BRAVADA GOLD CORPORATION

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Interim Consolidated Financial Statements

For the Nine Months Ended April 30, 2011 and 2010

(An Exploration Stage Company)

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Consolidated Financial Statements	

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited interim consolidated financial statements of the Company for the nine months ended April 30, 2011 and comparatives for the nine months ended April 30, 2010 were prepared by the management and have **not been reviewed** by the Company's auditors.

Bravada Gold Corporation
(An Exploration Stage Company)
Consolidated Statements of Financial Position

	Note		April 30, 2011 (Unaudited)		July 31, 2010 (Audited)
Assets					
Current					
Cash and cash equivalents		$	1,711,851	$	1,280,975
Receivables			49,577		17,606
Marketable securities	7		14,500		12,500
Prepaid expenses			58,968		77,407
Total Current Assets			**1,834,896**		**1,388,488**
Mineral properties	8		12,647,944		4,494,867
Reclamation bonds	9		114,332		71,287
Deferred financing costs			-		80,627
Total Assets		**$**	**14,597,173**	**$**	**6,035,269**
Liabilities					
Current					
Accounts payable and accrued liabilities		$	196,893	$	181,074
Due to related parties	10		383,686		96,074
Total Current Liabilities			**580,579**		**277,148**
Shareholders' Equity					
Share capital			4,205,505		1,500,001
Share subscriptions			420,395		651,250
Contributed surplus			11,233,520		4,650,203
Accumulated other comprehensive income			1,735		-
Deficit			(1,844,561)		(1,043,333)
Total Equity			**14,016,594**		**5,758,121**
Total Liabilities and Equity		**$**	**14,597,173**	**$**	**6,035,269**

Nature of operations (Note 1)
Commitments (Note 14)
Subsequent events (Note 15)

Approved on behalf of the Board

"*Joseph A. Kizis*"	"*G. Ross McDonald*"
Joseph A. Kizis Director	G. Ross McDonald Director

Bravada Gold Corporation
(An Exploration Stage Company)
Consolidated Statements of Operations and Comprehensive Loss

		Three Months Ended April 30,		Nine Months Ended April 30,	
	Note	**2011**	**2010**	**2011**	**2010**
Operating Expenses					
Administration	10	$ 20,175	$ 24,000	$ 72,000	$ 24,000
Consulting		52,255	29,764	169,516	49,819
General exploration		17,256	400	28,713	16,126
Investor relations		54,571	7,353	128,158	7,711
Office and general		35,601	14,888	80,557	26,855
Professional fees		43,156	83,262	174,175	111,078
Regulatory fees and taxes		9,405	17,025	15,652	17,684
Shareholders' communications		4,584	574	34,986	574
Stock-based compensation		1,406	-	1,406	-
Transfer agent		2,345	3,976	57,861	3,976
Travel and promotion		43,772	907	74,723	4,727
Total Operating Expenses		**$ 284,526**	**$ 182,149**	**$ 837,747**	**$ 262,550**
Other Items					
Foreign exchange loss		8,393	15,327	15,497	14,308
Interest income		(3,610)	(775)	(5,008)	(775)
Other revenue		(47,008)	-	(47,008)	-
Total Other Items		**$ (42,225)**	**$ 14,552**	**$ (36,519)**	**$ 13,533**
Net loss for the period		**242,301**	**196,701**	**801,228**	**276,083**
Other Comprehensive Income					
Unrealized gain on fair value of marketable securities, net of taxes		-	-	(1,735)	-
Comprehensive Loss for the period		**$ 242,301**	**$ 196,701**	**$ 799,493**	**$ 276,083**
Loss per share - basic and diluted		$ 0.00	$ 0	$ 0.02	$ 0
Weighted average number of common shares outstanding		**70,743,478**	**11,646,408**	**47,683,122**	**11,646,408**

Bravada Gold Corporation
(An Exploration Stage Company)
Consolidated Statement of Shareholders' Equity

Common Shares	Number of Shares	Amount	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Equity
Balance as at July 31, 2009	**1**	**$ 1**	**$ -**	**$ -**	**$ (257,025)**	**$ (257,024)**
Shares issued - private placement	1,500,000	1,500,000	-	-	-	1,500,000
Shares issued - as per Plan of Arrangement with BVG	24,119,217	-	4,388,518	-	-	4,388,518
Value assigned to stock options	-	-	261,685	-	-	261,685
Net loss for the year	-	-	-	-	(786,308)	(786,308)
Balance as at July 31, 2010	**25,619,218**	**$ 1,500,001**	**$ 4,650,203**	**$ -**	**$ (1,043,333)**	**$ 5,106,871**
Shares issued - private placement	27,150,000	3,060,000	-	-	-	3,060,000
Shares issued - as per 'Amalgamation Agreement'	32,951,114	-	6,260,712	-	-	6,260,712
Shares issued - options exercised	40,000	10,407	(4,407)	-	-	6,000
Subscription received	-	420,395	-	-	-	420,395
Share issue costs - cash	-	(241,621)	-	-	-	(241,621)
Share issue costs - non-cash	-	(123,282)	-	-	-	(123,282)
Value assigned to options - as per 'Amalgamation'	-	-	29,060	-	-	29,060
Value assigned to warrants - as per 'Amalgamation'	-	-	165,475	-	-	165,475
Value assigned to agent warrants	-	-	123,282	-	-	123,282
Value assigned to options	-	-	9,196	-	-	9,196
Unrealized gain on marketable securities, net of taxes	-	-	-	1,735	-	1,735
Net loss for the period	-	-	-	-	(801,228)	(801,228)
Balance as at April 30, 2011	**85,760,332**	**$ 4,625,900**	**$ 11,233,520**	**$ 1,735**	**$ (1,844,561)**	**$ 14,016,594**

