Financial Statements

March 31, 2010
(Unaudited)

Notice: The unaudited interim financial statements of GLR Resources Inc. ("Company") as at and for the three months ended March 31, 2010 and 2009 ("Financial Statements") have been prepared by management and have not been reviewed by the Company's auditors. The Financial Statements should be read in conjunction with the audited financial statements as at and for the year ended December 31, 2009 which are available on the SEDAR website at www.sedar.com. The Financial Statements are presented in Canadian dollars, unless otherwise indicated, and are prepared in accordance with Canadian generally accepted accounting principles.

GLR Resources Inc.
Balance Sheets
(Canadian dollars)

(Unaudited)	March 31 2010 $	December 31 2009 $
Assets		
Current assets		
Cash and cash equivalents	**524,530**	154,070
Restricted cash	**583,208**	582,589
Taxes recoverable *(Note 3)*	**127,466**	75,093
Other receivables	**3,949**	371,519
Prepaid expenses	**10,054**	1,946
Assets held for sale	**1**	1
Due from related parties *(Note 6)*	**9,174**	9,773
	1,258,382	1,194,991
Investments	**41,791**	1,095,708
Plant and equipment *(Note 5)*	**121,246**	128,449
Mineral properties and deferred expenditures *(Note 4)*	**2,484,978**	1,936,657
	3,906,397	4,355,807
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities *(Note 6)*	**788,408**	954,875
Current portion of long-term debt *(Note 10)*	**14,224**	13,950
	802,632	968,825
Long-term liabilities		
Long-term debt *(Note 10)*	**42,759**	46,462
	42,759	46,462
	845,391	1,015,287
Shareholders' equity		
Capital stock *(Note 7)*	**17,234,186**	17,234,186
Contributed surplus *(Note 8)*	**3,415,474**	3,415,474
Accumulated deficit	**(17,595,833)**	(17,214,462)
Accumulated comprehensive income (loss)	**7,179**	(94,680)
	3,061,006	3,340,518
	3,906,397	4,398,617

Commitments and contingencies (Notes 1, 10 and 14)

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

GLR Resources Inc.
Statements of Operations and Accumulated Deficit
(Canadian Dollars except share and per share amounts)

(Unaudited)	Three months ended March 31	
	2010	2009
	$	$
Operating Expenses		
Amortization	**7,203**	413
Office and general *(Note 6)*	**23,156**	35,027
Interest expense	**1,468**	43,668
Public relations	**(1,897)**	12,287
Professional fees	**28,144**	27,062
Shareholder information	**25,748**	10,358
Consulting	**-**	-
Restructuring costs	**5,781**	12,106
Salaries, fees and benefits	**92,818**	96,919
Foreign exchange gain	**(1,009)**	-
Other	**-**	1,809
Stock-based compensation	**-**	-
	181,412	239,649
Other income (expense)		
Loss on sale of securities	**(200,020)**	-
Interest	**61**	90
	(199,959)	90
Net loss before taxes	**(381,371)**	(239,559)
Future income tax recoveries	**-**	-
Net loss for the period	**(381,371)**	(239,559)
Accumulated deficit, beginning of period	**(17,214,462)**	(14,797,182)
Accumulated deficit, end of the period	**(17,595,833)**	(15,036,741)
Net loss per share–basic and fully diluted	**(0.01)**	(0.00)
Weighted average number of shares (000's) – basic and fully diluted	**63,595**	63,595

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

GLR Resources Inc.
Statements of Comprehensive Income (Loss) and Accumulated Other Comprehensive Income (Loss)
(Canadian Dollars)

(Unaudited)	Three months ended March 31	
	2010	2009
	$	$
Net loss	**(381,371)**	(239,559)
Other comprehensive income:		
Unrealized gain (loss) on available-for-sale securities	**(101,859)**	16,703
Total comprehensive loss	**(483,230)**	(222,856)

