated using the Black-Scholes option pricing model and the following assumptions: dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 0.25% and an expected life of 18 months for the warrants issued to agents. The value of the agent warrants reduced the proceeds attributed to share capital and are recognized under capital stock as share purchase warrants.

As at March 31, 2010 and June 30, 2009 the following share purchase warrants were outstanding:

Expiry Dates	March 31, 2010	June 30, 2009
	<u># of Warrants</u>	<u># of Warrants</u>
Year ending June 30, 2010	9,625,000	9,625,000
Year ending June 30, 2011	336,000	-
	<u>9,961,000</u>	<u>9,625,000</u>

For the purpose of the information disclosed above, the warrants expiring during the year ending June 30, 2010 have expiry dates ranging from February 21, 2010 to April 16, 2010 with exercise prices ranging from \$1.00 to \$1.60 per share. During the period ended March 31, 2010, 25,000 share purchase warrants exercisable at \$1.00 per share expired unexercised. The warrants expiring during the year ending June 30, 2011 expire on February 26, 2011 with an exercise price of \$0.50 per share. During the previous year, the Company extended the expiry of 9.6 million warrants included above by one year from April 16, 2009 to a new expiry of April 16, 2010. The extended warrants remain exercisable until expiry at a price of \$1.60 per share. These warrants were issued pursuant to the \$15 million bought deal financing from the 2008 fiscal year. Subsequent to March 31, 2010, 9,600,000 warrants exercisable at \$1.60 per share expired unexercised.

(c) Stock Options and Contributed Surplus

Details of stock option transactions for the period ended March 31, 2010 and June 30, 2009 are as follows:

	<u># of Options</u>	<u>Weighted Average Exercise Price</u>
Balance, June 30, 2008	7,876,250	\$0.50
Expired during the period	(200,000)	\$0.40
Granted during the period	2,350,000	\$0.28
Cancelled during the period	(155,000)	\$0.55
Balance, June 30, 2009	9,871,250	\$0.45
Exercised during the period	(56,250)	\$0.37
Granted during the period	3,395,000	\$0.45
Cancelled during the period	(193,750)	\$0.36
Balance, March 31, 2010	<u>13,016,250</u>	<u>\$0.47</u>

9. CAPITAL STOCK (continued)...

The change in contributed surplus for the period ended March 31, 2010 and June 30, 2009 is as follows:

	<u>Amount</u>
	\$
Balance, June 30, 2008	1,820,412
Stock-based compensation for the period (note 14)	648,973
Premiums paid on shares issued pursuant to private placement	1,096,763
Reclassified from expiration of warrants	532,580
Cancellation of shares under normal course issuer bid (note 9(a)(ii))	322,955
Balance, June 30, 2009	<u>4,421,683</u>
Stock-based compensation for the period (note 14)	608,422
Reclassified to capital stock upon exercise of stock options	(10,883)
Reclassified from expiration of warrants	7,103
Cancellation of shares under normal course issuer bid (note 9(a)(ii))	600
Balance, March 31, 2010	<u><u>5,026,925</u></u>

As at March 31, 2010 and June 30, 2009, the following stock options were outstanding:

Expiry Dates	Exercise Price	March 31, 2010 # of Options	June 30, 2009 # of Options
April 13, 2010	\$0.30	1,200,000	1,200,000
March 29, 2011	\$0.36	2,020,000	2,020,000
February 7, 2012	\$0.50	2,181,250	2,181,250
May 29, 2012	\$1.08	100,000	100,000
August 17, 2012	\$1.18	50,000	50,000
November 16, 2012	\$0.93	25,000	25,000
March 14, 2013	\$0.70	1,845,000	1,845,000
May 12, 2013	\$0.70	100,000	100,000
March 26, 2014	\$0.28	2,225,000	2,350,000
March 17, 2015	\$0.56	3,270,000	-
		<u>13,016,250</u>	<u>9,871,250</u>

(d) Private Placements

During the period ended March 31, 2010, the Company completed a non-brokered private placement for gross proceeds of \$2.8 million by issuing 5.6 million flow-through common shares at a price of \$0.50 per share. Pursuant to the private placement, cash commissions totaling \$168,000 (6% of gross proceeds) and 336,000 broker warrants were paid to the finder. The warrants will be exercisable at a price of \$0.50 until February 27, 2011.