See notes to the consolidated financial statements

Bravada Gold Corporation
(An Exploration Stage Company)
Consolidated Statements of Cash Flows

	Three Months Ended April 30, 2011	Three Months Ended April 30, 2010	Nine Months Ended April 30, 2011	Nine Months Ended April 30, 2010
Operating Activities				
Net loss for the period	**$ (242,301)**	**$ (196,701)**	**$ (801,228)**	**$ (276,083)**
Items not involving cash:				
Stock-based compensation	1,406	-	1,406	-
Unrealized foreign exchange gain/(loss)	(375)	2,377	2,313	-
	(241,270)	**(194,324)**	**(797,509)**	**(276,083)**
Change in non-cash working capital items:				
Receivables	(13,130)	(8,233)	20,734	(8,223)
Prepaid and deposits	(5,515)	(24,914)	(22,345)	(24,914)
Accounts payable and accrued liabilities	(67,815)	(1,669)	(105,287)	(1,669)
Due from related parties	(382,230)	(6,988)	(532,217)	(6,988)
	(468,690)	**(41,804)**	**(639,115)**	**(41,794)**
Cash Used in Operating Activities	**(709,960)**	**(236,128)**	**(1,436,624)**	**(317,877)**
Investing Activities				
Expenditures on mineral properties	(216,220)	(109,659)	(771,520)	(109,659)
Reclamation bonds refunded (purchased)	-	(2,626)	453	(2,626)
Cash Used in Investing Activities	**(216,220)**	**(112,285)**	**(771,067)**	**(112,285)**
Financing Activities				
Private placement	2,025,000	1,500,000	2,408,750	1,500,000
Share issue costs	(111,280)	-	(160,993)	-
Stock options exercised	-	-	6,000	-
Fortune River Resource Corp. transfer	35,585		(35,585)	
Share subscriptions received	420,395	-	420,395	-
Bravo Gold Corp. transfers	-	-	-	120,810
Cash Provided by Financing Activities	**2,369,700**	**1,500,000**	**2,638,567**	**1,620,810**
Increase (Decrease) in Cash During the Period	**1,443,520**	**1,151,587**	**430,876**	**1,190,648**
Cash and Cash Equivalents, Beginning of Period	**268,331**	**39,061**	**1,280,975**	**-**
Cash and Cash Equivalents, End of Period	**$ 1,711,851**	**$ 1,190,648**	**$ 1,711,851**	**$ 1,190,648**

Supplemental cash flow information (Note 13)

1. Nature of Operations and Going Concern

Bravada Gold Corporation (the "Company") is an exploration stage company. The Company was incorporated under the laws of British Columbia on September 4, 2009. As at May 4, 2010, the Company was listed on the TSX Venture Exchange ("TSX-V") with its shares on the Tier 2 Board trading under the symbol "BVA" On January 7, 2011, the Company and Fortune River Resource Corp. ("FRX") entered into an Amalgamation Agreement ("Amalgamation") and formed a new entity under the same name Bravada Gold Corporation (Note - 2).

The Company's principal business activities include acquisition, exploration, and development of mineral natural resource properties. The Company has not yet determined whether any of its mineral properties contain ore reserves.

On September 22, 2009, the Company entered into an agreement with Bravo Gold Corp. ("BVG") by way of a Plan of Arrangement ("Arrangement") whereby BVG transferred its shares held in its wholly-owned subsidiary, Bravo Alaska Inc. ("BA"), to the Company. On February 9, 2010, BVG shareholders approved the Arrangement. Details of the Arrangement can be found in the Company's audited annual consolidated financial statements dated July 31, 2010.

The comparative financial statements have been presented as a recapitalization of BA using the continuity of interest method, whereby the operations of the Company reflect the financial position and results of operations and cash flows of the combined companies since inception.

These consolidated financial statements have been prepared on a "going concern" basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Currently the Company is unable to self-finance operations, has limited resources, no source of operating cash flow and no assurances that sufficient funding will be available to conduct further exploration and development of its mineral property projects.

The Company had a net working capital of $1,254,317 as at April 30, 2011 compared to a net working capital of $1,111,340 as at July 31, 2010.

The continuance of the Company's operations is dependent on obtaining sufficient additional financing through the issuance of common shares. Management is actively seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful.

The Company does not hold any revenue generating properties and thereby continues to incur losses. As at April 30, 2011, the Company has an accumulated deficit of $1,844,561 (July 31, 2010: $1,043,333).

These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

2. Amalgamation with Fortune River Resource Corp.

On January 7, 2011, the Company and Fortune River Resource Corp. ("FRX") entered into an Amalgamation Agreement ("Amalgamation") and formed a new entity under the same name Bravada Gold Corporation. The securities of the two companies that were issued and outstanding immediately before the Amalgamation were converted into securities of the Amalgamated Company as follows:

(a) the common shares of FRX were exchanged for common shares of the Company on the basis of one common share of the Company for every 1.1765 common share of FRX (ratio 0.85:1). Stock options and share purchase warrants were exchanged at the same ratio. The exercise price and all other terms and conditions for all options and warrants issued by the Company remained the same as the original FRX options and warrants.

(b) the issued and outstanding common shares held by the Company's shareholders before the Amalgamation were exchanged for common shares of the Company on the basis of one common share of the Company for every one share previously held. Stock options and share purchase warrants were exchanged at the same ratio. All terms and conditions of the stock options and share purchase warrants remain unchanged.

The Amalgamation resulted in the Company issuing common shares, stock options, and share purchase warrants to FRX shareholders, option holders, and warrant holders as follows:

	FRX Pre-Amalgamation Outstanding	Issued by BVA
Common Shares	38,766,012	32,951,114
Stock Options	3,690,500	3,136,925
Share Purchase Warrants	6,556,876	5,573,345

On January 7, 2011, the quoted market price of the Company's common shares was $0.19 per share. Based on this price, the Company assigned a value of $6,260,712 to the common shares of FRX that were acquired.