(Unaudited)	Three months ended March 31	
	2010	2009
	$	$
Accumulated other comprehensive income (loss), beginning of period	**94,680**	(9,524)
Income (loss) on available-for-sale securities, net of tax benefit	**(101,859)**	16,703
Accumulated other comprehensive income, end of period	**(7,179)**	7,179

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

GLR Resources Inc.
Statements of Cash Flow
(Canadian Dollars)

(Unaudited)	Three months ended March 31	
	2010	2009
	$	$
Operations		
Net loss	**(381,371)**	(239,559)
Adjustments to reconcile net income (loss) to cash flow from operating activities:		
Amortization	**7,203**	413
Stock-based compensation	**-**	-
Loss on sale of Linear Gold shares	**200,020**	-
Net change in non-cash working capital items:		
Restricted cash	**(619)**	
Taxes recoverable	**(52,373)**	(1,752)
Other receivables	**-**	(418)
Prepaid expenses and advances	**(8,108)**	(150,000)
Assets held for sale	**-**	300,000
Due from related parties	**599**	(1,154)
Accounts payable and accrued liabilities	**(166,467)**	108,999
Cash flow used in operating activities	**(401,116)**	16,529
Financing		
Long-term debt	**(3,429)**	-
Cash flow from financing activities	**(3,429)**	-
Investments		
Proceeds from sale of Linear Gold shares	**1,323,327**	
Expenditures on resource assets and mineral properties	**(548,322)**	16,308
Plant and equipment	**-**	(17,125)
Cash flow used in investing activities	**775,005**	(817)
Net increase (decrease) in cash and cash equivalents	**370,460**	15,712
Cash and cash equivalents, beginning of period	**154,070**	114,963
Cash and cash equivalents, end of period	**524,530**	130,675

Supplementary cash flow information (Note 13)

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

1. Nature of Operations and Going Concern

Nature of Operations

GLR Resources Inc. ("GLR" or the "Company") is a federally incorporated company. GLR holds a portfolio of grass roots exploration properties, which it continues to evaluate. Unless otherwise indicated all dollar amounts are expressed in Canadian currency.

The Company's Canadian exploration activities are mainly undivided interests in properties that are explored jointly with others. Accordingly, these financial statements reflect GLR's pro-rata share of the assets, liabilities, and expenditures of these undivided interests, as appropriate.

Going Concern

These financial statements are prepared in accordance with Canadian generally accepted accounting principles and on the assumption that the Company will be able to realize the carrying value of its assets and discharge its liabilities in the normal course of operations as a going concern. If the "going concern" assumption is not appropriate, then material adjustments may be necessary in the carrying amounts and/or classifications of assets and liabilities in these financial statements.

The recoverability of the amount shown for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of GLR to obtain the necessary financing to complete exploration and development, and upon future profitable production or proceeds from the disposition thereof, all of which are uncertain.

On January 7, 2009, shares of the Company were de-listed from trading on the Toronto Stock Exchange for failure to meet continued listing requirements. On April 27, 2009, the Ontario Securities Commission issued a permanent cease trade order that halted all trading in and all acquisitions of securities of GLR for failing to file continuous disclosure materials as required by Ontario securities law. This had the effect of severely limiting the Company's ability to raise funds in already distressed capital markets.

The Company's ability to discharge its liabilities and realize the carrying value of its assets in the normal course of operations is dependent upon, among other things, management's ability to raise the required amount of debt and/or equity financing and for profitable operations to be achieved. There can be no assurance that the Company will be successful with those initiatives.

Restructuring

During May 2010, the Company reached a settlement with its former chief operating officer. As a consequence of concluding this settlement, Paddon + Yorke Inc. ("PYI" or the "Trustee") is now able to finalize the administrative aspects of the Company's insolvency under the *Bankruptcy and Insolvency Act* ("BIA").

2. Summary of Significant Accounting Policies

These interim unaudited financial statements include all adjustments that are, in the opinion of management, necessary for fair presentation. The results of operations for the three month period ended March 31, 2010 are not necessarily indicative of the results expected for the full year.

