Consolidated Financial Statements of

PMI GOLD CORPORATION

For the Nine Months ended March 31, 2011

Notice of No Auditor Review of Interim Financial Statements

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 financial statements have not been reviewed by an auditor.

The accompanying un-audited 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 the financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

PMI GOLD CORPORATION

Consolidated Balance Sheets

		March 31 2011 (Unaudited)		June 30, 2010
Assets				
Current assets:				
Cash	$	32,378,650	$	2,862,489
Receivables		69,506		5,397
Prepaid expenses		281,406		114,558
		32,729,562		2,982,444
Mineral properties (note 4)		30,259,125		23,328,223
Equipment (note 5)		354,101		203,552
	$	63,342,788	$	26,514,219
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities (Note 6)	$	386,704	$	366,417
Future income tax liability		2,034,254		1,840,955
Shareholders' equity:				
Capital stock (note 7)		77,013,262		38,802,861
Contributed surplus (note 7)		5,859,730		3,151,705
Deficit		(21,951,161)		(17,647,719)
		60,921,830		24,306,847
	$	63,342,788	$	26,514,219

Nature of operations (note 1)
Commitments (notes 4 and 10)
Subsequent events (note 11)

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

"Collin Ellison"
Collin Ellison
Chief Executive Officer

"Peter Buck"
Peter S. Buck
Director

PMI GOLD CORPORATION

Consolidated Statements of Operations, Comprehensive Loss and Deficit
For the Three and Nine Months ended March 31, 2011 and 2010 (unaudited)

	Three months ended March 31		Nine months ended March 31	
	2011	2010	2011	2010
Expenses				
Amortization	$ 530	$ 545	$ 1,658	$ 2,046
Foreign Exchange loss/(gain)	(453,639)	(257,037)	(769,138)	(108,300)
Investor relations	165,181	33,241	467,893	121,356
Management and consulting fees (note 6)	295,133	160,157	438,408	287,529
Office and miscellaneous	83,026	85,933	147,595	142,345
Professional fees	257,356	92,984	556,912	286,630
Stock-based compensation (note 7(d))	1,199,542	163,325	2,956,470	551,194
Transfer agent and regulatory fees	60,313	41,034	165,495	92,906
Travel and promotion	171,273	27,175	410,072	70,499
Loss before the following:	(1,778,714)	(347,357)	(4,375,364)	(1,446,205)
Other income/(expenses)				
Interest and financing costs	(1,527)	(7,647)	(4,381)	(80,906)
Interest income	62,662	-	76,303	3
	61,135	(7,647)	71,922	(80,903)
Net loss and comprehensive loss for the period	(1,717,579)	(355,004)	(4,303,442)	(1,527,108)
Deficit, beginning of period	(20,233,582)	(16,245,256)	(17,647,719)	(14,873,152)
Deficit, end of period	(21,951,161)	(16,600,260)	(21,951,161)	(16,400,260)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)	$ (0.03)	$ (0.01)
Basic and diluted weighted average number of common shares outstanding	187,753,722	198,034,065	155,091,444	175,241,673

See accompanying notes to consolidated financial statements.

PMI GOLD CORPORATION

Consolidated Statements of Cash Flows

Three and nine months ended March 31, 2011 and 2010 (unaudited)