2. Amalgamation with Fortune River Resource Corp., continued

The Amalgamation has been accounted for using the acquisition method whereby all the FRX assets acquired and liabilities assumed were recorded at fair value. The purchase price allocation is summarized as follows:

Purchase Price Consideration		
FRX Common Shares	$	6,260,712
FRX Stock Options		29,060
FRX Share Purchase Warrants		165,475
Net Purchase Price Consideration	$	**6,455,247**

The Company stock options granted and warrants issued in exchange for the FRX options and warrants were assigned a fair value based on the following weighted average assumptions used in the Black-Scholes option pricing model:

	Options	**Warrants**
Risk-free interest rate	1.82%	1.15%
Expected share price volatility	90.09%	100.28%
Expected option/warrant life in years	2.34	1.02
Expected dividend yield	0.00%	0.00%

The fair value of the acquired identifiable net assets is allocated as follows:

Cash	$	23,923
Receivables		11,239
Prepaid and deposits		3,906
Reclamation bonds		42,860
Mineral properties		5,083,896
Accounts payable and accrued liabilities		(144,340)
Due to related parties		(808,038)
Due to the Company		(59,508)
Net Assets Acquired	$	**4,153,938**
Fair value adjustment to mineral properties		2,301,309
	$	**6,455,247**

The excess purchase price of FRX's net assets has been allocated to mineral properties specifically the Wind Mountain property as its value was assessed by an independent third party to be in excess of its carrying value.

3. Basis of Presentation

The consolidated financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") and include the accounts of the Company and its wholly-owned foreign integrated subsidiaries, with the most significant being Bravo Alaska Inc., incorporated in Alaska, USA and Rio Fortuna Exploration (U.S.), Inc., incorporated in Nevada, USA. All intercompany accounts and transactions have been eliminated upon consolidation.

Comparative figures of BA are presented for the nine months ended April 30, 2010 to reflect the results of operations and cash flows as if the companies had been combined since their inception.

These unaudited interim consolidated financial statements do not contain all of the information required for annual financial statements and they should be read in conjunction with the Company's audited annual consolidated financial statements for the fiscal year ended July 31, 2010. The results for the nine months ended April 30, 2011 are stated utilizing the same accounting policies and methods of application as the most recent audited annual consolidated financial statements with the exception of the adoption of CICA Sections 1582, 1601, and 1602 (Note 4 (a)(i), but are not necessarily indicative of the results to be expected for the full year. All material adjustments, which in the opinion of management are necessary for a fair presentation of the results of the interim periods, have been reflected.

The Company's functional and reporting currency is the Canadian dollar and all dollar amounts are in Canadian dollars, unless otherwise indicated.

4. Future Accounting Policy Changes

(i) Business Combinations

In January 2009, the CICA issued Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements", and Section 1602, "Non-Controlling Interests". These sections replace the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for a non-controlling interest in a subsidiary.

Sections 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. 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 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 made an assessment and adopted these new sections with regard to the Amalgamation (Note 2).

4. Future Accounting Policy Changes, continued

(ii) International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that Canadian GAAP for publicly accountable enterprises will be converged with IFRS effective for fiscal years beginning on or after January 1, 2011. The Company will therefore be required to report using IFRS commencing with its unaudited interim financial statements for the three months ended October 31, 2011, which must include restated interim results for the prior period ended October 31, 2010 prepared on the same basis. The conversion to IFRS will impact the Company's accounting policies, information technology and data system, internal control over financial reporting, and disclosure controls and procedures. The Company is progressing with its plan of addressing issues that may arise from the IFRS conversion.

5. Financial Instruments

The Company's financial instruments include cash, reclamation bonds, marketable securities, accounts payable and accrued liabilities, and amounts due to related parties. Receivables consist of amounts due from the government which are excluded as a financial instrument. The Company has classified its financial instruments into the following categories:

	April 30, 2011			July 31, 2010		
Financial Assets	**Held-for-trading**	**Available-for-sale**	**Loans and Receivables**	**Held-for-trading**	**Available-for-sale**	**Loans and Receivables**
Cash	$ 1,711,851	$ -	$ -	$ 1,280,975	$ -	$ -
Marketable Securities	-	14,500	-	-	12,500	-
Reclamation bonds	-	-	114,332	-	-	71,287
	$ 1,711,851	$ 14,500	$ 114,332	$ 1,280,975	$ 12,500	$ 71,287

	April 30, 2011	July 31, 2010
Financial Liabilities	**Other Financial Liabilities**	**Other Financial Liabilities**
Accounts payable and accrued liabilities	$ 196,893	$ 181,074
Due to related parties	383,686	96,074
	$ 580,579	$ 277,148

5. Financial Instruments, continued

Fair Value

The carrying values of cash, reclamation bonds, and accounts payable and accrued liabilities are a reasonable estimate of their fair values due to the relatively short time period to maturity. The fair value of amounts due to related parties cannot be reliably measured since there is no quoted price for such instruments. The fair value of the marketable securities was based on its quoted market price in an active market as at April 30, 2011. The following table sets forth the Company's financial assets measured at fair value within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Cash	$ 1,711,851	$ -	$ -	$ 1,711,851
Marketable securities	14,500	-	-	14,500
Total	$ 1,726,351	$ -	$ -	$ 1,726,351

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) Credit Risk

The Company is exposed to credit risk with respect to managing its cash and reclamation bonds. This risk is mitigated by risk management policies that require deposits or short-term investments to be invested with Canadian chartered banks rated BBB or better or commercial paper issuers R1/A2/P2 or higher. All investments must be less than one year in duration.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due by forecasting cash flows for operations and anticipating investing and financing activities and through management of its capital structure. Management is actively seeking to raise the necessary capital to meet its funding requirements.