(e) Stock Option Plan

The Company has a Stock Option Plan (the "Plan") for directors, officers, employees and consultants. The Plan authorizes the granting of options to purchase 13,727,456 common shares of which 13,016,250 are currently outstanding. The Plan provides that:

- i) any options granted pursuant to the Plan shall expire no later than five year after the date of grant;
- ii) any options granted pursuant to the Plan shall be non-assignable and non-transferable;
- iii) the number of common shares issuable pursuant to the Plan to any one person in any 12 month period shall not exceed 5% of the outstanding common shares;
- iv) the number of common shares issuable pursuant to the Plan to any one consultant in any 12 month period may not exceed 2% of the outstanding common shares;

9. CAPITAL STOCK (continued)...

- v) the number of common shares issuable pursuant to the Plan to persons employed in investor relation activities may not exceed 2% of the outstanding common shares in any 12 month period.
- vi) the Plan provides that options shall expire and terminate 30 days following the date the optionee ceases to be an employee, director or officer of, or consultant to, the Company, provided that if such termination is as a result of death of the optionee, the optionee's personal representative shall have one year to exercise such options.
- vii) The number of common shares: (1) reserved for issuance to insiders of the Company may not exceed 20% of the issued and outstanding common shares; and (2) which may be issued to insiders within a one year period may not exceed 20% of the issued and outstanding common shares.

(f) Shareholder Rights Plan

The board of directors of the Company has approved the adoption of a shareholder rights plan (the "Rights Plan"). The Rights Plan was adopted to ensure the fair treatment of all Company shareholders in connection with any take-over bid for the outstanding common shares of the Company. The Rights Plan will provide the Company's shareholders with adequate time to properly evaluate and assess a take-over bid without facing undue pressure or coercion. The Rights Plan also provides the board of directors of the Company with additional time to consider any take-over bid and, if applicable, to explore alternative transactions in order to maximize shareholder value.

Pursuant to the Rights Plan, any bid that meets certain criteria intended to protect the interests of all shareholders are deemed to be "Permitted Bids". A Permitted Bid must be made by way of a take-over bid circular prepared in compliance with applicable securities laws and, in addition to certain other conditions, must remain open for 60 days. In the event a take-over bid does not meet the Permitted Bid requirements of the Rights Plan, the rights issued under the plan will entitle shareholders, other than any shareholder or shareholders involved in the take-over bid, to purchase additional common shares of the Company at a significant discount to the market price of the common shares at that time.

10. RELATED PARTY TRANSACTIONS:

The Company paid or accrued the following amounts to related parties during the period ended March 31, 2010 and March 31, 2009:

Payee	Description of Relationship	Nature of Transaction	2010 Amount (\$) (Unaudited)	2009 Amount (\$) (Unaudited)
Stares Contracting Corp.	Company controlled by Stephen Stares, Director and Michael Stares, Director	Payments for equipment rentals, supply of labour and reimbursement of expenses capitalized in deferred development expenditures and for office costs included in general and administrative expenses, and an option payment on Q9 Property	65,093	471,696
Gordon J. Fretwell Law Corporation	Company controlled by Gordon Fretwell, Director and Officer	Legal fees charged/accrued during the period	82,954	113,081
Stares Prospecting	Company controlled by Alexander Stares, Brother of Stephen and Michael Stares	Prospecting services	13,290	-
Coro Mining Corp.	Equity accounted investee of the Company	Reimbursement of fees charged to Coro pertaining to investment made by Company in Coro common shares	6,300	-
Newfie Shores	Partnership controlled by Stephen Stares, Director and Officer, and Michael Stares, Director	Payments for cabin rentals capitalized in deferred development expenditures	1,691	-

The purchases from and fees charged by the related parties are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the period, the Company paid or accrued \$35,000 (2009 - \$nil) in directors' fees.