	Three months ended March 31		Nine months ended March 31	
	2011	2010	2011	2010
Cash provided by (used in):				
Operations:				
Net loss for the period	$ (1,717,579)	$ (355,001)	$ (4,303,442)	$ (1,527,108)
Items not affecting cash:				
Amortization	530	545	1,658	2,046
Unrealized foreign exchange loss	-	7,332	-	19,145
Foreign exchange on future income tax liability	(94,163)	-	(251,604)	-
Stock-based compensation (note 7(d))	1,199,542	163,325	2,956,470	551,194
	(611,670)	(183,799)	(1,596,918)	(954,723)
Changes in non-cash working capital:				
Receivables	118,026	-	(64,112)	10,400
Prepaid expenses	397,981	(29,194)	(166,848)	18,695
Accounts payable and accrued liabilities	(2,158,593)	(192,526)	20,287	(791,187)
Due to related parties	-	(54,428)	-	(201,050)
	(2,254,257)	(459,946)	(1,807,592)	(1,917,865)
Financing:				
Proceeds from issuance of shares and warrants	259,837	199,000	41,946,093	5,695,347
Share issuance costs	(55,496)	(97,500)	(3,984,137)	(107,200)
Advance subscriptions	-	6,586,667	-	6,409,167
Payments to Trafalgar	-	-	-	(3,143,920)
Redeemable debenture	-	-	-	-
	204,341	6,688,167	37,961,956	8,853,394
Investments:				
Mineral properties	(2,701,428)	(730,720)	(6,485,997)	(1,565,758)
Purchase of equipment	21,022	(43,366)	(152,207)	(43,366)
	(2,680,406)	(774,086)	(6,638,204)	(1,609,124)
Increase (decrease) in cash	(4,730,321)	5,454,135	29,516,161	5,326,405
Cash, beginning of period	37,108,971	33,968	2,862,489	161,698
Cash, end of period	32,378,650	5,488,103	32,378,650	5,488,103
Supplementary information				
Interest paid	$ (1,782)	$ (7,647)	$ (2,854)	$ (80,906)
Taxes paid	-	-	-	-
	(1,782)	(7,647)	(2,854)	(80,906)

See accompanying notes to consolidated financial statements.

1. Nature of operations:

PMI Gold Corporation ("PMI" or the "Company") was incorporated in British Columbia and its principal business is the acquisition, exploration and development of mineral properties. The Company's principal properties are its Obotan and Kubi gold projects in Ghana. The Company is currently undertaking a 40,000 metre resource-expansion drill program on its Obotan and Kubi projects, and has several other mineral concessions in Ghana in various stages of exploration to determine whether these contain economically viable mineral deposits.

These unaudited consolidated financial statements have been prepared assuming the Company will continue as a going concern which contemplates the ability of the Company to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not include adjustments that would have been required if going concern is not an appropriate basis for preparation of the financial statements.

The Company is not currently generating revenues, and has incurred losses since inception. Expenditures related to the acquisition of mineral properties and exploration activities are capitalized under mineral properties, and corporate administrative costs are expensed as incurred. During the nine month period ended March 31, 2010, the Company raised $41,946,093 (2010 - $5,695,347) and had net cash inflows of $29,516,161 (2010 - $5,326,405). At March 31, 2011, the Company's cash balance was $32,378,650 and working capital was $32,342,858.

Management believes that the Company now has the full funding required to carry out its exploration objectives over the next two years.

The longer term continuation of the Company as a going concern necessitates the creation of a revenue stream from its mineral assets. The Company intends to invest the proceeds of the recent financing activities in its exploration program, with a view to later development and transition into gold production.

2. Significant accounting policies:

These unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and have been prepared using the same accounting policies and methods of application as those disclosed in the notes to the Company's annual audited consolidated financial statements for the year ended June 30, 2010.

3. Accounting standards issued for adoption in future periods:

a) On February 13, 2008, the CICA Accounting Standards Board ("AcSB") confirmed January 1, 2011 as the official change-over date for Canadian Publicly Accountable Enterprises ("PAE") to commence reporting under International Financial Reporting Standards ("IFRS"). The transition date will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011. Although IFRS is principles-based and uses a conceptual framework similar to Canadian GAAP, there are significant differences and choices in accounting policies, as well as increased disclosure requirements under IFRS.

3. Accounting standards issued for adoption in future periods (continued):

The Company has done an assessment of the impact of IFRS on its financial statements in preparation for restatement of comparative amounts, and has prepared comparative IFRS statements as at March 31, 2010 and as at June 30, 2010. Differences in financial statement reporting and in disclosures applicable to the IFRS conversion have been identified, and the Company has determined which elections are likely to be made on adoption of IFRS. These elections will be ratified in the upcoming quarter.

IFRS will be applied going forward from the date of adoption for the period beginning July 1, 2011. The Company's opening IFRS balance sheet will be as at June 30, 2011, and the first published interim financial statements under IFRS will be for the 3 month period ending September 30, 2011. Comparative financial statements will need to be provided for the period ending September 30, 2010.

The Company is continuing its assessment of current and future business processes and related controls, considering the impact of IFRS.