5. Financial Instruments, continued

(c) Market Risk

The significant market risks to which the Company is exposed are interest rate risk and currency risk. These are discussed further below:

(i) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's cash is held in bank accounts that earn interest at variable interest rates. Due to the short-term nature of these financial instruments, the Company is not exposed to significant interest rate risk.

(ii) Currency Risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar (primarily US dollars). The Company does not manage currency risks through hedging or other currency management tools.

As at April 30, 2011, the Company's net exposure to foreign currency risk is as follows:

		US $		
		April 30, 2011		**July 31, 2010**
Cash	$	274,294	$	74,776
Reclamation bonds		120,803		69,325
Accounts payable and accrued liabilities		(130,316)		(137,066)
Amounts due to related parties		(46,065)		(9,027)
Net exposure to currency risk	$	**218,716**	$	**(1,992)**
Canadian dollar equivalent		**206,993**		**(2,050)**

Based on the above net foreign currency exposure, assuming all other variables remain constant, a 10% weakening or strengthening of the Canadian dollar against the US dollar would not have a material effect on the Company's results of operations.

5. Financial Instruments, continued

(c) Market Risk, continued

(iii) Other Price Risk

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is exposed to other price risk with regard to the marketable securities the Company holds as disclosed in Note 7. Assuming all other variables remain constant, a 10% decrease or increase in the market price of the marketable securities would result in $1,450 decrease or increase respectively in the Company's comprehensive income.

6. Management of Capital

The capital of the Company consists of components of shareholders' equity. Capital requirements are driven by the Company's exploration activities on its mineral property interests. The Company's objectives of capital management are to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the exploration of its mineral properties, and support any expansionary plans. The Company's primary process for managing capital consists of the ongoing assessment of current capital resources against budgeted exploration and administrative expenditures. In order to maintain or adjust the capital structure, the Company may issue new shares. There can be no assurance that the Company will be able to obtain equity capital when required.

There have been no changes in the Company's approach to capital management during the nine months ended April 30, 2011. The Company is not subject to external restrictions on its capital.

7. Marketable Securities

On January 1, 2010, the Company entered into an agreement and granted NuLegacy Gold Corporation ("NuLegacy") an option to acquire a 70% interest in the Half Ounce property, located in Nevada, USA (terminated on April 19, 2011). As per the agreement, NuLegacy issued 50,000 common shares to the Company. As at April 30, 2011, the Company held 50,000 common shares of NuLegacy. The Company holds less than 1% of the total number of outstanding shares of NuLegacy.

8. Mineral Properties

The Company has interests in 22 mineral properties in Nevada, USA and one mineral property in Ontario, Canada. A summary of capitalized acquisition and exploration expenditures on the Company's properties as at April 30, 2011 is as follows:

Mineral Properties	Signal	Pete Hanson	Wind Mountain	Other	Total
	$	$	$	$	$
Acquisition costs					
Balance as at July 31, 2010	394,450	53,706	-	1,445,987	1,894,143
Additions from Amalgamation	-	-	189,311	1,089,267	1,278,578
Additions during the period	6,721	2,952	21,952	119,912	151,537
Total as at April 30, 2011	**401,171**	**56,658**	**211,263**	**2,655,166**	**3,324,258**
Exploration					
Balance as at July 31, 2010	934,480	67,519	-	1,598,725	2,600,724
Additions from Amalgamation	-	-	2,337,731	1,467,587	3,805,318
Advances	-	-	-	-	-
Air support	-	-	-	-	-
Assays and analysis	12,856	9,893	25,797	(9,418)	39,128
Camp and supplies	1,427	4,340	1,544	4,292	11,603
Drilling	39,386	168,578	48,699	79,739	336,402
Environmental expenses	-	-	-	662	662
Equipment rental and field supplies	3,201	5,672	4,353	6,864	20,090
General exploration	12,353	10	-	245	12,608
Geological services	-	27,030	38,846	95,303	161,179
Project supervision	6,697	5,479	9,635	12,852	34,663
Total additions during the period	75,920	221,002	2,466,605	1,658,126	4,421,653
Fair Value Adjustment	-	-	2,301,309	-	2,301,309
Total as at April 30, 2011	**1,010,400**	**288,521**	**4,767,914**	**3,256,851**	**9,323,686**
Total acquisition and exploration					
Balance as at April 30, 2011	**1,411,571**	**345,179**	**4,979,177**	**5,912,017**	**12,647,944**

8. Mineral Properties, continued

During the nine months ended, April 30, 2011, the Company entered into agreements for two properties (Quito and Colorback) and added nine properties through the Amalgamation (Note 2). Details of the transactions are as follows:

(a) Quito Project

On November 17, 2010, the Company signed a non-binding Letter-of-Intent ("LOI") and a definitive agreement on May 27, 2011 with Yamana Gold Corporation ("Yamana") to acquire an interest in its Quito gold property, a past-producing open-pit mine. The property is located on the Austin Gold Trend in Nevada, USA. The Company can earn a 70% interest in the property by spending US $2,500,000 over 5 years. Within 60 days after the Company completes the earn-in, Yamana can either:

(i) elect to participate at 30%,
(ii) elect to earn 51% should a deposit of greater than 2 million ounces be discovered by paying the Company three times the Company's exploration expenditures and funding the Company's share of capital requirements (repaid out of 80% of the Company's cash flow), or
(iii) elect to reduce to a 2% net smelter return ("NSR") and receive either $500,000 of the Company's shares or US $500,000 cash at the Company's option. No other royalties exist at the property.

The Company can elect to terminate the agreement within one year of signing a formal Earn-in Agreement after a firm commitment of US $500,000 has been spent and certain claim fees have been paid.

