Financial Statements

September 30, 2010
(Unaudited)

Notice to Reader:

The unaudited interim financial statements of GLR Resources Inc. ("Company") as at and for the three and nine months ended September 30, 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)	**September 30 2010 $**	December 31 2009 $
Assets		
Current assets		
Cash and cash equivalents	**400,150**	154,070
Restricted cash	**140,164**	582,589
Taxes recoverable *(Note 3)*	**31,945**	75,093
Other receivables	**4,166**	371,519
Prepaid expenses and advances	**10,054**	1,946
Assets held for sale	**1**	1
Due from related parties *(Note 6)*	**12,968**	9,773
	599,448	1,194,991
Investments	**58,494**	1,095,708
Property, plant and equipment *(Note 5)*	**110,484**	128,449
Mineral properties and deferred expenditures *(Note 4)*	**2,579,797**	1,936,657
	3,348,223	4,355,805
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities *(Note 6)*	**473,286**	954,875
Current portion of long-term debt *(Note 9)*	**15,953**	13,950
	489,239	968,825
Long-term liabilities		
Long-term debt *(Note 9)*	**34,065**	46,462
	34,065	46,462
	500,222	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	**(17,848,622)**	(17,214,462)
Accumulated comprehensive income (loss)	**23,881**	(94,680)
	2,824,919	3,340,518
	3,348,223	4,355,805

Commitments and contingencies (Notes 1 and 10)

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

GLR RESOURCES INC.
STATEMENTS OF OPERATIONS AND DEFICIT
(Canadian dollars except share and per share amounts)

(Unaudited)	Three months ended September 30		Nine months ended September 30	
	2010	2009	**2010**	2009
	$	$	**$**	$
Operating Expenses				
Amortization	**5,423**	413	**17,965**	1,239
Office and general *(Note 6)*	**864**	25,445	**45,318**	97,123
Interest expense and finance fees	**2,394**	13,526	**4,030**	151,205
Public relations	**4,490**	5,475	**3,094**	19,153
Professional fees	**(13,597)**	102,248	**27,856**	177,821
Shareholder information	**2,529**	(6,005)	**43,184**	5,695
Restructuring costs	**17,186**	251,955	**22,967**	862,519
Salaries, fees and benefits	**62,983**	100,716	**250,220**	302,617
Write-down of mineral properties	**-**	1,110,227	**20,176**	1,110,227
Other	**-**	-	**-**	1,541
Foreign exchange loss (gain)	**(5)**	(77,845)	**36**	(77,845)
	82,267	1,526,155	**434,846**	2,651,295
Other income (expense)				
Sale of Goldfields Mine assets	**-**	6,942,135	**-**	6,942,135
Cost of Goldfields mines assets sold	**-**	(6,969,096)	**-**	(6,969,096)
Loss on sale of securities	**-**	-	**(200,020)**	-
Interest	**53**	18	**706**	402
	53	(26,943)	**(199,314)**	(26,559)
Net loss for the period	**(82,214)**	(1,553,098)	**(634,160)**	(2,677,854)
Deficit, beginning of period	**(17,766,408)**	(15,921,938)	**(17,214,462)**	(14,797,182)
Deficit, end of the period	**(17,848,622)**	(17,475,036)	**(17,848,622)**	(15,475,036)
Net loss per share–basic and fully diluted	**(0.00)**	(0.02)	**(0.01)**	(0.04)
Weighted average number of shares (000's) – basic and fully diluted	**63,595**	63,595	**63,595**	63,595

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

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

(Unaudited)	Three months ended September 30		Nine months ended September 30	
	2010 **$**	2009 $	**2010** **$**	2009 $
Net loss	**(82,214)**	(1,553,098)	**(634,160)**	(2,677,854)
Other comprehensive income (loss):				
Gain on available-for-sale securities, net of tax benefit	**20,878**	144,376	**118,561**	186,132
Total comprehensive loss	**(61,336)**	(1,408,722)	**(515,599)**	(2,491,722)

(Unaudited)	Three months ended September 30		Nine months ended September 30	
	2010 **$**	2009 $	**2010** **$**	2009 $
Accumulated other comprehensive income (loss), beginning of period	**3,003**	32,232	**(94,680)**	(9,524)
Gain (loss) on available-for-sale securities, net of tax benefit	**20,878**	144,376	**118,561**	41,756
Accumulated other comprehensive income, end of period	**23,881**	176,608	**23,881**	32,232

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

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

(Unaudited)	**Three months ended September 30**		**Nine months ended September 30**	
	2010 **$**	2009 $	**2010** **$**	2009 $
Operations				
Net loss	**(82,214)**	(1,553,098)	**(634,160)**	(2,677,854)
Adjustments to reconcile net income (loss) to cash flow from operating activities:				
Amortization	**5,423**	413	**17,965**	1,239
Loss on sale of Goldfields Mine assets		26,961		26,961
Loss on sale of Linear Gold shares	**-**	-	**200,020**	-
Write-down of mineral properties and deferred expenditure	**-**	1,110,227	**20,176**	1,110,227
	(76,791)	(415,497)	**(395,999)**	(1,539,427)
Net change in non-cash working capital items:				
Restricted cash	**443,048**	(1,444,542)	**442,424**	(1,497,300)
Sales taxes recoverable	**(16,741)**	11,462	**43,148**	(152)
Other receivables	**-**	(18,453)	**(218)**	(18,870)
Prepaid expenses and advances	**-**	(20,000)	**(8,108)**	(20,000)
Assets held for sale	**-**	-	**-**	300,000
Due from related parties	**(2,553)**	(4,041)	**(3,195)**	(1,847)
Accounts payable and accrued liabilities	**(180,243)**	(1,355,846)	**(481,589)**	(565,211)
Cash flow used in operating activities	**166,720**	(3,246,917)	**(403,537)**	(3,342,807)
Financing activities				
Payment of promissory note	**-**	(2,000,000)	**-**	(2,000,000)
Long-term debt	**(3,505)**	-	**(10,394)**	-
Cash flow from financing activities	**(3,505)**	(2,000,000)	**(10,394)**	(2,000,000)
Investing activities				
Resource assets and mineral properties	**(48,955)**	(30,763)	**(663,316)**	(25,744)
Property, plant and equipment	**-**	(9,041)	**-**	(26,409)
Proceeds from sale of Goldfields Mine assets	**-**	6,942,135		6,942,135
Investment in Linear Gold Corp. Shares	**-**	(1,585,453)		(1,585,453)
Proceeds from sale of Linear Gold shares	**-**	-	**1,323,327**	-
Cash flow used in investing activities	**(48,955)**	5,316,878	**660,011**	5,304,529
Net increase (decrease) in cash and cash equivalents	**114,260**	69,961	**246,080**	(39,278)
Cash and cash equivalents, beginning of period	**285,890**	6,724	**154,070**	114,963
Cash and cash equivalents, end of period	**400,150**	76,685	**400,150**	76,685