(b) *Business Combinations*, Handbook Section 1582; *Consolidations* - Handbook Section 1601; *Non-Controlling Interests* - Handbook Section 1602:

In January 2009, the CICA issued CICA Handbook Section 1582, *Business Combinations*, Section 1601, *Consolidations*, and Section 1602, *Non-controlling Interests*. These three new sections replace the former CICA Handbook Section 1581, *Business Combinations*, and Section 1600, *Consolidated Financial Statements* and establish a new section for accounting for a non-controlling interest in a subsidiary. Section 1582 and 1602 will require net assets, non-controlling interests and goodwill acquired in a business combination to be recorded at fair value and non-controlling interests will be reported as a component of equity.

(c) *Business Combinations*, Handbook Section 1582; *Consolidations* - Handbook Section 1601; *Non-Controlling Interests* - Handbook Section 1602 (continued):

In addition, the definition of a business is expanded and is described as an integrated set of activities and assets that are capable of being managed to provide a return to investors or economic benefits to owners. Acquisition costs are not part of the consideration and are to be expensed when incurred.

Section 1601 establishes standards for the preparation of consolidated financial statements. These new sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company is currently evaluating the impact of the future adoption of these sections.

4. Mineral properties:

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge title to all of its properties is in good standing. The properties in which the Company has committed to earn an interest are located in

4. Mineral properties (continued):

Ghana, West Africa and the Company is therefore relying on title opinions by legal counsel who is basing such opinions on the laws of Ghana.

			March 31, 2011	June 30 , 2010
	Ashanti II Project	Kubi	Totals	Total
Acquisition costs				
Balance, beginning of the year July 1, 2010	$ 3,030,006	$ 5,621,700	$ 8,651,706	$ 8,824,874
Additions during the period	84,634	-	84,634	(173,168)
Balance, end of the period March 31, 2011	3,114,640	5,621,700	8,736,340	8,651,706
Deferred exploration costs				
Balance, beginning of the year July 1, 2010	12,945,152	1,731,365	14,676,517	10,682,194
Additions during the period				
Assaying, testing and analysis	244,551	25,226	269,777	70,187
Contract labour	66,143	9,286	75,429	34,636
Diamond drilling	1,924,786	706,615	2,631,402	1,543,650
Field office	411,116	30,044	441,160	164,143
Future Income Tax Liability	342,897	102,008	444,905	760,645
Geology and geophysics	1,174,930	517,781	1,692,711	764,279
Lease rental and claims maintenance	187,809	10,580	198,389	379,347
Legal	111,350	20,697	132,048	101,816
Proj Mgmt & related exploration costs	766,894	129,162	896,055	481,528
Transportation and travel	51,544	12,849	64,392	30,513
Write-off of deferred costs	-	-	-	-336,421
Subtotal Deferred Exploration	5,282,019	1,564,249	6,846,268	3,994,323
Balance, end of the period March 31, 2011	18,227,171	3,295,614	21,522,785	14,676,517
	$ 21,341,811	$ 8,917,314	$ 30,259,125	$ 23,328,223

a) Properties held by the Company:

All of the Company's mineral properties consist of leases, licenses and options covering mineral concessions and are located in Ghana, West Africa. The governing agreement for the majority of the concessions held by the Company is a Purchase and Sale Agreement (the "Agreement") dated for reference May 12, 2006, between Goknet Mining Company Limited, a company with two common directors, and the Company.

The Agreement completed the purchase of Goknet's interest in nine (9) concessions formerly under option between PMI, Goknet and, in some cases, certain third parties. Goknet retains a 2% Net Smelter Return Royalty ("NSR") on the Ashanti II concessions including Obotan, and all concessions carry a 10% royalty carried Net Profits Interest Royalty ("NPI") to the Ghanaian government. Certain concessions carry small royalties to original related and non-related parties.

4. Mineral properties (continued):

(a) Properties held by the Company (continued):

Prior to the Agreement Goknet retained a 4% NSR in the concessions. The Agreement allowed for the acquisition of the half of the NSR which called for payments of US$100,000 cash (paid during 2006) and the issuance of three million shares (3,000,000) shares of the Company (issued during 2006). The Agreement received the approval of the TSX Venture Exchange (“TSX-V”) on September 18, 2006.

The Agreement requires payment of an advance NSR to Goknet in the amount of US$50,000 per year commencing on December 15, 2007 with such advance NSR payments deductible against future NSR payments.

The overall interest, area weighted, in these concessions held by the Company is 87.08%.