(Expressed in Canadian dollars)

2. Summary of Significant Accounting Policies (continued)

These interim unaudited financial statements are prepared in accordance with Canadian generally accepted accounting principles and follow the same accounting policies and methods set forth in the Company's audited consolidated financial statements as at and for the year ending December 31, 2009 and should be read in conjunction with those audited financial statements and notes thereto.

Future Accounting Changes:

International Financial Reporting Standards ("IFRS")
In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB's strategic plan outlines the convergence of Canadian GAAP with IFRS over a five-year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Accordingly, the Company will be required to adopt IFRS on January 1, 2011. The transition will require the restatement, for comparative purposes, of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun to assess the adoption of IFRS for fiscal 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

3. Taxes Recoverable

Taxes recoverable is comprised of recoverable goods and services tax and Quebec sales tax.

4. Mineral Properties and Deferred Expenditures

The following table summarizes the Company's mineral properties and deferred expenditures during the three months ended March 31, 2010:

	Opening balance ($)	Additions ($)	Adjustments ($)	Net ($)
Sackville, Ontario	311,436	94,218	-	**405,654**
Goldie, Ontario	511,825	-	-	**511,825**
Baldwin, Ontario	463,509	65,633	-	**529,142**
Kirkland West, Ontario	251,180	1,208	-	**252,388**
Casa Berardi, Quebec	262,704	385,967	-	**648,671**
General and other	136,003	1,295	-	**137,298**
	1,936,657	548,321	-	**2,484,978**

(Expressed in Canadian dollars)

4. Mineral Properties and Deferred Expenditures (continued)

The following table summarizes the Company's mineral properties and deferred expenditures during the three months ended March 31, 2009:

	Opening balance ($)	Additions ($)	Proceeds ($)	Net ($)
Stares, Ontario	790,722	-	-	**790,722**
Goldie, Ontario	498,519	-	-	**498,519**
Baldwin, Ontario	319,414	787	-	**320,201**
Kirkland West, Ontario	249,972	-	-	**249,972**
Casa Berardi, Quebec	29,480	79		**29,559**
Golden Pond, Saskatchewan	341,488	-	-	**341,488**
General and other	171,270	13,266	(30,440)	**154,096**
	2,400,865	14,132	(30,440)	**2,384,557**

5. Plant and Equipment

	March 31, 2010			December 31, 2009		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
	$	$	$	$	$	$
Exploration equipment	121,843	6,790	**115,053**	121,843	-	**121,843**
Office furniture and fixtures	36,776	30,583	**6,193**	36,776	30,170	**6,606**
	158,619	28,931	**121,246**	6,999,462	30,170	**128,449**

6. Related Party Transactions

The financial statements include balances and transactions with directors and/or officers of the Company and/or corporations related to or controlled by them. These transactions are measured and recorded at their exchange amounts, being the amounts agreed to by the related parties.

	Three months ended March 31	
	2010	2009
	$	$
Transactions during the period:		
Exploration services	**10,500**	10,500
Management fees paid for services	**75,000**	76,875
Administrative costs	**5,561**	5,651

(Expressed in Canadian dollars)

6. Related Party Transactions (continued)

	As at March 31, 2010	As at December 31, 2009
Related party receivables included in:	**$**	$
Management fees receivable	**-**	77,874
Other (non-interest bearing, no fixed terms of repayment)	**9,174**	7,379
	9,174	85,253
Related party payables included in:		
Accounts payable and accrued liabilities	**79,173**	41,757

Exploration expenditures were indirectly paid to the brother of the President of GLR. Management fees paid, indirectly, are in respect of services rendered by each of the President and the Chief Financial Officer of GLR. Administrative expense is comprised of rent paid to a company controlled by the President of the Company.

Other related party receivables are miscellaneous expense advances for which expense reports have not cleared at period end.

Accounts payable is comprised of $65,316 payable to members of the Special Committee for fees earned during the period that the Company was subject to the forbearance agreement with Blackfish and BIA proceedings. The remainder consists of fees payable in respect of exploration costs, the purchase of a truck and expenses submitted in the normal course of business from the brother of the President.

