ROMIOS GOLD RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended September 30, 2011 and 2010
(unaudited)
(Expressed in Cdn $)

Romios Gold Resources Inc.
(the "Company")
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 unaudited condensed consolidated interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements.

DATED this 7th day of December, 2011.

ROMIOS GOLD RESOURCES INC.

Per: *(signed) "Tom Drivas"*
Name: Tom Drivas
Title: Chief Executive Officer

Per: *(signed) "Michael D'Amico"*
Name: Michael D'Amico
Title: Chief Financial Officer

Romios Gold Resources Inc.

Condensed Consolidated Interim Statement of Financial Position
(Expressed in Cdn $)
Unaudited

As at	September 30 2011 $	June 30 2011 $	July 1 2010 $
Assets			
Current			
Cash and cash equivalents (note 4)	**4,147,417**	4,844,114	885,067
Cash and cash equivalents for future exploration activities (note 4)	-	-	847,857
Accounts receivable	**518,385**	236,469	49,874
Prepaid expenses	**176,085**	172,339	64,994
	4,841,887	5,252,922	1,847,792
Mineral properties			
Acquisition costs (note 5)	**2,150,577**	2,150,407	2,044,017
Deferred exploration expenditures (note 5)	**19,985,527**	15,849,677	11,626,774
	26,977,989	23,253,006	15,518,583
Liabilities			
Current			
Accounts payable & accruals	**1,634,262**	1,435,315	445,834
Common shares subscribed, not issued	-	-	60,000
	1,634,262	1,435,315	505,834
Deferred flow through share premium liability	-	-	14,156
Deferred income tax	**1,844,823**	1,544,823	2,233,336
	3,479,085	2,980,138	2,753,326
Contingencies and commitments (note 11)			
Shareholders' equity			
Share capital (note 6(a))	**28,157,668**	24,853,488	16,843,673
Warrants (note 6(c))	**198,403**	3,659	42,442
Contributed surplus (note 6(d))	**3,096,906**	3,095,103	3,277,190
Deficit	**(7,954,073)**	(7,679,382)	(7,398,048)
	23,498,904	20,272,868	12,765,257
	26,977,989	23,253,006	15,518,583

The accompanying notes are an integral part of these condensed consolidated interim financial statements

APPROVED ON BEHALF OF THE BOARD

"Signed"
Anastasios (Tom) Drivas

"Signed"
William R. Johnstone

Romios Gold Resources Inc.

Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in Cdn $)

Unaudited

	Share Capital $	Warrants $	Contributed Surplus $	Deficit $	Total $
At July 1, 2010	16,843,673	42,442	3,277,190	(7,398,048)	12,765,257
Net loss and comprehensive loss for the period	-	-	-	(568,046)	(568,046)
Common shares issued, net	372,000	-	-	-	372,000
Flow throw shares issued, net	1,182,887	-	-	-	1,182,887
Valuation of compensation warrants	(293,945)	293,945	-	-	-
Share-based payments	-	-	19,757	-	19,757
At September 30, 2010	18,104,615	336,387	3,296,947	(7,966,094)	13,771,855
Net loss and comprehensive loss for the period	-	-	-	286,712	286,712
Common shares issued, net	1,851,930	-	-	-	1,851,930
Common shares issued on exercise of options and warrants	4,103,553	-	-	-	4,103,553
Shares issued for property acquisition	39,300	-	-	-	39,300
Contribution on exercise of warrants	332,378	(332,728)	350	-	-
Contribution on exercise of options	421,712	-	(421,712)	-	-
Share-based payments	-	-	219,518	-	219,518
At June 30, 2011	24,853,488	3,659	3,095,103	(7,679,382)	20,272,868
Net loss and comprehensive loss for the period	-	-	-	(274,691)	(274,691)
Common shares issued, net	910,924	-	-	-	910,924
Common shares issued on exercise of options and warrants	35,200	-	-	-	35,200
Flow throw shares issued, net	2,472,499	-	-	-	2,472,499
Valuation of compensation warrants	(198,403)	198,403	-	-	-
Contribution on exercise of warrants	3,659	(3,659)	-	-	-
Contribution on exercise of options	80,301	-	(80,301)	-	-
Share-based payments	-	-	82,104	-	82,104
At September 30, 2011	28,157,668	198,403	3,096,906	(7,954,073)	23,498,904

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Romios Gold Resources Inc.

Consolidated Condensed Interim Statements of Profit and Loss, and Comprehensive Profit and Loss

(Expressed in Cdn $)

Unaudited

	For the three months ended September 30	
	2011	2010
	$	$
Expenses		
Professional fees	**87,580**	38,797
Management fees and salaries	**37,500**	37,500
Office and general	**19,867**	22,898
Shareholder communication	**60,881**	58,043
Share-based payments	**82,104**	19,757
Loss for the period before the following	**(287,932)**	(176,995)
Interest income	**13,241**	3,528
Net profit/(loss) for the period	**(274,691)**	(173,467)
Deferred income tax (recovery)	**-**	(394,579)
Net profit/(loss) and comprehensive profit/(loss)	**(274,691)**	(568,046)
Deficit, beginning of period	**(7,679,382)**	(7,398,048)
Deficit, end of the period	**(7,954,073)**	(7,966,094)
Weighted average number of shares outstanding	**130,780,870**	112,496,600
Basic and diluted loss per share	**0.00**	0.01

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Romios Gold Resources Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Cdn $)