Included in accounts payable and accrued liabilities is \$4,021 (2009 - \$37,769) to Stares Contracting Corp., and \$14,949 (2009 - \$10,517) to Gordon J. Fretwell Law Corporation. The repayment terms are similar to the repayment terms of non-related party trade payables.

11. FINANCIAL INSTRUMENTS:

The Company's financial instruments consist of cash, temporary investments, long-term investments, accounts and other receivables, refundable security deposits and accounts payable and accrued liabilities.

Fair Value

Canadian generally accepted accounting principles require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for cash, temporary investments, long-term investments, accounts and other receivables, refundable security deposits and accounts payable and accrued liabilities reflected on the balance sheet approximate fair market value because of the limited term of these instruments.

12. LOSS PER SHARE:

Basic loss per share figures are calculated using the weighted average number of common shares outstanding. Fully diluted loss per share figures are calculated after taking into account all stock options and warrants granted. Exercise of the outstanding warrants and options would be anti-dilutive with respect to loss per share calculations, and therefore fully-diluted loss per share is not presented.

13. INCOME TAXES:

(a) Provision for Current Income Taxes

The provision for (recovery of) income taxes differs from the amount that would have resulted by applying Canadian federal and provincial statutory tax rates of 32.3% (March 31, 2009 – 33.25%).

	<u>March 31,</u> <u>2010</u> \$	<u>March 31,</u> <u>2009</u> \$
Net loss before taxes	(1,440,829)	(2,520,337)
<u>Income tax expense reconciliation</u>		
Expected income tax expense (recovery) calculated using statutory rates	(465,388)	(838,012)
Tax effect of the following items:		
Non-deductible stock based compensation	196,520	168,226
Non-deductible expenses and other items	(54,528)	61,346
Non-deductible write-down of mineral properties	459,133	325,716
Adjustment to fair market value of held for trading investments	(164,029)	165,269
Change in effective tax rates	113,180	-
Recognized benefit of future tax assets	(472,491)	(291,576)
Expected income tax expense (recovery) calculated for tax purposes	(387,603)	(409,031)
Valuation allowance	-	-
Income tax recovery	<u>(387,603)</u>	<u>(409,031)</u>
Income tax recovery consists of:		
Current income taxes	-	-
Future income taxes	(387,603)	(409,031)
	<u>(387,603)</u>	<u>(409,031)</u>

13. INCOME TAXES (continued)...

(b) Future Tax Balances

The tax effect of temporary differences that give rise to future income tax assets and future income tax liabilities at the combined Canadian federal and provincial statutory tax rates are as follows:

	<u>March 31,</u> <u>2010</u> \$	<u>June 30,</u> <u>2009</u> \$
Future tax assets (liabilities) – long term		
Share issue costs	191,741	260,939
Non-capital losses	1,155,500	1,227,860
Property and equipment	59,486	57,010
Deferred development expenditures	(2,275,700)	(2,088,985)
Valuation allowance	(83,750)	(97,150)
Net future income tax liability	<u>(952,723)</u>	<u>(640,326)</u>

(c) Income Tax Information

The company has common share issue costs of approximately \$766,964 and non-capital losses of approximately \$4,622,000 available to reduce taxable income in future years. These non-capital losses expire as follows:

<u>Year</u> <u>of Loss</u>	<u>Amount</u> \$	<u>Available</u> To
2004	58,000	2014
2005	277,000	2015
2006	669,000	2026
2007	1,201,000	2027
2008	1,000,000	2028
2009	1,029,000	2029
2010	388,000	2030
	<u>4,622,000</u>	

The current period benefit of the share issue costs and \$388,000 (March 31, 2009 - \$649,000) of the loss carry forwards have been recognized for accounting purposes in the current year.

14. STOCK-BASED COMPENSATION AND COSTS:

Stock options granted to directors, officers and employees vested during the period ended March 31, 2010 are as follows:

<u>Grant Date</u>	<u># of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
March 14, 2008	59,768	\$0.70	March 14, 2013
May 12, 2008	6,102	\$0.70	May 12, 2013
March 26, 2009	768,647	\$0.28	March 26, 2014
March 17, 2010	808,082	\$0.56	March 17, 2015
	<u>1,642,599</u>		

The Company applies the fair value method of accounting for stock-based compensation awards to employees and officers and accordingly \$536,652 is recorded as compensation expense and under capital stock as contributed surplus for the 1,642,599 options vesting to directors, officers and employees during the period.