7. Capital Stock

Share capital

GLR's authorized share capital consists of an unlimited number of Class A Voting Common Shares, and an unlimited number of non-voting, redeemable Class B Preferred Shares, Series A. This series is redeemable by the Company, in whole or in part, at the rate of $1,000 per Series A share. The holders of the Series A shares are not entitled to dividends.

The issued Class A Voting Common Share capital is as follows:

	Number of Shares	$
Balance at March 31, 2010 and December 31, 2009	**63,595,024**	**17,234,186**

(Expressed in Canadian dollars)

7. Capital Stock (continued)

Warrants

A summary of the Company's warrant activity during the three months ended March 31, 2010 is as follows:

	Warrants #	Weighted average exercise price $
Outstanding, December 31, 2009	3,715,950	0.60
Issued	-	-
Exercised	-	-
Cancelled	-	-
Expired	(3,715,950)	0.60
Outstanding, March 31, 2010	-	-

Options

GLR has a stock option plan (the "Plan") pursuant to which options to purchase Class A Voting Common Shares may be granted to certain officers, directors and employees. The plan allows for the issuance of up to 10% of the aggregate number of Class A Common Shares issued and outstanding from time-to-time. As at March 31, 2010 the Company had 4,429,502 (December 31, 2009 – 4,229,502) options available for issuance. A continuity of the unexercised options to purchase Class A Voting Common Shares is as follows:

	Weighted average exercise price ($)	Options #
Outstanding at December 31, 2009	0.53	2,130,000
Transactions during the period:		
Exercised	-	-
Granted	-	-
Forfeited	-	-
Expired	0.55	(200,000)
Outstanding at March 31, 2010	**0.53**	**1,930,000**
Exercisable at March 31, 2010	**0.53**	**1,930,000**

The following table provides additional information about outstanding stock options at March 31, 2010.

Range of Exercise Prices	No. of Options Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price ($)
$0.35	200,000	0.55	0.35
$0.40	230,000	1.40	0.40
$0.50-$0.60	1,430,000	1.78	0.57
$0.70	70,000	2.58	0.70
$0.18 - $0.70	**1,930,000**	**1.64**	**0.53**

(Expressed in Canadian dollars)

8. Contributed Surplus

	$
Balance at December 31, 2009	**3,415,474**
Value of vesting options	-
Value of warrants issued	-
Value transferred on exercised options and warrants	-
Balance at March 31, 2010	**3,415,474**

9. Long-term Debt

Long-term debt arises from the purchase of a truck during December 2009 for use in operations by the President of the Company. The loan is for a period of 48 months, is fully secured and bears interest at the rate 5.9% per annum.

10. Commitments and Contingencies

The Company may become subject to tax audits of the flow-through expenditures renounced to investors; however, the Company believes that all Canadian Exploration Expenditures were effected and renounced in compliance with the prescribed regulations of the *Income Tax Act (Canada)*.

Pursuant to the Proposal to creditors and approval by the Court of the Company's restructuring plan, all creditors were paid during September 2009, except those claims which were disallowed by the Trustee. One creditor, who is a former officer of the Company, appealed the disallowance of his claim for severance, punitive damages and reimbursement of legal costs. The claim amount for severance, aggregating $360,000 was accrued in the accounts during 2008. During May 2010, the Company and the former officer reached a settlement whereby the Company delivered $125,000, in cash, and equipment which had been previously written down to $1 and reclassified as held for sale. Subsequent to March 31, 2010, the Trustee paid the cash portion to settle the claim and the Company executed a bill of sale that delivered the equipment to the former officer. As part of the settlement, each of the former officer and the Company released the each other from further claims. The accrual for settlement was adjusted at December 31, 2009 and the statement of operations credited for the excess salaries previously accrued.