Unaudited

	For the three months ended September 30	
	2011	2010
	$	$
Operating activities		
Net profit/(loss) for the period	**(274,691)**	(568,046)
Items not affecting cash:		
Share-based payments	**82,104**	19,757
Deferred income tax recovery	**-**	394,579
	(192,587)	(153,710)
Net change in non-cash working capital		
Accounts receivable	**(281,916)**	(205,727)
Prepaid expenses	**(3,745)**	(6,287)
Accounts payable and accrued liabilities	**198,946**	(369,768)
	(279,301)	(735,492)
Investing activities		
Mineral property acquisition costs	**(170)**	(41,316)
Deferred exploration expenditures	**(4,135,850)**	(1,851,838)
	(4,136,019)	(1,893,154)
Financing activities		
Private placement of common shares	**3,954,800**	1,677,720
Exercise of options and warrants	**35,200**	-
Share issue expense	**(271,376)**	-
	3,718,624	1,677,720
Change in cash and cash equivalents	**(696,697)**	(950,925)
Cash and cash equivalents, beginning of period	**4,844,114**	1,732,924
Cash and cash equivalents, end of period	**4,147,417**	781,999
Cash comprises:		
Cash and cash equivalents	**4,147,417**	388,480
Cash and cash equivalents for future exploration activities	**-**	393,519
	4,147,417	781,999

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1. Nature of operations and going concern

Romios Gold Resources Inc. (“Romios” or "the Company") has interests in resource properties and is in the process of determining whether its properties contain resources that are economically recoverable.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company’s management. The Company’s independent auditor has not performed a review of these condensed interim consolidated financial statements.

These unaudited condensed interim 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 for the foreseeable future. As at September 30, 2011 the Company had no sources of operating cash flows. The Company will therefore require additional funding which, if not raised, would result in the curtailment of activities and project delays. The Company had working capital of $3,207,625 as at September 30, 2011, and has incurred losses since inception, resulting in an accumulated deficit of $8,340,869 as at September 30, 2011. The Company’s ability to continue as a going concern is uncertain and is dependent upon its ability to continue to raise adequate financing. There can be no assurances that the Company will be successful in this regard, and therefore, there is doubt regarding the Company’s ability to continue as a going concern, and accordingly, the use of accounting principles applicable to a going concern. These condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the “going concern” assumption were not appropriate. If the “going concern” assumption were not appropriate for these interim consolidated financial statements, then adjustments to the carrying values of the assets and liabilities, the expenses and the balance sheet classifications, which could be material, would be necessary.

The recoverability of expenditures on its resource properties and related deferred exploration expenditures is dependent upon the existence of resources that are economically recoverable, confirmation of the Company's ownership interests in the claims, the ability of the Company to obtain necessary financing to complete the exploration and the development of the properties, and upon future profitable production or proceeds from disposition thereof.

2. Basis of preparation and first-time adoption of International Financial Reporting Standards (“IFRS”)

These are the Company’s first unaudited condensed consolidated interim financial statements for part of the period covered by the Company’s first IFRS annual consolidated financial statements. IFRS represents standards and interpretations approved by the International Accounting Standards Board (“IASB”), and comprise IFRSs, International Accounting Standards (“IASs”), and interpretations issued by the IFRS Interpretations Committee (“IFRICs”) or for the former Standing Interpretations Committee (“SICs”). These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34- *Interim Financial Reporting* and on the basis of IFRS standards and interpretations expected to be effective as at the Company’s first IFRS annual reporting date, June 30, 2012, with significant accounting policies as described in Note 3.

2. Basis of preparation and first-time adoption of International Financial Reporting Standards ("IFRS") (continued)

These unaudited condensed consolidated interim financial statements may not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended June 30, 2011 prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The basis of preparation of these unaudited interim consolidated financial statements is different to that of the Company's most recent annual consolidated financial statements due to the first-time adoption of IFRS. An explanation of how the transition to IFRS with a transition date of July 1, 2010 has affected the reported financial position and financial performance of the Company is provided in Note 12.

IFRS 1 – *First-time Adoption of International Financial Reporting Standards* ("IFRS 1") governs the first-time adoption of IFRS. IFRS 1 in general requires accounting policies under IFRS to be applied retrospectively to determine the opening balance sheet of the Company as of transition date of January 1, 2010, and allows certain exemptions.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these interim consolidated financial statements. Operating results for the three months ended September 30, 2011, may not be indicative of the results that may be expected for the year ending June 30, 2012.

3. Summary of significant accounting policies

The IASB continues to amend and add to current IFRS standards and interpretations with several projects underway. Accordingly, the accounting policies adopted by the Company for the Company's first IFRS annual consolidated financial statements will be determined as at June 30, 2012. In the event that accounting policies adopted at June 30, 2012 differ materially from the accounting policies used in the preparation of these unaudited condensed interim consolidated financial statements, these unaudited interim consolidated financial statements will be restated to retrospectively account for the application of those policies adopted at June 30, 2012.

The significant accounting policies used in the preparation of these unaudited condensed consolidated interim financial statements are as follows:

Principles of consolidation

The condensed interim consolidated financial statements include the accounts of 100% owned McLymont Mines Inc. All inter-company accounts and transactions have been eliminated on consolidation.

Presentation Currency

The Company's presentation currency and functional currency is the Canadian dollar ("$").

Significant Accounting Judgments and Estimates

The preparation of financial statements requires management to make estimates, judgments and assumptions that affect the amounts reported in the financial statements and notes. By their nature, these estimates, judgments and assumptions are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be material. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The more significant areas are as follows:

Significant Accounting Judgments and Estimates (continued)

Critical accounting estimates

The amounts recorded for share-based payment transactions are based on estimates. The Black-Scholes model is based on estimates of assumptions for expected volatility, expected number of option to vest, dividend rate, risk-free interest rate and expected life of the options.

The recoverability of amounts shown for exploration and evaluation assets is dependent on the discovery of economical reserves, the ability of the Company to obtain financing to complete development of the properties and on future production or proceeds of disposition.

Management's assumption of no material restoration, rehabilitation and environmental obligation, is based on the facts and circumstances that existed during the period.

Future income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the balance sheet and their corresponding tax values. Future income tax assets also result from unused loss carry- forwards and other deductions. The valuation of future income tax assets is adjusted, if necessary, by use of a valuation allowance to reflect the estimated realizable amount.

Critical accounting judgments

The following accounting policies involve judgments or assessments made by management:

- The determination of categories of financial assets and financial liabilities;
- The determination of a cash-generating unit for assessing and testing impairment;
- The allocation of exploration costs to cash-generating units; and
- The determination of when an exploration and evaluation asset moves from the exploration stage to the development stage.