Pursuant to the Agreement, the Company has completed registration of title to seven (7) of the concessions through its wholly-owned subsidiary Adansi Gold Company (GH) Limited (“Adansi”) which are:

- Juabo (Gemap);
- Diaso;
- Abore-Abirem;
- New Obuase (Fromenda);
- Adubea (Edubia);
- Dunkwa Gyimigya; and,
- Kaniago (Adansi).
- Juabo (Gemap): The prospecting license has been extended for one year and will expire on July 12, 2011. The property is 100% owned by the Company and is subject to a 15% carried interest retained by the original vendor (Gemap Mining Company Ltd) and a 2% NSR payable to Goknet. Based on the Deed of Assignment dated April 30, 2004, the Juabo Concession was assigned by Nevsun Resources (Ghana) Ltd. (“NS Ghana”) to Adansi upon the Minister of Mines’ (GH) consent on March 26, 2004.
- Diaso: A one-year prospecting license extension has been granted, which will expire on July 12, 2011. The property is 100% owned by the Company subject to a 2% NSR payable to MIA Investments Ltd., a private Canadian Corporation controlled by an Executive Director..
- Abore-Abirem: The one-year extension of the prospecting license expired on October 13, 2010. The Company has a 100% interest in the concession, subject to Goknet’s underlying 2% NSR. The Company is in communication with the Minerals Commission with regard to an exemption from the requirement to release 50% of the license area while the Company prepares an application to convert to a mining lease.
- New Obuase (formerly known as and commonly referred to as Fromenda): The prospecting license was extended for one year and expired on January 12, 2011. The Minerals Commission has been notified of a pending application to extend this license. The property is 100% owned by the Company, subject only to a 2% NSR payable to Goknet.

4. Mineral properties (continued):

(a) Properties held by the Company (continued):

The remaining five (5) concessions are held in trust by Goknet and are described as follows:

- Concessions optioned by Goknet from Switchback Mining Company Limited ("Switchback") and, in turn, optioned by Goknet to the Company.

  - Gyagyatreso;
  - Nkronua; and,
  - Amuabaka.

  Title is presently vested in Switchback, a company with two common directors. The Company anticipates registration of these concessions in the name of Adansi when exploration results justify the increased holding costs.

- Concession optioned by Goknet from EJT Exploration Ltd. and, in turn, optioned by Goknet to the Company:

  Manhia:

  Title is presently vested in Goknet, a company with two common directors. The Company has earned 100% of Goknet's interest in the concession subject to a 2% NSR payable to Goknet. The Company anticipates registration of these concessions in the name of Adansi during the next quarter. The two-year license renewal expires on September 17, 2011.

- Concession held by Goknet and optioned directly to the Company:

  Agyaka-Manso:

  Title is presently vested in Goknet, a company with two common directors. The Company anticipates registration of these concessions in the name of Adansi during the next quarter. A two-year extension was received on July 22, 2010.

Certain concessions are subject to a 10% carried interest in favour of a company related by virtue of a common director.

(b) Properties held by the Company's subsidiary, NS Ghana:

NS Ghana holds a 100% interest in the Kubi Mining Leases, subject to a 10% Net Profits Interest Royalty ("NPI") to the Ghanaian government. In addition, on the Kubi Mining Leases, a 3% net proceeds of production ("Net Profits") royalty is payable to Royal Gold. The property is comprised of two overlapping mining leases, both with renewable 20-year terms expiring September 17, 2028 and totaling 0.018 sq. km and 19.16 sq. km, respectively. The mining lease requires NS Ghana to pay royalties as proscribed by legislation based on the quarterly production.

(c) Properties held by the Company's subsidiary, Adansi:

- In August 2008, Adansi entered into a license agreement with the Government of Ghana to prospect for gold in the Kaniago area. The license expired on August 10, 2010. A terminal expenditure report on the property has been submitted to support an application for an extension of the license on the property.

4. Mineral properties (continued):

(c) Properties held by the Company's subsidiary, Adansi (continued):

Kaniago (Adansi):

The license area connects the Company's Abore-Abirem, Switchback, Fromenda and Diaso concessions. The concession is also subject to Goknet's underlying 2% NSR.