The Transaction with Linear anticipates partial reimbursement of deposits made to certain suppliers for which reimbursement is dependent on Linear taking delivery of the related plant and equipment. Pursuant to agreements negotiated with Linear, the Company may receive approximately $996,000 and US$1.8 million at future dates. Terms of the Transaction with Linear resulted in Linear assuming GLR's contractual obligations to two major suppliers. On December 31, 2009, GLR received a $300,000 reimbursement from Linear. The remaining amounts will be reimbursed to GLR once the related equipment is available for delivery from the respective suppliers. Reimbursements will be recognized in the accounts when received.

The Company has entered into a one-year lease extension for its current location in Kirkland Lake. Lease payments for the remainder of the year total approximately $16,684

11. Management of Capital

The Company considers in its management of capital all components included in shareholders' equity and its debt obligations. Its objectives are to ensure that the Company will continue to operate as a going concern in order to pursue the development if its mineral interests, to sustain future development and growth as well as to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk.

11. Management of Capital (continued)

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue shares, seek debt financing, or acquire or dispose of assets. The Company, on approval from the Board of Directors, will make changes to its capital structure as deemed appropriate under specific circumstances.

The Company is subject to certain externally imposed capital restraints and debt obligations. On January 7, 2009, shares of the Company were de-listed from trading on the Toronto Stock Exchange for failure to meet continued listing requirements. On April 27, 2009, the Ontario Securities Commission issued a permanent cease trade order that halted all trading in and all acquisitions of securities of GLR for failing to file continuous disclosure materials as required by Ontario securities law.

Until the Company causes the Ontario Securities Commission to lift the permanent cease trade order, the Company does not have the ability to enter the equity market. (See Note 1-Going Concern).

12. Financial Instruments

The Company's financial assets and liabilities consist of cash, accounts receivable, prepaids and advances, due from related parties, accounts payable and accrued liabilities and note payable. Cash is classified as held-for-trading and is carried at fair value. Amounts due from related parties and prepaids and advances are classified as loans and receivables at amortized cost. Accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity. Accounts payable and accrued liabilities and note payable are classified as other financial liabilities, which are measured at amortized cost.

The carrying amounts of the Company's financial assets and liabilities approximate fair values because of the limited term of these instruments.

The Company's financial instruments are exposed to certain financial risks.

a) Currency risk

The Company operates solely in Canada; however, a portion of the Company's capital expenditures are denominated in the United States dollar and a significant portion of the Company's operating costs are denominated in the Canadian dollar. As a consequence, the Company is exposed to currency fluctuations relative to the United States dollar. A significant change in the currency exchange rate between the United States dollar and the Canadian dollar would affect the realizable amount of the United States dollar proceeds realized on the sale of sale of assets to Linear and, consequently, the results of operations, financial position and cash flows. The Company has not hedged its exposure to the United States dollar.

b) Interest rate risk

The truck financing loan described in Note 9-Long-term debt bears interest at a fixed rate. The Company is not exposed to any other significant interest rate risk due to the short-term maturity of its monetary assets and liabilities.

12. Financial Instruments (continued)

c) Credit risk

The Company is exposed to credit risk as a consequence of its restructuring under the BIA. The ability of the Company to finance its operations will be affected by its credit rating and perception in the marketplace that the Company may not be able finance development and exploration of its prospects.

d) Derivatives – mineral properties

The Company retains and/or has obligations related to certain carried interest rights and net smelter royalties ("NSR"), the value of which is derived from future events and commodity prices. These rights are derivative instruments. However, the mineral property interests to which they relate are not sufficiently developed to reasonably determine value.

e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk through the management of its capital structure and continuously monitors its capital expenditures and cash used in operations. To the extent that the Company does not have sufficient liquidity to meet its obligations, management will consider securing additional funds through debt or equity transactions. At March 31, 2008, credit risk magnified the liquidity risk that certain suppliers may not provide future services.

f) Price risk

Price risk is remote as the Company is not a producing entity.

13. Supplemental Cash Flow Information

	2010 $	2009 $
Income taxes paid	-	-
Interest paid	**32,239**	**5,424**

GLR RESOURCES INC.