Business Combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given up, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the subsidiary. Acquisition related costs are recognized in profit and loss as incurred.

Business combinations that occurred prior to January 1, 2010 were not accounted for in accordance with IFRS 3 Business Combinations or IAS 27 Consolidated and Separate Financial Statements in accordance with the IFRS 1 First-Time Adoption of International Financial Reporting Standards exemption discussed in Note 12.

Cash and Cash Equivalents

Cash and cash equivalents consists of cash, demand deposits and high-interest savings vehicles.

Foreign Currency Translation

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period-end exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction.

Foreign Currency Translation (continued)

All gains and losses on translation of these foreign currency transactions are included in the consolidated statement of loss and comprehensive loss**.**

Exploration and Evaluation Assets

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

It is management’s judgment that none of the Company’s exploration and evaluation assets have reached the development stage and as a result are all considered to be exploration and evaluation assets.

Share-based Payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and services providers. The board of directors grants such options for periods of up to ten years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of share purchase options granted is recognized as an expense or charged to mineral properties as appropriate, with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value for share purchase options granted to employees or those providing services similar to those provided by a direct employee is measured at the grant date and each tranche is recognized using the accelerated method basis over the period during which the share purchase options vest. The fair value of the share purchase options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share purchase options were granted.

The fair value for share purchase options granted to non-employees for services provided is measured at the date the services are received. The fair value of the share purchase options granted is measured at the fair value of the services received, unless the fair value of services received cannot be estimated reliably, in which case the fair value of the share purchase options is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share purchase options were granted.

Share-based Payments (continued)

At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share purchase options that are expected to vest.

Income Taxes

Income tax on the profit or loss consists of current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax assets is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit;
- goodwill not deductible for tax purposes; and
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied

Restoration, Rehabilitation and Environmental Obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either an unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance expense ("notional interest").

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed. The Company presently does not have any amounts considered to be provisions.

Flow through shares

The Company will, from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders and the premium liability is reversed. The reversal of the premium liability and the deferred tax liability are recognized as tax recoveries to the extent that suitable deferred tax assets are available.

Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the year. Since the Company is in a loss position, the effects of exercising share purchase options and warrants are anti-dilutive.

Impairment

Mineral properties are reviewed on a quarterly basis and when changes in circumstances suggest their carrying value may become impaired. Management considers mineral properties to be impaired if the carrying value exceeds the estimated undiscounted future projected cash flows from the use of the property and its related assets and their eventual disposition. If impairment is deemed to exist, the property and its related assets will be written down to fair value. Fair value is generally determined using a discounted cash flow analysis. Management determined that there was no impairment of carrying value on its properties in the current period.

Accounting pronouncements issued but not yet adopted

The following standards are effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not early adopted these standards and is currently assessing the impact they will have on the condensed consolidated financial statements.

IFRS 10, Consolidated Financial Statements: IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes IAS 27, Consolidated and Separate Financial Statements, and SIC-12, Consolidation – Special Purpose Entities.

IFRS 11, Joint Arrangements: IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. IFRS 11 supersedes current IAS 31, Interests in Joint Ventures and SIC-13, Jointly Controlled Entities-Non – Monetary Contributions by Venturers.

Accounting pronouncements issued but not yet adopted (continued)

IFRS 12, Disclosure of Interests in Other Entities: IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.

IFRS 13, Fair Value Measurements: IFRS 13 defines fair value, sets out in a single IFRS framework for measuring value and requires disclosures about fair value measurements. The IFRS 13 applies to IFRSs that require or permit fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except in specified circumstances.

In July 2011, the IASB agreed to defer the effective date of IFRS 9, Financial Instruments from 2013 to 2015. The standard is the first part of a multi-phase project to replace IAS 39, Financial Instruments: Recognition and Measurement.

IAS 28, Investments in Associates and Joint Ventures: IAS 28 has been updated and it is to be applied by all entities that are investors with joint control of, or significant influence over, an investee. The scope of the current IAS 28 Investments in Associates does not include joint ventures. Early application is permitted.

IAS 1 – Presentation of Financial Statements: In June 2011, the IAS issued amendments to IAS 1 that requires an entity to group items presented in the statement of comprehensive income on the basis of whether they may be reclassified to earnings subsequent to initial recognition. For those items presented before taxes, the amendments to IAS 1 also require that the taxes related to the two separate groups be presented separately. The amendments are effective for annual periods beginning on or after July 1, 2012, with earlier adoptions permitted.

4. Cash and cash equivalents

Cash and cash equivalents and cash and cash equivalents held for future exploration activities consists of cash and investments in Canadian Chartered Bank demand money market funds.

On July 28, 2011, the Company completed a private placement of 4,999,997 flow-through units for gross proceeds of $3,000,000.These funds were committed to be expended on Canadian Exploration Expenditures ("CEE") and are therefore not available for current working capital purposes.

During the three months to September 30, 2011, the Company spent a total of $4,135,850 on exploration activities, including all committed funds raised in the current and prior fiscal years.

5. Mineral properties

Acquisition costs

	British Columbia $	Quebec $	Nevada, USA $	Total $
Balance, June 30, 2010	2,000,442	43,575	-	2,044,017
Total additions for the period	36,502	31,422	38,466	106,390
Balance, June 30, 2011	2,036,944	74,997	38,466	2,150,407
Total additions for the period	170	-	-	170
Balance September 30, 2011	2,037,114	74,997	38,466	2,150,577

On August 7, 2010, the Company exercised an option and acquired sixty-four acres adjacent to their existing claims in Nevada for total consideration and costs of $38,466.

Additional costs for British Columbia and Quebec relate primarily to the value of shares for property payment obligations and maintenance fees for claims.