The agreement requires Adansi to spend a minimum of US$198,495 and Ghana Cedi 11,484 as agreed in the work program by August 10, 2010 and pay an annual rent of Ghana Cedi 11. The Company has applied for an extension of the prospecting license pursuant to the regulations of the Minerals Commission. Such extension is expected to be granted pursuant to the usual regulatory procedures and practices in Ghana.

- In September 2008, Adansi entered into a license agreement with the Government of Ghana to prospect for gold in the Adubea (Edubia) area.

Adubea (Edubia):

The original title was secured by purchasing a 99-year lease from the Biney family (January 10, 1931) by deed of Assignment to Adansi dated January 10, 2007 by the payment of US$200,000 in installments (paid) and the reservation of a 0.5% NSR in right of the Biney family. The initial 2-year prospecting license expired on September 10, 2010 and a terminal report has been submitted to the Minerals Commission in support of an application to extend the prospecting license, with a later conversion to a mining lease. Adansi has a 100% interest in the concession, subject to Goknet's underlying 2% NSR and the vendor's 0.5% NSR interest.

The prospecting license required Adansi to spend a minimum of US$280,060 and Ghana Cedi 79,640 as agreed in the work program by September 10, 2010, and pay annual rent of Ghana Cedi 3. Conversion from prospecting to mining license supersedes work program requirements.

- In October 2008, Adansi entered into a license agreement with the Government of Ghana to prospect for gold in the Gyimigya and Dunkwa-on-Ofin area. The prospecting license expired on October 9, 2010 and, pursuant to normal licensing practice, an application has been submitted for its 'extension.

The license area is situated at Gyimigya in the Adansi South District Assembly and the Dunkwa-on-Ofin in the Upper Denkyira District. The prospecting license requirement of a minimum spend of US$194,183 and Ghana Cedi 17,644 as agreed in the work program has been met.

(d) Properties held under option:

The Company entered into a letter agreement dated December 10, 2005 with Goknet whereby the Company has an option to acquire up to 80% of Goknet's interest in the Ofoase Concession located on the Ashanti Gold Belt in Ghana, West Africa. The Company entered into an agreement on January 26, 2007 to acquire the continuous Bankame concession from Goknet.

The Company relinquished its options on these concessions and at June 30, 2010 had written-off costs incurred to date.

5. Equipment:

March 31, 2011	Cost	Accumulated amortization	Net book value
Field tools and equipment	$ 156,444	$ 76,986	$ 79,458
Office furniture and equipment	122,454	63,325	59,129
Computer equipment	25,398	19,485	5,913
Vehicles	286,488	76,886	209,602
	$ 590,784	$ 236,682	$ 354,101

June 30, 2010	Cost	Accumulated amortization	Net book value
Field tools and equipment	$ 81,954	$ 68,806	$ 13,148
Office furniture and equipment	79,154	62,890	16,264
Computer equipment	24,412	18,530	5,882
Vehicles	207,015	38,757	168,258
	$ 392,535	$ 188,983	$ 203,552

6. Related party transactions:

Related party transactions 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.

Related party transactions, other than as described in Note 4, are as follows:

	March 31, 2011	2010
Management and consulting fees:		
Management fees charged by a company controlled by a director of the company (D. MacQuarrie)	$ 260,000	$ 90,000
Consulting fees charged by a director of the Company (J. Clarke)	59,000	-
Consulting fees charged by an officer of the Company (P. Gibbs)	67,500	45,000
Directors' fees:		
J. H. Mensah	18,055	9,000
J. Clarke	8,750	
P. Buck	32,117	
R. Ashton	11,686	
Len Dennis	12,000	9,000
Deferred exploration costs:		
Legal and other services and expenses charged by a firm controlled by a director of the Company's Ghanaian subsidiary (T. Ennison)	116,723	101,812

6. Related party transactions (continued):

Amounts due to (from) related parties, reflected in accounts payable and accrued liabilities, are:

	March 31, 2011	2010
Management and consulting fees:		
Amount payable to a company controlled by a director of the company (D. MacQuarrie)	$ -	$ -
Consulting fees charged by a director of the Company (J. Clarke)	-	-
Amount payable to an officer of the Company providing consulting services (P. Gibbs)	25,425	-
Amounts payable for directors' fees:		
J. H. Mensah	-	6,794
J. Clarke		-
P. Buck	32,117	-
R. Ashton	11,686	-
Len Dennis	-	-
Deferred exploration costs:		
Amount payable to (receivable from) a firm controlled by a director of the Company's Ghanaian subsidiary providing legal and other services and expenses (T. Ennison)	-	108,906
Accrued cash loans payable to (receivable from):		
D. Buckle	-	8,996
T. Ennison	-	962
Waratah (Australia) Pty. Ltd.	(38,521)	112,726
	$ 30,707	$ 238,384
Amounts payable for reimbursable expenses		
D. MacQuarrie	$ -	$ 9,645