(b) Colorback Property

On December 16, 2010, the Company signed a Mineral Lease and Agreement with Newmont USA Limited ("Newmont") to earn an interest in its Colorback gold property. The property is located in the Cortez Mining district along the Battle Mountain-Eureka gold trend in Nevada, USA. The Company can earn an interest in the property by spending US $3,000,000 over 6 years and by delivering to Newmont a positive feasibility study on a deposit containing at least 500,000 ounces of gold. Once the Company has completed these requirements, Newmont can either:

(i) elect to form a joint venture and contribute US $4,000,000 to earn 51% with an option to spend an additional US $4,000,000 to earn an additional 19% with further expenditures being spent according to the relative percentage of the venture ownership or
(ii) elect to receive US $2,000,000 from the Company as payment for the property, subject to a 3% NSR which the Company can buy down to 1% at the rate of US $1,000,000 per percentage point.

The Company can elect to terminate the agreement within the first two years of signing a formal Earn-in Agreement after a firm commitment of US $200,000 has been spent, of which at least US $100,000 must be as drill expenditures.

8. Mineral Properties, continued

(c) Wind Mountain Property

Pursuant to an option agreement dated February 27, 2006 with Agnico-Eagle (USA) Limited ("Agnico"), a subsidiary of Agnico-Eagle Mines Ltd., the Company earned 100% interest in certain claims of Agnico's Wind Mountain property in northwestern Nevada, USA, subject to a 2% NSR. The Company may purchase 1% of the NSR for US $1,000,000.

In February 2007, the Company signed a lease agreement, as amended February 6, 2009, with a private vendor for the lease of an additional 10 mineral claims, contiguous to the Company's Wind Mountain project. In addition, the Company staked additional claims southeast and northwest of the project.

Pursuant to the lease agreement for the 10 claims, the Company has the following advanced minimum royalty ("AMR") payments remaining to maintain the lease:

(i) US $15,000 on February 15, 2011 (paid); and
(ii) US $25,000 on February 15, 2012 and annually thereafter.

On the commencement of commercial production, the Company shall pay a 3% NSR on all production from the leased claims. Up to 2% of the NSR may be purchased at the rate of US $1,000,000 per percentage point.

(d) Highland Property

Pursuant to an option agreement ("Underlying Agreement") effective June 12, 2002 as amended September 8, 2005, October 31, 2005, March 9, 2009 and June 8, 2009, the Company acquired the right to earn a 100% interest in 69 mineral claims located in Lander County, Nevada, referred to as the Highland Property. The Company subsequently staked additional claims, all of which are subject to the terms and conditions of the Underlying Agreement.

To exercise its option, the Company has the following AMR payments remaining in staged amounts to be paid on or before May 13, 2013 and US $50,000 annually thereafter as follows:

(i) US $35,000 on or before May 13, 2011(paid subsequent to the quarter);
(ii) US $40,000 on or before May 13, 2012; and
(iii) US $50,000 on or before May 13, 2013.

If the Company meets the terms and conditions in the Underlying Agreement, subject to the annual AMR payments, and elects to exercise the option, the Company would acquire a 100% undivided interest in the property, subject to a 3% NSR. The Company may reduce the NSR to 2% by paying US $1,000,000 prior to the commencement of commercial production. The AMR payments will be subtracted from the NSR payments due after commencement of commercial production.

8. Mineral Properties, continued

(d) Highland Property, continued

The President of the Company holds a right to 20% of all property lease, purchase, advanced royalty or production royalty payments received by the optionors under the terms of the Underlying Agreement. As at January 31, 2011, the President has received aggregate payments of US $51,000, which represented 20% of the AMR payments made in respect to this property since execution of the agreement.

(e) Millie Property

On November 30, 2010, the Company entered into an option agreement to acquire the Millie property. This parcel of mining claims requires an initial payment of US $5,000 (paid), payment of claim-filing fees, and escalating AMR payments as follows:

(i) US $5,000 upon signing of the agreement (paid);
(ii) US $10,000 on or before November 30, 2011;
(iii) US $15,000 on or before November 30, 2012;
(iv) US $20,000 on or before November 30, 2013; and
(v) US $25,000 on or before November 30, 2014 and each year thereafter for as long as the agreement is in effect.

The agreement is subject to an NSR of 2% with option to purchase 1% for $500,000 any time prior to commercial production. There is also a 0.5% NSR to the vendor on any additional land acquired within a defined area-of-interest.

On January 5, 2011, the Company entered into a lease agreement with an option to purchase for a second parcel containing approximately 70 hectares of private land from a second vendor. The Company is required to make annual lease payments as follows:

(i) US $1,000 upon signing of the agreement (paid);
(ii) US $2,000 on or before January 5, 2012;
(iii) US $3,000 on or before January 5, 2013;
(iv) US $4,000 on or before January 5, 2014;
(v) US $5,000 on or before January 5, 2015;
(vi) US $6,000 on or before January 5, 2016;
(vii) US $7,000 on or before January 5, 2017;
(viii) US $8,000 on or before January 5, 2018;
(ix) US $9,000 on or before January 5, 2019; and
(x) US $10,000 on or before January 5, 2020; and each year thereafter as long as the agreement remains in effect.

The agreement is subject to an NSR of 1%.

8. Mineral Properties, continued

(f) East Manhattan Property

On October 25, 2007, the Company entered into an agreement with Newcrest Resources Inc. ("Newcrest"). The Company acquired a 100% interest in the project from Newcrest, in consideration for a one-time payment of US $45,000 (paid) and a commitment for 4,000 feet (approximately 1,200 meters) of drilling within 12 months (completed during 2008). Newcrest will retain a 3% NSR, of which 1% can be purchased for US $1,000,000 any time prior to commencement of commercial production.