Deferred exploration expenditures

	British Columbia $	Quebec $	Total $
Balance, June 30, 2011	14,954,158	895,519	15,849,677
Additions:			
Assessment filings	8,239	-	8,239
Assaying	152,483	49,103	201,586
Contract flying	1,196,681	-	1,196,681
Drilling	1,507,454	-	1,507,454
Field communications	22,989	-	22,989
Contract labour	569,937	22,025	591,962
Subcontract labour	200,316	-	200,316
Camp costs	380,250	-	380,250
Other	25,464	909	26,373
Total additions for the period	4,063,813	72,037	4,135,850
Balance, September 30, 2011	19,017,971	967,556	19,985,527

British Columbia

On March 1, 2005, the Company acquired, through an exchange of shares, a 100% interest in McLymont Mines Inc. ("MMI"), a company whose only significant asset is an interest in the Newmont Lake Property in British Columbia.

In 2006, the Company acquired an option agreement with Galore Creek Staking Syndicate, 2003 (Galore Creek Syndicate) to acquire a 100% interest in 5 land tenures (2,693 hectares) located in the Liard Mining Division of British Columbia, known as the Trek Property.

By June 30, 2011, the Company had earned, from Gulf International Minerals Inc. (“Gulf”), a 75% interest in the Newmont Lake property in British Columbia, which consists of 18 mineral claims (6,175 hectares) in the Liard Mining Division of British Columbia. On September 27, 2011, the Company exercised its option to earn the remaining 25% interest in the Gulf Claims forming part of the Company’s Newmont Lake property for $2,000,000 to be satisfied through the issuance of 4,282,655 common shares priced at $0.467 per share .As a result, the Company now holds a 100% interest in the Gulf Claims, subject to a 1.5% Net Smelter Returns Royalty (“Gulf NSR”) in favour of Gulf. The Company has the option to purchase 1/3 of the Gulf NSR for $1,000,000. The issuance of the shares was approved by the TSX Venture Exchange on October 14, 2001 and is subject to a four month hold.

In addition, the Company completed its obligations under an option agreement with Roca Mines Inc. (“Roca”) to earn a 50% interest in 8 mineral properties (4,000 hectares) in the Liard Mining Division of British Columbia and had entered into a joint venture with Roca for the further exploration and development on the properties.

During the year ended June 30, 2006, the Company entered into an option agreement with Galore Creek Syndicate to acquire a 100% interest, subject to a 2% net smelter returns royalty, in 2 land tenures (1,321 hectares) located in the Liard Mining Division of British Columbia, known as the RP Property. The agreement was amended February 24, 2010 and November 25, 2010 and now requires a payment of $115,000 cash ($15,000 paid to date with the remaining $100,000 due December 1, 2014). In addition, the Company must issue a total of 800,000 common shares of which 400,000 have been issued and the remaining 400,000 are to be issued as follows: 50,000 shares on each of December 1, 2011 and 2012 with the remaining 300,000 common shares to be issued

British Columbia (continued)

December 1, 2013. The revised expenditure commitments now include optional expenditure commitments on the property totaling $900,000, with $100,000 to be spent before December 1, 2012; an additional $300,000 before December 1, 2013; and an additional $500,000 before December 1, 2014. The amendment agreement also requires the expansion of the size of the property to a minimum of 248 contiguous cells (claim units) from the current 75 cells (claim units) prior to December 1, 2011. The Company retains the option to fulfill these obligations.

In 2006, the Company entered into an option agreement with Galore Creek Syndicate to acquire a 100% interest, subject to a 2% net smelter returns royalty, in 1 land tenure (614 hectares) located in the Liard Mining Division of British Columbia, known as the JW Property. The agreement was amended on February 24, 2010 and November 25, 2010 and now requires the payment of $115,000 cash, of which $15,000 has been paid with the remaining $100,000 due December 1, 2014, the issue of 700,000 common shares of which 300,000 common shares have been issued and certain expenditure requirements. The remaining 400,000 common shares are to be issued with the revised share issuance schedule as follows: 50,000 shares on each of December 1, 2011 and 2012; with the remaining 300,000 common shares to be issued December 1, 2013. The expenditure commitments have been replaced with optional expenditure commitments on the property totaling $1,400,000; with $100,000 to be spent before December 1, 2012; an additional $250,000 to be spent before December 1, 2013; an additional $450,000 before December 1, 2014; and an additional $600,000 before December 1, 2015. The amendment agreement also requires the expansion of the size of the property to a minimum of 220 contiguous cells (claim units) from the current 35 cells (claim units) prior to December 1, 2011. The Company retains the option to fulfill these obligations.

The Company also holds a 100% interest in 175 mineral claims in the Liard Mining Division of British Columbia.

Quebec

During the year ended June 30, 2009 the Company concluded an option agreement to acquire a molybdenum property that was the site of the former producing La Corne molybdenum mine approximately 30 kilometers from the town of Val d'Or, Quebec. The agreement provides for an initial payment schedule of $20,000 cash, completion of a minimum of $50,000 in exploration expenditures and the issuance of 650,000 shares of the Company over the three year period, all of which have been issued. The agreement is subject to a 3% Net Smelter Return (NSR) retained by the vendors, of which half (1.5%) can be repurchased for $500,000. The amount expended to September 30, 2011 is $1,332,904.

Ontario and Nevada

At June 30, 2009, the Company wrote down the carrying value of its Ontario and Nevada properties to a nominal amount as the Company’s focus is currently on its BC and Quebec properties.