During fiscal 2010, the Company executed two Management Services Agreements and a Legal Services Agreement with companies related to or controlled by officers of the Company with respect to consulting services. The agreements are for thirty-six month terms effective August 2010 and are subject to a termination fee of one year's fees. Payments pursuant to these contracts total $30,000 per month. During the period, the Management Services Agreements were terminated and paid out; and subsequent to the period Douglas MacQuarrie resigned as a director of the Company on April 11, 2011 (one of the subject Management Services Agreement terminations).

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Amounts due from and to related parties are unsecured and non-interest bearing with no specific terms of repayment. It is not practicable to determine the fair value of these amounts due to their related party nature and the absence of a secondary market for such investments.

7. Capital stock and contributed surplus:

(a) Authorized - Unlimited common shares, without par value

On October 22, 2010, the Company completed a 2 for 1 share, warrant, and option consolidation. The number of shares, warrants and options, as well as earnings per share data presented in these financial statements reflects the impact of the 2 for 1 consolidation except where indicated in continuities for activities within the period, which show pre- and post-consolidation share, warrant and option movements that have been reconciled to an ending post-consolidation balance.

(b) Common shares issued:

	Capital stock		Contributed
	Number of shares	Amount	Surplus
Pre-consolidation balance, June 30, 2009	118,917,570	25,446,185	2,572,075
Private placements	117,124,731	12,311,024	36,987
Shares for loan extension	7,409,911	222,297	(222,297)
Exercise of warrants	7,708,473	610,847	-
Exercise of options	1,059,375	212,508	(212,464)
Extinguishment of debt	-	-	187,887
Stock-based compensation	-	-	789,517
Pre-consolidation balance, June 30, 2010	252,220,060	$ 38,802,861	$ 3,151,705
Private placements	27,777,778	5,000,000	-
Finders fees	0	(205,980)	
Exercise of warrants	3,320,000	437,000	-
Exercise of options	896,250	260,739	(171,114)
Pre-consolidation balance, October 21, 2010	284,214,088	44,294,620	2,980,591
Share consolidation at 2:1 basis	(142,107,044)		
Balance after share consolidation at October 22,	142,107,044	44,294,620	2,980,591
CDI's issued	39,285,714	27,483,500	-
Share issuance costs	0	(2,922,725)	-
Special warrant conversion	11,786,500	6,645,485	
Warrants exercised	3,670,000	961,582	-
Options exercised	385,326	200,800	(77,331)
Shares issued as finder's fees	500,000	350,000	-
Stock-based compensation	0	0	2,956,470
Balance at March 31, 2011	197,734,584	$ 77,013,262	$ 5,859,730

During the nine months ended March 31, 2011, the following stock transactions occurred:

(i) 896,250 stock options were exercised at a price of $0.10 for net proceeds of $89,625.

(ii) 1,220,000 warrants were exercised at a price of $0.10 for net proceeds of $122,000.

(iii) 2,100,000 warrants were exercised at a unit price of $0.15 for net proceeds of $315,000.

(iv) 27,777,778 shares were issued at a price of $0.18 pursuant to a Private Placement. The net value after Finders' Fees was $4,794,020.

(v) on October 22, 2010 the Company completed a 2:1 share consolidation

7. Capital stock and contributed surplus (continued):

Post consolidation:

(vi) On December 17, 2010 the Company issued 39,285,714 CHESS Depository Instruments (‘CDIs”) tradeable on the Australian Securities (“ASX”) for gross proceeds of AUD$27,500,000 (CAD$ 27,483,500). Net proceeds after issue costs and Finders’ Fees were $24,410,291. 500,000 shares were issued as Finders’ Fees.