(g) Buz Property

Pursuant to a property option agreement dated April 29, 2004 as amended March 9, 2009 and June 8, 2009, and an assignment agreement dated July 1, 2006, the Company acquired the right to earn an undivided 100% interest in 30 mineral claims subject to a 3% NSR, which the Company may reduce to 1.5% by paying US $1,500,000 prior to the commencement of commercial production. As per the agreement, the remaining AMR payments are required to be paid as follows:

(i) US $18,000 on or before May 1, 2011;
(ii) US $24,000 on or before May 1, 2012; and
(iii) US $30,000 each year with the first payment due on or before May 1, 2013.

AMR payments made to date and according to the above schedule will be subtracted from NSR payments made after the commencement of commercial production.

The President of the Company holds a one-third beneficial interest in the option agreement. As at January 31, 2011, the President has received aggregate payments of US $25,000 in cash and 17,000 common shares of the Company (adjusted from 20,000 as per the Amalgamation), which represented one-third of the AMR payments made and one-third of the shares issued in respect to this property since execution of the agreement.

(h) Baxter Property

The Company has an option to acquire a 100% interest in a project near its Highland property, referred to as the Baxter property, in Nevada's Walker Lane region in Churchill and Nye counties. Pursuant to an option agreement dated February 24, 2003, as amended on April 29, 2009, June 8, 2009 and March 1, 2010, the Company acquired a 100% interest in the claims. Pursuant to the option agreement, an AMR payment of US $25,000 is due annually commencing on March 1, 2008.

The property is subject to a 3% NSR, which the Company may reduce to 2% by paying US $1,000,000 prior to the commencement of commercial production.

8. Mineral Properties, continued

(h) Baxter Property, continued

The President of the Company holds a right to 50% of all property leases, purchase, advanced royalty or production royalty payments under the terms of the option agreement. As at January 31, 2011, the President has received aggregate payments of US $75,000 in cash and 21,250 common shares of the Company (adjusted from 25,000 as per the Amalgamation), which represented 50% of the AMR payments made and 50% of the shares issued for this property since execution of the agreement.

(i) Zebra Mineral Property

On August 13, 2009, the Company entered into an option agreement to acquire a 100% undivided interest in the Zebra property from a private vendor. Pursuant to the option agreement, in order to acquire the 100% interest in the property, the Company is required to make the following AMR payments to the optionor:

(i) US $12,796 upon signing of the agreement (paid);
(ii) US $10,000 on or before August 13, 2010 (paid);
(iii) US $20,000 on or before August 13, 2011;
(iv) US $30,000 on or before August 13, 2012;
(v) US $40,000 on or before August 13, 2013; and
(vi) US $50,000 on or before August 13, 2014 and each year thereafter for as long as the agreement is in effect.

The property is subject to a 3% NSR, which the Company may reduce to 2% by paying US $1,000,000, and may be reduced further to 1% by payment of a further US $1,500,000 prior to the commencement of commercial production. The project is subject to the same terms as the agreement between the Company and the original optionors.

(j) Zebra Mineral Property Joint-Venture Agreement

On August 31, 2009, the Company signed a letter of intent ("LOI") with Christopher James Gold Corp (TSX-V: CJG) ("CJG") for the Zebra project. According to the LOI, after an initial payment of US $15,000 made by CJG to the Company, each company will contribute equally to each earn a 50% interest in the Zebra property. The companies agreed to share equally all ongoing property maintenance, exploration and development costs, including all exploration costs and all royalty payments required in the underlying option agreement as well as claim-holding fees. In the event that CJG exercises the initial option by having participated in all exploration costs and in the annual shared payments of up to US $100,000 and hence acquires a 50% interest in the property, a joint-venture will be formed for the further exploration and development of the property.

8. Mineral Properties, continued

(j) Zebra Mineral Property Joint-Venture Agreement, continued

The LOI provides that the Company will be a project manager and is entitled to charge 10% overhead fee on 50% of all exploration expenditures incurred on the property, but not exceeding US $125,000 per year.

(k) Mud Springs Property

In April 2004, the Company staked 33 contiguous claims within the area-of-interest of the Baxter property, which are subject to the same terms and conditions as the Baxter property option agreement. No additional payments are due. The President of the Company holds a 50% beneficial interest in the mineral claims.

(l) Drayton Property – Ontario

In January 2007, the Company exercised its option pursuant to an option agreement made in August 2002 as amended in October 2003 and October 2005,and earned a 100% interest in certain mineral claims located in the Patricia Mining Division of Ontario.

The property is subject to a 3% NSR, which the Company may reduce to 2% by paying $1,500,000 and may be reduced further to 1.5% by payment of a further $1,500,000 prior to the commencement of commercial production.

9. Reclamation Bonds

The Company has posted non-interest bearing reclamation bonds against any potential land restoration costs that may be incurred in the future on certain properties. The monies are held in trust and may be released after required reclamation is satisfactorily completed. As at April 30, 2011, the amount on deposit was $114,332 (US $120,803).

10. Related Party Transactions

In addition to the related party transactions disclosed elsewhere in the consolidated financial statements, the Company entered into the following related party transactions during the nine months ended April 30, 2011:

(a) Under the service agreement, as amended, between the Company and a company privately held by a director and an officer of the Company, the Company was charged as follows:

- $72,000 for office space and administration services;
- $50,724 for professional services;
- $11,100 for consulting services;
- $52,255 for investor relations services;
- $5,332 in respect of the mark-up on out-of-pocket expenses,
- $4,995 in general office expenses ;

As at April 30, 2011, amounts payable under the agreement were $199,453 (July 31, 2010: $19,478).

(b) Fees in the amount of $51,913 were charged by a law firm controlled by a director and an officer of the Company and included in investor relations, professional fees and mineral property expenditures.

(c) Fees in the amount of $81,000 were charged by a director and an officer of the Company for performing the role of Chairman for the Company.