6. Share capital

(a) Common shares

The Company is authorized to issue an unlimited number of no par value common shares. The following table provides the details of changes in the number of issued common shares

	Number #	***Amount*** $
Balance, June 30, 2010	102,017,479	16,843,673
Flow through common shares issued, net	9,316,667	1,274,667
Common shares issued July 5, 2010	2,000,000	240,000
Common shares issued July 15, 2010	1,100,000	132,000
Common shares issued for property acquisition	360,000	39,300
Common shares issued December 15, 2010	3,000,000	600,000
Common shares issued March 28, 2011	4,453,333	1,336,000
Common shares issued on exercise of options	2,332,000	469,590
Common shares issued on exercise of broker warrants	2,498,333	377,300
Common shares issued on exercise of warrants	14,872,384	3,256,661
Contribution on exercise of warrants	-	332,380
Contribution on exercise of options	-	421,712
Share issue costs	-	(469,795)
Balance, June 30, 2011	141,950,196	24,853,488
Common shares issued on exercise of broker warrants	60,000	7,200
Flow through common shares issued, net	4,999,997	2,700,000
Common shares issued July 28, 2011	480,769	250,000
Common shares issued on exercise of options	200,000	28,000
Common shares issued August 10, 2011	1,355,384	704,800
Contribution on exercise of options	-	80,300
Contribution on exercise of warrants	-	3,660
Share issue costs	-	(469,780)
Balance, September 30, 2011	149,046,346	28,157,668

On July 5, 2010, the Company completed a private placement of 2,000,000 units priced at $0.12 per unit for gross proceeds of $240,000. Each unit consists of one common share and one common share purchase warrant with each warrant entitling the holder to acquire a further share at a price of $0.25 per share until the earlier of: (i) the date which is twelve (12) months following the closing; and (ii) in the event that the closing price of the common shares on the TSX Venture Exchange is at least $0.50 for ten (10) consecutive trading days, and the 10^{th} trading day (the “Final Trading Day”) is at least four (4) months from the Closing Date, the date which is thirty (30) days from the Final Trading Day (the “Trigger Date”). A cash fee of $12,600 and 150,000 broker warrants to acquire non flow-through common shares at a price of $0.12 per share for 12 months from closing was paid in respect of the closing.

On July 5, 2010, the Company completed a private placement of 5,066,667 flow-through units priced at $0.15 per unit for gross proceeds of $760,000. Each flow-through unit consists of one common share and one-half of a common share purchase warrant with each full warrant entitling the holder to acquire a further share at a price of $0.25 per share until the earlier of 12 months from closing and the Trigger Date. A cash fee of $49,000 and 466,667 broker warrants to acquire non flow-through common shares at a price of $0.15 per share for 12 months from closing was paid in respect of the closing.

Common shares (continued)

On July 15, 2010, the Company completed an additional private placement of 1,100,000 units priced at $0.12 per unit for gross proceeds of $132,000. Each unit consists of one common share and one-common share purchase warrant with each warrant entitling the holder to acquire a further share at a price of $0.25 per share until the earlier of 12 months from closing and the Trigger Date. A cash fee of $8,400 and 100,000 broker warrants to acquire non flow-through common shares at a price of $0.12 per share for 12 months from closing was paid in respect of the closing.

On July 15, 2010, the Company completed an additional private placement of 2,250,000 flow-through units priced at $0.15 per unit for gross proceeds of $337,500. Each flow-through unit consists of one common share and one-half of a common share purchase warrant with each full warrant entitling the holder to acquire a further share at a price of $0.25 per share until the earlier of 12 months from closing and the Trigger Date. A cash fee of $21,780 and 200,000 compensation options to acquire units at a price of $0.15 per unit were issued. Each compensation unit is comprised of one common share and one-half of one non-transferable share purchase warrant. Each full warrant entitles the holder to purchase one common share of the Company at a price of $0.25 per warrant share until the earlier of July 8, 2011 and the Trigger Date.

On August 31, 2010, the Company completed a private placement of 2,000,000 flow-through units priced at $0.15 per unit for gross proceeds of $300,000. Each flow-through unit consists of one flow-through common share and one-half of a common share purchase warrant with each full warrant entitling the holder to acquire a further share at a price of $0.25 per share until the earlier of 12 months from closing and the Trigger Date.

On December 15, 2010, the Company completed an additional private placement of 3,000,000 units priced at $0.20 per unit for gross proceeds of $600,000. Each unit consists of one common share and one-half of a common share purchase warrant with each warrant entitling the holder to acquire a further share at a price of $0.30 per share until the earlier of (i) December 15, 2011; and (ii) in the event that the closing price of the common shares on the TSX Venture Exchange is at least $0.50 for twenty (20) consecutive trading days, and the 20th trading day (the "Final Trading Day") is at least four (4) months from December 15, 2010, the date which is thirty (30) days from the Final Trading Day (the "twenty day Trigger Date")..

On March 28, 2011, the Company completed an additional private placement of 4,453,333 units priced at $0.30 per unit for gross proceeds of $1,336,000. Each unit consists of one common share and one-half common share purchase warrant. Each warrant entitles the holder to acquire a further common share at a price of $0.40 per share until the earlier of March 28, 2012 and the twenty day Trigger Date.

On July 28, 2011, the Company placed 4,999,997 flow-through units (“FT units”) at a price of $0.60 per unit, for gross proceeds of $3,000,000. Each FT unit consisted of one flow-through common share of the Company and one-half non flow-through share purchase warrant. Each full warrant entitles the holder to acquire an additional common share at $1.00 per share until the earlier of: (i) the date which is twelve months following the Closing Date; and (ii) in the event that the closing price of the common shares on the TSX Venture Exchange is at least $1.25 for ten consecutive trading days, and the 10th trading day (the “Final Trading Day”) is at least four months from the Closing Date, the date which is thirty days from the Final Trading day. Securities issued pursuant to the above referenced private placements are legended and restricted from trading until November 29, 2011.

On July 28, 2011, the Company also placed 480,769 working capital units (“WC units”) at a price of $0.52 per unit, for gross proceeds of $250,000. Each working capital unit consisted of one common share of the Company and one share purchase warrant (“WC warrant”). Each WC warrant entitles the holder to acquire an additional common share at $1.00 per share until the earlier of: (i) the date which is twelve months following the Closing Date; and (ii) the Trigger Date. Securities issued pursuant to the above referenced private placements are legended and restricted from trading until November 29, 2011.

Common shares (continued)

A finder's fee of $162,500, a due diligence fee of $65,000 and 548,075 broker options exercisable into a common share at $1.00 for a period of twelve months after the Closing Date was paid in respect of the closing.