For the purposes of the above calculations for the options granted March 14, 2008, the fair value of each option is \$0.43 and was estimated on the grant date using the Black-Scholes option pricing model, with the following assumptions:

14. STOCK-BASED COMPENSATION AND COSTS (continued)...

dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 2.98% and an expected life of approximately 5 years.

For the purposes of the above calculations for the options granted May 12, 2008, the fair value of each option is \$0.44 and was estimated on the grant date using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 3.00% and an expected life of approximately 5 years.

For the purposes of the above calculations for the options granted March 26, 2009, the fair value of each option is \$0.20 and was estimated on the grant date using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 0.50% and an expected life of approximately 5 years.

For the purposes of the above calculations for the options granted March 17, 2010 the fair value of each option is \$0.44 and was estimated on the grant date using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 104%, a risk-free interest rate of 2.46% and an expected life of approximately 5 years.

Stock options granted to non-employees vested during the period ended March 31, 2010 are as follows:

<u>Grant Date</u>	<u># of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
March 14, 2008	4,781	\$0.70	March 14, 2013
March 26, 2009	192,162	\$0.28	March 26, 2014
September 1, 2009	31,250	\$0.45	March 21, 2011
March 17, 2010	58,288	\$0.56	March 17, 2015
	<u>286,481</u>		

The Company applies the fair value method of accounting for stock-based compensation awards to non-employees and accordingly \$71,770 is recorded as compensation expense and under capital stock as contributed surplus for the 286,841 options vesting to non-employees during the period.

For the purposes of the above calculations for the options granted March 14, 2008, the fair value of each option is \$0.43 and was estimated on the grant date using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 2.98% and an expected life of approximately 5 years.

For the purposes of the above calculations for the options granted March 26, 2009, the fair value of each option is \$0.20 and was estimated on the grant date using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 0.50% and an expected life of approximately 5 years.

For the purposes of the above calculations for the options granted September 1, 2009, the fair value of each option is \$0.19 and was estimated on the grant date using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 100%, a risk-free interest rate of 0.25% and an expected life of approximately 1.5 years.

For the purposes of the above calculations for the options granted March 17, 2010 the fair value of each option is \$0.44 and was estimated on the grant date using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 104%, a risk-free interest rate of 2.46% and an expected life of approximately 5 years.

15. SUPPLEMENTAL CASH FLOW INFORMATION:

The following transactions did not result in cash flows and have been excluded from operating, financing and investing activities:

	<u>March 31, 2010</u>	<u>June 30, 2009</u>
Non-cash operating activities		
Decrease in accounts receivable as a result of settlement in shares	-	\$ 295,743
Non-cash financing activities		
Common shares issued for non-cash consideration	363,700	86,650
Non-cash investing activities		
Mineral properties financed through common share issuance	(363,700)	(86,650)
Common shares received pursuant to property option agreement for non-cash consideration	-	32,992
Increase in long term investments	-	(328,735)

16. CAPITAL DISCLOSURES:

CICA Handbook Section 1535 requires disclosure of an entity's objectives, policies and process for managing capital, qualitative data about what an entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance.

The Company's objectives when managing capital are as follows:

- i) To safeguard the Company's ability to continue as a going concern;
- ii) To raise sufficient capital to finance its exploration and development activities on its mineral exploration properties;
- iii) To raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and makes adjustments to it based on the general economic conditions, its short term working capital requirements, and its planned exploration and development program expenditure requirement. The capital structure of the Company is composed of working capital and shareholders' equity. The Company may manage its capital by issuing flow through or common shares, or by obtaining additional financing.

The Company utilizes annual capital and operating expenditure budgets to facilitate the management of its capital requirement. These budgets are approved by management and updated for changes in the budgets underlying assumptions as necessary.