(d) Administration fees relating to office administration of $4,000 were charged by a private company controlled by a director and an officer of the Company (resigned as an officer effective September 30, 2010).

(e) As at April 30, 2011, fees relating to professional services of $22,500 were charged by a private company controlled by an officer of the Company. Amounts payable as at April 30, 2011 was $2,800 (July 31, 2010: $4,113).

(f) As at April 30, 2011, fees relating to investor relations and corporate development of $1,300 were charged by a director of the Company. Amounts payable as at April 30, 2011 was $1,140.

(g) Fees charged by a director and an officer of the Company for management, geological and mining consulting services were US $56,250. The charges are expensed or capitalized to mineral properties as appropriate. As at April, 30, 2011, amounts payable was $43,596 (US$46,065).

(h) Fees were charged to FRX in the current fiscal year before the Amalgamation took effect by a company controlled by a former director and an officer of FRX. This party was also a former director and an officer of BA’s former parent company BVG and charged fees in the previous fiscal year. All fees were for investor relations. Amounts payable as at April 30, 2011 was $72,463 (July 31, 2010: $64,568).

10. Related Party Transactions, continued

(i) Independent directors' fees were charged to FRX before the Amalgamation. Amounts payable as at April 30, 2011 was $64,234.

The total amount due to related parties as at April 30, 2011 was $383,686 (July 31, 2010: $96,074). Amounts due to related parties are unsecured, non-interest bearing, and have no formal terms of repayment. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration agreed to by the related party.

11. Share Capital

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

(b) Equity Financings

On March 22, 2011, the Company announced a private placement consisting of 30,000,000 units at $0.10 per unit for proceeds of $3,000,000. Each unit consisted of one common share and one-half share purchase warrant. Each whole share purchase warrant is exercisable to purchase an additional common share for a price of $0.20 for a period of 2 years.

The Company closed the first tranche of the above financing on April 6, 2011 for gross proceeds of $2,025,000. The Company paid $96,300 finders' fees, $15,500 for other cash share issue costs and issued 1,605,000 share purchase warrants to finders at an exercise price of $0.20 per share for a period of two years. The warrants were fair valued at $0.05 per warrant using the Black-Scholes option-pricing model (Note 11 (e)).

Second and final tranche was closed on May 6, 2011 (Note 13).

On August 6, 2010, the Company closed the first tranche of a non-brokered unit private placement by issuing 6,000,000 units at a price of $0.15 per unit for gross proceeds of $900,000. Each unit consisted of one common share and one-half share purchase warrant, with each whole warrant exercisable to purchase one additional common share at a price of $0.20 per share for a period of two years.

During the previous fiscal year ended July 31, 2010, the Company had received $651,250 in proceeds and recorded this amount as, under share subscriptions. The Company received the remaining $248,750 during the current fiscal year. Share issue costs paid as at July 31, 2010 was $80,627 and was recorded as deferred financing costs.

The Company paid $32,550 in finders' fees and issued 361,667 share purchase warrants to finders at an exercise price of $0.20 per share for a period of two years. The warrants were fair valued at $0.1002 per warrant using the Black-Scholes option-pricing model (Note 11 (e)).

11. Share Capital, continued

(b) Equity Financings, continued

On August 20, 2010, the Company closed the second tranche of a non-brokered unit private placement by issuing 900,000 units at a price of $0.15 per unit for gross proceeds of $135,000. Each unit consisted of one common share and one-half share purchase warrant, with each whole warrant exercisable to purchase one additional common share at a price of $0.20 per share for a period of two years.

The Company paid $7,830 in finders' fees, $8,814 for other cash share issue costs and issued 87,000 share purchase warrants to finders at an exercise price of $0.20 per share for a period of two years. The warrants were fair valued at $0.078 per warrant using the Black-Scholes option-pricing model (Note 11 (e)).

(c) Stock Options

In February 2010, the Company adopted a rolling stock option plan (the "Plan") that allows the Board of Directors to grant stock options to directors, officers, employees and consultants of the Company up to a maximum of 10% of the number of issued and outstanding common shares at any given time. The term of any stock option under the Plan may not exceed five years. The Board of Directors determines the vesting provisions. Stock options granted to consultants performing investor relations activities will vest over a period of one year, with no more than one-quarter vesting in any three-month period. On an annual basis, the Plan requires approval by the Company's shareholders. As at April 30, 2011, the Company had 4,262,050 stock options outstanding and 4,144,325 stock options exercisable. A summary of the stock options outstanding and exercisable as at April 30, 2011 is provided below:

Exercise Price	Expiry Date	Balance July 31, 2010	Granted	Cancelled or Expired	Exercised	Balance April 30, 2011
$0.44	January 16, 2011	-	293,250	293,250	-	-
$0.58	January 31, 2011	-	352,750	352,750	-	-
$0.89	March 27, 2011	-	106,250	106,250	-	-
$1.00	March 30, 2011	-	208,250	208,250	-	-
$0.50	June 1, 2011	-	108,375	6,375	-	102,000
$0.45	May 22, 2012	-	280,500	17,000	-	263,500
$0.45	October 19, 2012	-	21,250	-	-	21,250
$0.45	October 30, 2012	-	25,500	-	-	25,500
$0.31	February 20, 2013	-	259,250	8,500	-	250,750
$0.42	May 2, 2013	-	136,000	-	-	136,000
$0.10	April 23, 2015	-	1,075,250	42,500	-	1,032,750
$0.12	May 11, 2015 *	-	170,000	-	-	170,000
$0.15	May 27, 2015	2,375,000	-	175,000	40,000	2,160,000
$0.13	December 31, 2015 **	-	100,300	-	-	100,300
		2,375,000	**3,136,925**	**1,209,875**	**40,000**	**4,262,050**
Weighted average exercise price, options outstanding		$0.15	$0.36	$0.56	$0.15	$0.18
Weighted average contractual life in years, options outstanding		4.83				3.56

11. Share Capital, continued

(c) Stock Options, continued

* The options granted on May 11, 2010 vest 25% every quarter beginning August 11, 2010. As at April 30, 2011, 127,500 options have vested.
** The options granted on December 31, 2010 vest 25% every quarter beginning March 31, 2011. As at April 30, 2011, 25,075 options have vested.