On August 10, 2011, the Company completed an additional private placement of 1,355,384 working capital units ("WC units") priced at $0.52 per WC unit for gross proceeds of $704,800. Each WC unit consists of one common share of the Company and one share purchase warrant ("WC warrant"). Each WC warrant entitles the holder to acquire an additional common share at $1.00 per share until the earlier of: (i) the date which is twelve months following the Closing Date; and (ii) in the event that the closing price of the common shares on the TSX Venture Exchange is at least $1.25 for ten consecutive trading days, and the 10th trading day (the "Final Trading Day") is at least four months from the Closing Date, the date which is thirty days from the Final Trading Day. Cash finder's fees of $45,696 were paid in respect of the final closing of the offering. Securities issued pursuant to the above referenced private placements are legended and restricted from trading until December 10, 2011.

(b) Common share purchase options

The Company has created a stock option plan for the benefit of directors, officers, key employees, and consultants. The total number of shares which may be reserved and set aside for issuance to eligible persons may not exceed 10% of the issued and outstanding common shares. As at September 30, 2011, 7,343,000 common shares were reserved for the exercise of stock options granted under the Company's stock option plan (the "Plan").

The following table provides the details of changes in the number of issued common share purchase options during the period:

	Options	**Weighted-average exercise price**
	#	$
Outstanding at June 30, 2010	8,675,000	0.36
Granted	1,475,000	0.26
Cancelled	(2,332,000)	0.20
Expired	(275,000)	0.27
Outstanding at June 30, 2011	7,543,000	0.32
Exercised	(200,000)	0.14
Outstanding at September 30, 2011	7,343,000	0.32
Options exercisable at September 30, 2011	6,430,500	0.33

On November 1, 2010, 150,000 options and 75,000 options for consultants at exercise prices of $0.32 and $ 0.15 respectively, expired.

On November 5, 2010, the Company issued 1,000,000 stock options exercisable at $0.15 per share until November 5, 2015 to a director of the Company.

On December 9, 2010, 457,000 options held by insiders were exercised at a price of $0.12 per share.

On March 3, 2011, 750,000 options held by insiders were exercised at a price of $0.25 per share. In addition, on March 30, 2011, 250,000 options at a price of $0.15 per share were exercised.

On April 14, 2011, 100,000 options and 125,000 options were exercised at prices of $0.14 and $ 0.15 respectively

On April 19, 2011, 300,000 options held by consultants were exercised at a price of $0.15 per share.

(b) Common share purchase options (continued)

On May 6, 2011, 225,000 options at an exercise price of $0.475 per share were granted to geological consultants of the Company and on May 10, 2011, 250,000 options at an exercise price of $0.53 per share were granted to a financial consultant of the Company.

On June 27, 2011 350,000 options were exercised at a price of $0.32 per share and 50,000 options for consultants at exercise prices of $0.32 expired.

On August 5, 2011, 200,000 options held by consultants were exercised at a price of $0.14 per share.

Number of stock options	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
100,000	100,000	3.7 months	$0.15	January 22, 2012
1,518,000	1,518,000	8.9 months	$0.65	June 26, 2012
150,000	150,000	9.3 months	$0.65	July 09, 2012
1,000,000	1,000,000	20.4 months	$0.32	June 12, 2013
700,000	700,000	20.9 months	$0.32	June 27, 2013
500,000	500,000	27.7 months	$0.15	January 22, 2014
150,000	150,000	33.8 months	$0.15	July 24, 2014
1,750,000	1,687,500	42.3 months	$0.14	April 9, 2015
1,000,000	500,000	49.3 months	$0.15	November 8, 2015
225,000	75,000	19.2 months	$0.475	May 6, 2013
250,000	50,000	31.3 months	$0.53	May 10, 2014
7,343,000	6,430,500			

The weighted average fair value of all the options granted and outstanding is $0.32 per option, each contract fair value having been estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: risk-free weighted-average interest rate ranging from 1.30% to 1.98%, expected dividend yield of nil, average expected volatility ranging from 130.10% to 155.26% and expected life term ranging from 24 to 60 months. Under this method of calculation, the Company has recorded $82,104 as stock based compensation during the three months ended September 30, 2011, being the fair value of the options vested during the three months ended September 30, 2011. Options that have been issued and remain outstanding vest either: immediately on date of grant; or a period of up to eighteen months from the date of grant over the period of vesting in equal installments.

(c) Warrants

On certain issuances of common shares, the Company grants warrants entitling the holder to acquire additional common shares of the Company, and the Company grants warrants as consideration for services associated with the placement of such common share issues.

The following table provides the details of changes in the number of outstanding common share purchase warrants:

	Number #	***Price Range*** $
Balance June 30, 2010	14,652,598	0.14 to 0.90
Private placement warrants issued	12,501,668	0.12 to 0.40
Warrants exercised	(17,370,718)	0.14 to 0.25
Expired	(5,996,882)	0.15 to 0.90
Balance June30, 2011	3,786,666	0.12 to 0.40
Private placement warrants issued	5,432,301	0.52 to 1.00
Warrants exercised	(60,000)	0.12
Balance September 30, 2011	9,158,967	0.30 to 1.00

(c) Warrants (continued)

On December 30, 2010, 83,333 warrants at a price of $0.25 and 4,788,332 warrants at a price of $0.90 expired unexercised.

On December 21, 2010, 693,333 broker compensation warrants were exercised at a price of $0.15 per share, on December 21, 2010 11,023 warrants at a price of $0.25 per share were exercised by an individual, on December 22, 2010, 773,333 broker compensation warrants were exercised at a price of $0.15 and on December 30, 2010, 2,500,000 warrants were exercised at a price of $0.25.

During the three months ended March 31, 2011 broker compensation warrants were exercised as follows: on January 17, 2011, 175,000 at a price of $0.14 per share, on March 8, 2011 150,000 at a price of $0.12 per share and 100,000 at a price $0.15, on March 31, 2011 50,000 at a price $0.15 per share.