There were no changes in the Company's approach to managing capital during the period.

17. FINANCIAL RISK MANAGEMENT:

The Company's financial instruments are exposed to certain risks, including credit risk, interest rate risk and liquidity risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash, temporary investments, accounts and other receivables and refundable security deposits. The Company's cash is held through a large Canadian Financial Institution. The temporary investments are held through major Canadian Financial Institutions with only the highest credit quality as determined by rating agencies. The temporary investments are available for cash requirement purposes at the request of the Company. Refundable security deposits are held by the Government of Newfoundland. The Company has no significant concentration of credit risk arising from operations. Management believes the risk of loss to be remote.

17. FINANCIAL RISK MANAGEMENT (continued)...

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. While management feels the risk of capital loss on its temporary investments is remote given its investment in only highly rated, investment grade fixed income securities with reputable Canadian financial institutions, the income derived from these securities can fluctuate as a result of changes in interest rates upon reinvestment of matured funds. The Company's temporary investments are purchased at fixed interest rates and are either fully liquid or bear short staggered maturity dates to mitigate the risk of fluctuating interest rates.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company monitors and reviews current and future cash requirements and matches the maturity profile of financial assets and liabilities. This is generally accomplished by ensuring that cash and temporary investments are always available to settle financial liabilities. At March 31, 2010, the Company had cash on hand of \$92,984 and temporary investments available to the Company of \$11,774,178 to settle current liabilities of \$370,693. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(d) Currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. All of the Company's operations are in Canada; therefore, management believes the foreign exchange risk derived from any currency conversions is negligible and therefore does not hedge its foreign exchange risk.

(e) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and equity price risk. The fair value of the Company's long term investments are impacted by changes in the quoted market price of the underlying issuer's securities with the resulting change impacting net income.

18. REFUNDABLE SECURITY DEPOSITS:

Refundable security deposits of \$48,025 (June 30, 2009 - \$33,850) represents security deposits paid to the Government of Newfoundland and Labrador in connection with mineral property claims located in the Province of Newfoundland. These refundable security deposits are refundable to the Company upon submission by the Company of a report covering the first year work requirements, which meets the requirements of the Government of Newfoundland and Labrador.

19. COMMITMENTS:

The Company leases automobiles under various operating leases, which have expiry dates ranging from April 2011 to May 2011. The future minimum annual fiscal lease payments over the term of the leases is as follows:

2010	\$ 5,048
2011	\$ 11,733

The company also has commitments as described in note 7 related to mineral properties and deferred development expenditures.

20. COMPARATIVE FIGURES:

Certain financial statement line items from prior year have been reclassified to conform with the current period's presentation. These reclassifications had no effect on the net loss, loss per share and accumulated deficit as previously presented.

21. SUBSEQUENT EVENTS:

The following subsequent events occurred after the period ended March 31, 2010:

- (i) The Company completed and the TSX Venture Exchange approved an agreement with Puget Ventures Inc. (“Puget”) to sell an undivided 100% interest in the eight claims encompassing the Company’s Rex Lake Project. Puget will pay the Company \$30,000 in cash (outstanding) and issue 1.55 million Puget shares (received) to the Company. The Company will retain a 1% NSR on the property. Accounting for the proceeds will be recorded in the subsequent quarter.

- (ii) Coro Mining Corp. announced a non-brokered private placement to raise gross proceeds of up to \$4.5 million. Of this financing, the Company intends to retain its pro-rata interest in Coro by subscribing for up to \$1.755 million of the financing. The terms of the financing were announced as \$0.36 per unit, each unit consisting of one common share of Coro and one-half of one non-transferrable warrant with each whole warrant entitling the holder to purchase one common share of Coro for a period of two years at a price of \$0.50 per share for the first year from the date of closing and at a price of \$0.65 per share thereafter until the expiry date. Such warrants, at Coro’s election, are subject to accelerated expiry in the event that Coro’s San Jorge copper gold project receives approval of its environmental impact study and Coro’s common shares trade for 10 consecutive trading days at a market price that is 25 percent greater than the exercise price of the warrants.