(d) Share Purchase Warrants

As at April 30, 2011, the Company had 21,202,012 share purchase warrants outstanding as follows:

Exercise Price	Expiry Date	Balance July 31, 2010	Granted	Balance April 30, 2011
$0.10	January 15, 2012	-	5,504,495	5,504,495
$0.10	January 15, 2012	-	68,850	68,850
$0.20	August 6, 2012	-	3,000,000	3,000,000
$0.20	August 6, 2012	-	361,667	361,667
$0.20	August 20, 2012	-	450,000	450,000
$0.20	August 20, 2012	-	87,000	87,000
$0.20	April 6, 2013	-	10,125,000	10,125,000
$0.20	April 6, 2013	-	1,605,000	1,605,000
		-	**21,202,012**	**21,202,012**
Weighted average exercise price		-	$0.17	$0.17
Weighted average contractual life in years		-		1.49

(e) Fair Value Determination

The fair value of share purchase warrants issued were calculated using the Black-Scholes option pricing model with the following weighted average assumptions (Not including options and warrants issued as part of the Amalgamation which is disclosed in Note 2):

	Options	Warrants	Options	Warrants
Risk-free interest rate	2.65%	1.88%	N/A	N/A
Expected share price volatility	89.97%	101.88%	N/A	N/A
Expected option/warrant life in years	5.00%	2.00	N/A	N/A
Expected dividend yield	0.00%	0.00%	N/A	N/A

11. Share Capital, continued

(e) Fair Value Determination, continued

	April 30, 2011	
	Number of Options	**Stock-based Compensation**
Consulting	-	$ 1,406
Geological services (Mineral properties)	-	7,790
Total	-	9,196

12. Segmented Information

The Company operates in one business segment and its consolidated assets are distributed by geographic location as follows:

	April 30, 2011		**July 31, 2010**	
	$	**%**	**$**	**%**
Canada	2,415,473	17%	1,393,054	23%
USA	12,181,700	83%	4,642,215	77%
	14,597,173	**100%**	**6,035,269**	**100%**

The Company's mineral properties are located in Nevada, USA and Ontario, Canada.

13. Supplemental Cash Flow Information

	For the nine months ended, April 30, 2011	**For the nine months ended, April 30, 2010**
Cash Items		
Income tax paid	$ -	$ -
Interest paid	-	-
Interest received	5,008	775
Non-Cash Items		
Investing Activities		
Mineral property costs included in accounts payable	$ 116,279	$ 6,464
Mineral property costs included in due to related parties	20,644	3,301
Financing Activities		
Fair value of stock options exercised	$ 4,407	$ -

14. Commitments

Mineral Properties

As at April 30, 2011, the Company at its discretion has the following mineral property exploration expenditures and option agreement payments as set out below:

	Total US$	Less than 1 year US$	1-3 years US$	4-5 years US$
Colorback Exploration Expenditures	1,750,000	50,000	950,000	750,000
NSR Exploration Expenditures	2,000,000	-	-	2,000,000
Quito Exploration Expenditures	2,500,000	500,000	1,500,000	500,000
Total Exploration Expenditures	**6,250,000**	**550,000**	**2,450,000**	**3,250,000**
Baxter Option Expenditures	150,000	50,000	75,000	25,000
Buz Option Expenditures	144,000	24,000	90,000	30,000
Granite Mountain Option Expenditures	89,365	13,788	45,629	29,948
Half Ounce Option Expenditures	248,000	16,000	132,000	100,000
Highland Option Expenditures	290,000	40,000	150,000	100,000
Millie Option Expenditures	147,000	12,000	72,000	63,000
SF Option Expenditures	100,000	100,000	-	-
Signal Option Expenditures	160,000	20,000	80,000	60,000
Temple Option Expenditures	160,000	20,000	80,000	60,000
Wind Mountain Option Expenditures	150,000	25,000	75,000	50,000
Zebra Option Expenditures **	240,000	20,000	120,000	100,000
Total Option Payments	**1,878,365**	**340,788**	**919,629**	**617,948**

** The agreement with CJG will facilitate 50% of the payments for the Zebra property.

Service Agreement

Under a service agreement, between the Company and a company privately held by a director and an officer of the Company, the Company is charged $8,000 monthly for office space and general administration services. The agreement may be cancelled at any time by paying the monthly charge for the lesser of 12 months or the remainder of the term. The agreement expires on August 31, 2012. The fee commitment for the next three years is as follows:

Year ended July 31,	Commitment
2012 **	96,000
2013	8,000
	$ 104,000

** In July 2010, September 2010, and January 2011, the Company made advance payments and included in prepaid expenses $24,000 to cover the three month period from May 1, 2011 to July 31, 2011.

15. Subsequent Events

Equity financing

On May 6, 2011, the Company closed the final tranche of the previously announced private placement for Gross proceeds of $970,395.

The Company incurred $30,300 finders' fees, $95,795 other share issue costs and issued 505,000 share purchase warrants to finders at an exercise price of $0.20 per share for a period of two years. The warrants were fair valued at $0.05 per warrant using the Black-Scholes option-pricing model.

Stock Options

(i) The Company granted 4,800,000 stock options on June 16, 2011 at an exercise price of $0.10 for a period of five years pursuant to the stock option plan.

(ii) 152,500 stock options with a weighted average price of $0.38 expired subsequent to the quarter end.