In addition, during the three months ended March 31, 2011 2,586,378 warrants were exercised at a price of $0.15 per share and 774,207 warrants were exercised at a price of $0.25 per share.

On January 6, 2011, 200,000 warrants at an exercise price of $0.25 expired unexercised and on January 26, 2011, 50,000 warrants with an exercise price of $0.25 expired unexercised.

During the three months ended June 30, 2011 2,444,523 warrants were exercised at a price of $0.15 per share and 7,072,920 warrants were exercised at a price of $0.25 per share.

In addition, during the three months ended June 30, 2011 40,000 broker compensation warrants were exercised at a price of $0.12 per share.

On July 7, 2011, 60,000 compensation warrants were exercised at a price of $0.12.

Certain issuances of common shares include warrants entitling the holder to acquire additional common shares of the Company. A summary of the outstanding warrants is as follows:

	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
Warrants	1,500,000	2.5 months	$0.30	December 15, 2011
Warrants	2,226,666	5.9 months	$0.40	March 28, 2012
Warrants	2,499,998	9.9 months	$1.00	July 28, 2012
Warrants	480,769	9.9 months	$1.00	July 28, 2012
Warrants	1,355,384	10.3 months	$1.00	August 9, 2012
Balance, September 30,2011	8,062,817			

Certain issuances of common shares include warrants as partial consideration to the agent for services associated with the share issues. A summary of the outstanding broker warrants is as follows:

	Number exercisable	Remaining contractual life	Exercise price per share	Expiry date
Compensation warrants	548,075	9.9 months	$0.52	July 28, 2012
Compensation warrants	548,075	9.9 months	$1.00	July 28, 2012
Balance, September 30, 2011	1,096,150			

(d) Contributed surplus

A summary of changes in contributed surplus is as follows:

	Amount $
Balance, June 30, 2010	3,277,190
Stock based compensation	239,275
Exercise of options	(421,712)
Common shares purchase warrants expired	350
Balance, June 30, 2011	3,095,103
Stock based compensation	82,104
Exercise of options	(80,301)
Balance, September 30, 2011	3,096,906

The number of common shares outstanding on September 30, 2011 was 149,046,346. Taking into account outstanding share purchase options, warrants and 1,000,000 shares reserved for property transactions, the fully diluted common shares that could be outstanding on September 30, 2011 was 166,548,313.

8. Related party transactions

During the three months ended September 30, 2011, the Company incurred related party expenses of $75,147 (for the three months ended September 30, 2010 – $44,700). These expenses related to management and consulting fees and salaries paid to the Company's senior officers, Tom Drivas, President and Chief Executive Officer, Tom Skimming, V.P. Exploration, Errol Farr, then Michael D'Amico Chief Financial Officer, Garth Kirkham, Director and Antonio de Quadros, Director. At September 30, 2011 $20,758 was due and payable to these related parties.

Compensation of key management personnel for the three months ending September 30, 2011 and 2010 is summarized as follows:

	2011 $	2010 $
Compensation and directors' fees	56,500	44,000
Share-based payments	328	16,250

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the three months ended September 31, 2011 and 2010.

During the three months ended September 30, 2011, the Company incurred expenses of $12,247 (for the three months ended September 30, 2010- $17,813) for legal fees to a law firm related to a senior officer and director of the Company, William R. Johnstone.

During the three months ended September 30, 2011, the Company incurred expenses of $4,000 (for the three months ended September 30, 2011 - $3,000) related to directors' fees to Antonio de Quadros, Frank van de Water, Brian Robertson and Jack McOuat. At September 30, 2011, $7,000 was due and payable.

These amounts were expensed in the period incurred as administrative and general expenses. Expenses and amounts paid and owing are measured at the exchange amount.

9. Financial instruments and risk management

Categories of financial assets and liabilities

Under IFRS, financial instruments are classified into one of the following five categories: Fair value through profit and loss ("FVTPL"), held to maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities. The carrying values of the Company's financial instruments, including those held for sale are classified into the following categories:

	September 30 2011 $	June 30 2011 $
FVTPL (1)	**4,147,417**	4,844,114
Available for sale (2)	**-**	-
Loans and receivables (3)	**518,385**	236,469
Other financial liabilities (4)	**1,634,262**	1,435,315

(1) Includes cash, committed cash and short-term investments.
(2) Includes marketable securities.
(3) Includes accounts receivable related to HST tax refunds.
(4) Includes accounts payable and bank overdraft.

Financial Instruments
The carrying amounts for the Company's financial instruments approximate their fair values because of the short-term nature of these items.

(i) Cash and cash equivalents and cash and cash equivalents held for future exploration are designated as FVTPL financial assets and are recorded at market value. The interest on deposits is insignificant.
(ii) H.S.T. receivable is designated as loans and receivables and is recorded at cost.
(iii) Accounts payable is designated as other financial liabilities and is recorded at cost.

Risks arising from financial instruments and risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company.

The Company uses various methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks.

(a) Market risk

(i) Price risk

Commodity price risk
Commodity price risk is the risk of financial loss resulting from movements in the price of the Company's commodity inputs and outputs. The Company is exposed to commodity price risk arising from the fluctuation of the value of the metals it is exploring for. The Company does not manage commodity price risk through the use of derivative instruments.

Sensitivity

Anticipated changes in the value of gold and base metals would not, in management's opinion, change the recognized value of any of the Company's financial instruments.

(ii) Cash flow fair value interest rate risk

The Company does not have interest-bearing borrowings for which general rate fluctuations apply. The Company is exposed to interest rate risk to the extent of the balance of the bank accounts.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises from cash and deposits with banks and financial institutions as well as credit exposures to outstanding receivables.

The Company has no concentration of credit risk. The carrying amount of financial assets recorded in the condensed interim consolidated financial statements are adjusted for any impairment and represent the Company's maximum exposure to credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining at all times sufficient cash, liquid investments and committed credit facilities to meet the Company's commitments as they arise. The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows. The Company is currently assessing all options to address its liquidity issues. It is not possible to determine with any certainty the success and adequacy of these initiatives.