CDIs trading on the ASX are convertible to common shares tradeable on the TSX-V. In accordance with Canadian securities laws, trading of these shares is restricted for four months and one day from issuance. Subsequent to expiry of the restriction, in order to trade on the TSX-V, holders will need to convert their CDIs tradeable on the ASX to shares tradeable on the TSX-V. Conversely holders of common shares tradeable on the TSX-V will have to convert these to CDIs tradeable on the ASX in order to trade on the ASX.

(vii) 840,000 warrants were exercised at a price of $0.20 for net proceeds of $168,000.

(viii) 2,120,438 warrants were exercised at a price of $0.30 for net proceeds of $636,131.

(ix) 107,500 options were exercised at a price of $0.20 for net proceeds of $21,500.

(x) On March 14, 2011 10,715,000 fully paid special warrants were converted into 11,786,500 common shares.

(xi) 259,562 warrants were exercised for net proceeds of $67,868.

(xii) 450,000 warrants were exercised at a price of $0.20 for net proceeds of $90,000.

(xiii) 277,813 options were exercised for net proceeds of $101,969.

During the year ended June 30, 2010 the following stock transactions occurred:

(i) On July 16, 2009, pursuant to a private placement, the Company issued 30,000,000 units at a per unit value of $0.05 for gross proceeds of $1,500,000. Each unit is comprised of one share and one share purchase warrant exercisable for three years at $0.10. finders’ fees of $17,200 were paid, and 86,000 warrants were issued as finders’ fees. The warrants are exercisable for three years at a price of $0.10. These warrants are valued at $7,347 using Black-Scholes model assumptions of 1.33% risk free interest rate and 205% volatility. The related cost is included in share issuance costs.

(ii) On October 16, 2009, pursuant to a private placement, the Company issued 36,455,000 units at a per unit value of $0.10 for gross proceeds of $3,645,500. Each unit is comprised of one share and one share purchase warrant exercisable for two years at $0.15. $90,000 finders’ fees were paid, and 225,000 warrants were issued as finders’ fees. The warrants are exercisable for two years at a price of $0.15. These warrants are valued at $29,640 using Black-Scholes model assumptions of 1.30% risk free interest rate and 202% volatility. The related cost is included in share issuance costs.

(iii) On November 23, 2009, 7,409,911 shares with a fair market value of $222,227 were issued to Trafalgar Capital Specialized Investment Fund (“Trafalgar”) pursuant to the loan extension granted on February 3, 2009.

7. Capital stock and contributed surplus (continued):

(iv) On April 7, 2010, 33,333,333 shares at a per unit value of $0.14 were issued subsequent to a private placement for net proceeds of $4,666,666.

(v) On April 7, 2010, 17,336,398 shares at a per unit value of $0.15 were issued subsequent to a private placement for gross proceeds of $2,600,460. Finders' fees of $149,278 were paid.

(c) Stock option plan:

The Company has a stock option plan in place under which it is authorized to grant options to its directors, officers and employees to acquire up to 10% of the issued and outstanding common shares. The stock option plan provides that the options are for a maximum term of five years and vest as to one-quarter on regulatory approval and one-eighth every three months thereafter.

As at March 31, 2011, the following incentive stock options were outstanding and exercisable; reflecting the impact of the October 22, 2010 share, warrant, and option consolidation:

Number of Options	Exercise Price	Date of Grant	Expiry Date	Maximum Future Proceeds
412,500	0.20	15-Dec-06	15-Dec-11	82,500
125,000	0.20	26-Jun-07	26-Jun-12	25,000
317,500	0.20	26-Mar-08	26-Mar-13	63,500
50,000	0.20	14-Sep-08	14-Sep-13	10,000
4,100,000	0.30	10-Sep-09	09-Sep-14	1,230,000
500,000	0.40	29-Oct-09	28-Oct-14	200,000
531,875	0.50	13-May-10	13-May-15	265,938
2,000,000	1.05	17-Dec-10	17-Dec-15	2,100,000
5,000,000	0.90	19-Jan-11	19-Jan-16	4,500,000
500,000	0.90	18-Feb-11	18-Feb-16	450,000
13,536,875	$ 0.66			$ 8,926,938

7. Capital stock and contributed surplus (continued):

(c) Stock option plan (continued):

Stock option transactions and the number of stock options outstanding are summarized as follows:

	2011			2010		
	Number of options		Weighted average price	Number of options		Weighted average price
Pre-consolidation balance June 30, 2010	14,341,875	$	0.15	5,642,500	$	0.10
	850,000		0.24	9,638,750		0.16
	(896,250)		0.10	-		
	(601,250)		0.10	(886,250)		0.10
Pre-consolidation balance October 22, 2010	13,694,375		0.15	14,395,000	$	0.14
	(6,847,188)			(7,197,500)		
Options post consolidation 2:1	6,847,188	$	0.29			
	2,000,000		1.05			
	5,500,000		0.90			
	(360,313)		0.20			
	(450,000)		0.47			
Options, end of period	13,986,875	$	0.66	7,197,500	$	0.27
Total stock options exercisable	8,305,000	$	0.55	4,129,661	$	0.24

(d) Stock-based compensation:

During the period ended March 31, 2010, the Company granted options totaling 8,350,000 (2009 – 9,638,750). Of these, 850,000 were cancelled on December 17, 2010. The fair value of the options not subject to cancellation is $4,219,445 (2009 – $868,280), based on the Black-Scholes option pricing model. For the nine month period ended March 31, 2011, the stock-based compensation recognized was $2,956,470 (2010 - $551,194).

Options awarded prior to October 22, 2010 underwent a two for one consolidation on that date, with an accompanying adjustment to the exercise price to reflect the consolidation.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted.

	2011	2010
Risk-free interest rate	2.05%	2.56%
Expected life of options	5 years	5 years
Stock price volatility	163%	157%
Dividend rate	0%	0%

7. Capital stock and contributed surplus (continued):

(e) Warrants:

The following share purchase warrants, reflecting the October 22, 2010 share, option and warrant consolidation, were outstanding at March 31, 2011:

Number of Warrants	Exercise Price		Expiry Date
10,000,000	$	0.10	31-Mar-12
225,000		0.20	31-Mar-12
3,600,000		0.20	14-May-12
13,468,000		0.20	16-Jul-12
15,010,000		0.30	16-Oct-11
2,000,000		0.50	16-Oct-11
2,500,000		0.60	12-Dec-12
46,803,000		0.24	

Warrant transactions and the number of warrants outstanding at March 31, 2011 are summarized as follows:

	March 31, 2011		
	Number of warrants		Weighted average price
Pre-consolidation balance begining of period	97,103,500	$	0.11
Exercised	-		0.13
Expired	(2,337,500)		0.10
Broker warrants	4,000,000		0.25
Pre-consolidation balance October 22, 2010	98,766,000	$	0.12
Warrant consolidation at 2:1 basis	(47,723,000)	$	0.11
Balance after 2:1 consolidation at October 22, 2010	47,723,000		0.25
Exercised	(3,420,000)		0.27
Broker warrants	2,500,000		0.60
Warrants at March 31, 2011	46,803,000	$	0.23

7. Capital stock and contributed surplus (continued):

(f) Special warrants:

On December 17, 2010, the Company raised $7.5 million through a special warrant offering and issuance of 10,715,000 special warrants at a price of $0.70 per warrant. The special warrants were fully paid and convertible into common shares at a ratio of one share for each special warrant, subject to a four month and one day trading or the receipt of a prospectus, whereupon the hold period would expire. The terms of the warrant offering allowed for a conversion ratio of 1:1 shares for each special warrant in the event that the prospectus was not received by December 22, 2010. The latter condition was not met, and the warrants were consequently converted at a ratio of 1:1 common shares for each special warrant, for a total of 11,786,500 shares, on March 14, 2011.

8. Capital management:

The Company manages its capital structure, currently consisting of shareholders' equity, in order to have funds available to support its exploration activities and sustain the future development of the business.

The Company's capital management approach is revised on an ongoing basis and reflects adjustments in the light of economic conditions affecting metal markets and the mining industry in particular. To maintain or adjust the capital structure, the Company may issue new shares, options and warrants, and issue debt.

There were no changes in the Company's approach to capital management during the period ended March 31, 2011.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

9. Segmented information:

The Company primarily operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Ghana. The Company's assets geographically were as follows:

	2011	2010
Canada	$ 7,782,756	$ 5,547,955
Ghana	29,169,469	21,499,629
Australia	26,390,563	-
	$ 63,342,788	$ 27,047,584

10. Commitments:

The Company has entered into operating lease agreements for office premises of $99,171 for 2011.