10. Capital disclosures

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The capital of the Company consists of capital stock, warrants and contributed surplus.

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

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

There were no changes in the Company's approach to capital management during the year ended June 30, 2011 and the period ended September 30, 2011. The Company is not subject to externally imposed capital requirements.

11. Contingencies and commitments

As at September 30, 2011;

a) the Company has no contingent obligations,

b) the Company has $40,894 on deposit as property reclamation bonds with various governmental agencies. These amounts are included with prepaid expenses,

12. Impact of adoption of IFRS

The Company has elected to apply the following optional exemptions in its preparation of an opening statement of financial position dated July 1, 2010, the Company's "Transition Date":

- Business combinations
  To apply IFRS 3 Business Combinations prospectively from the Transition Date, therefore not restating business combinations that occurred prior to July 1, 2010.

- Share-based payment transactions
  To apply IFRS 2 Share-based Payments only to equity instruments that were issued after November 7, 2002 and had not vested by the Transition Date.

- IAS 27 – Consolidated and separate financial statements
  To apply IAS 27 Consolidated and Separate Financial Statements prospectively, as the Company has elected to apply IFRS 3 Business Combinations prospectively.

- Restoration, rehabilitation and environmental obligations
  The company has elected to apply the exemption from full retrospective application of decommissioning provisions allowed under IFRS 1. As a result, the company has re-measured the provisions at January 1, 2010 under IAS 37 Provisions, Contingent Liabilities and Contingent Assets and estimated the amount to be included in the cost of the related asset by discounting the liability to the date at which the liability first arose.

- IFRIC 4 Determining Whether an Arrangement Contains a Lease
  The Company has elected to apply the transition provisions of IFRIC 4 Determining Whether an Arrangement Contains a Lease, therefore determining if arrangements existing at the Transition Date contain a lease based on the circumstances existing at that date. The Company has no leases.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date are consistent with those made under Canadian GAAP.

12. Impact of adoption of IFRS (continued)

Reconciliation of comprehensive loss, equity and liabilities:

	Twelve months ended June 30, 2011 $	Three months ended September 30, 2010 $
Comprehensive loss		
Comprehensive loss under Canadian GAAP	177,385	(173,467)
Adjustments for flow through shares accounting treatment	(458,720)	(394,579)
Comprehensive loss under IFRS	(281,335)	(568,046)

	June 30, 2011	September 30, 2010	July 1, 2010
Liabilities			
Future Income Tax, Canadian GAAP	1,544,825	2,480,046	2,480,046
Adjustments for flow through shares under IFRS	(2)	250,021	(246,710)
Future Income Tax, under IFRS	1,544,823	2,730,067	2,233,336
Deferred liabilities for flow-through shares, under IFRS	-	34,837	14,156
Total adjustments under IFRS	(2)	284,858	(232,554)
Equity			
Total shareholders' equity, Canadian GAAP	20,272,866	14,056,712	12,532,703
Adjustments for flow through shares under IFRS	2	(284,858)	232,554
Total shareholders' equity, IFRS	20,272,868	13,771,854	12,765,257

Changes to Accounting Policies

The Company has changed certain accounting policies to be consistent with IFRS effective or available for early adoption on June 30, 2012, the Company's first annual IFRS reporting date. Adoption of IFRS has had no material impact on the Company's statements of cash flows for the three months ended September 30, 2010 and the twelve months ended June 30, 2011. The changes to accounting policies have not resulted in any significant change to the recognition and measurement of assets, liabilities, equity, revenue and expenses within its financial statements, except as disclosed below.

a) Share-based payment transactions

Under IFRS, each tranche of an award with different vesting dates is considered a separate grant for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches. Forfeiture estimates are recognized in the period they are estimated, and are revised for actual forfeitures in subsequent periods. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The fair value for share purchase options granted to non-employees for services provided is measured at the date the services are received. The fair value of the share purchase options granted is measured at the fair value of the services received, unless the fair value of services received cannot be estimated reliably, in which case they are valued using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the share purchase options were granted.

Under Canadian GAAP, the fair value of stock-based awards to employees with graded vesting are calculated as one grant and the resulting fair value is recognized on a straight line basis over the vesting period. Forfeitures of awards are recognized as they occur.

The Company's accounting policies relating to share-based payment transactions have been changed to reflect these differences. There is no impact on the financial statements.

b) Impairment of (non-financial) Assets

IFRS requires a write-down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Canadian GAAP required a write-down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies relating to impairment of non-financial assets have been changed to reflect these differences and there is no impact on the financial statements.

c) Decommissioning Liabilities (Asset Retirement Obligations)

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Company's accounting policies related to decommissioning liabilities have been changed to reflect these differences. In managements opinion, this change in policy had no impact on the financial statements.

d) Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. Under IFRS, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders and the premium liability is reversed. The reversal of the premium liability and the deferred tax liability are recognized as tax recoveries to the extent that suitable deferred tax assets are available. Under Canadian GAAP, the Company recorded the tax cost of expenditures renounced to subscribers on the date the deductions were renounced to the subscribers. Share capital was reduced and future income tax liabilities were increased by the tax cost of expenditures renounced to the subscribers, except that the amount was recognized as a tax recovery to the extent that suitable future tax assets were available.

13. Subsequent Events

On October 14, 2011, the Company issued 4,282,655 common shares to Gulf International Minerals Ltd. ("**Gulf**") priced at $0.467 per share to acquire the remaining 25% interest in the Gulf Claims forming part of the Company's Newmont Lake Property. As a result, Romios now holds a 100% interest in the Gulf Claims subject to a 1.5% Net Smelter Returns Royalty (the "**Gulf NSR**") in favour of Gulf. The Company has the option to purchase 1/3 of the Gulf NSR for $1,000,000.

On December 7, 2011, the Company received an extension to March 31, 2012 of their obligations with respect to their rights to the RP and JW properties in the Liard Mining Division of British Columbia (see note 5).

14. Other items

Certain amounts have been reclassified to conform to the presentation adopted in the current period.