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

The consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets in the normal course of business. However, certain conditions may cast significant doubt as to the appropriateness of the going concern assumption; specifically, the Company has not yet found economically recoverable reserves, the Company has not generated any income or cash flow from operations and at September 30, 2010, had an accumulated deficit of $17,848,622 ($17,214,642 as at December 31, 2009).

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. On September 27, 2010, the Ontario Securities Commission revoked the cease trade order.

Subsequent to September 30, 2010, the Company applied to list its common shares for trading on the Canadian National Stock Exchange. The listing was approved and the Company's common shares commenced trading on November 11, 2010.

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").

(Expressed in Canadian dollars)

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 and six month periods ended June 30, 2010 are not necessarily indicative of the results expected for the full year.

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 nine months ended September 30, 2010:

	Opening balance ($)	Additions ($)	Write-down ($)	Net ($)
Sackville, Ontario	311,436	127,860	-	**439,296**
Goldie, Ontario	511,825	-	-	**511,825**
Baldwin, Ontario	463,509	121,481	-	**584,990**
Kirkland West, Ontario	251,180	1,208	-	**252,388**
Casa Berardi, Quebec	262,704	409,957	-	**672,661**
General and other	136,003	2,810	(20,176)	**118,637**
	1,936,657	663,316	(20,176)	**2,579,797**

The following table summarizes the Company's mineral properties and deferred expenditures during the nine months ended September 30, 2009:

(Expressed in Canadian dollars)

4. Mineral properties and deferred expenditures (continued)

	Opening balance ($)	Additions ($)	Disposals ($)	Net ($)
Stares, Ontario	790,722	1,450	(790,722)	**1,450**
Goldie, Ontario	498,519	-	-	**498,519**
Baldwin, Ontario	319,414	787	-	**320,201**
Kirkland West, Ontario	249,972	1,208	-	**251,180**
Casa Berardi, Quebec	29,480	10,157		**39,637**
Golden Pond, Saskatchewan	341,488	-	(341,488)	**-**
General and other	171,270	12,142	21,983	**205,395**
	2,400,865	25,744	(1,110,227)	**1,316,382**

5. Property, plant and equipment

	September 30, 2010			December 31, 2009		
	Cost	**Accumulated amortization**	**Net book value**	Cost	Accumulated amortization	Net book value
	$	**$**	**$**	$	$	$
Exploration equipment	121,843	16,974	**104,869**	121,843	-	**121,843**
Office furniture and fixtures	36,776	31,161	**5,615**	36,776	30,170	**6,606**
	158,619	48,135	**110,484**	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.

	Nine months ended September 30	
	2010	2009
	$	$
Transactions during the period:		
Exploration expenditures	**41,500**	35,000
Management fees paid for services	**190,250**	231,562
Administrative costs	**16,684**	14,830

(Expressed in Canadian dollars)

6. Related party transactions (continued)

	As at September 30, 2010	As at December 31, 2009
Related party receivables included in:	**$**	$
Other (non-interest bearing, no fixed terms of repayment)	**8,072**	7,379
	8,072	7,379
Related party payables included in:		
Accounts payable and accrued liabilities	**-**	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.

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 September 30, 2010 and December 31, 2009	**63,595,024**	**17,234,186**

Warrants

A summary of the Company's warrant activity during the three months ended September 30, 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, September 30, 2010	-	-

(Expressed in Canadian dollars)

7. Capital stock (continued)

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 September 30, 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 September 30, 2010	**0.53**	**1,930,000**
Exercisable at September 30, 2010	**0.53**	**1,930,000**

On October 17, 2010, an option to acquire 200,000 common shares of the Company expired unexercised.

The following table provides additional information about outstanding stock options at September 30, 2010.

Range of Exercise Prices	No. of Options Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price ($)
$0.35	200,000	0.45	0.35
$0.40	230,000	0.96	0.40
$0.50-$0.60	1,430,000	1.28	0.57
$0.70	70,000	2.08	0.70
$0.18 - $0.70	**1,930,000**	**1.14**	**0.53**

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 September 30, 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.

On October 28, 2010, Linear, now Brigus Gold Corp. ("Brigus"), notified the Company that it is refusing to pay GLR the amount of US$1,799,900 (the "Yantai reimbursement) which became payable on October 31, 2010. GLR through its legal counsel demanded payment of the Yantai Reimbursement by November 16, 2010; however, Brigus did not respond. GLR has also demanded payment of additional amounts owing pursuant to the Agreement of Purchase of Sale dated May 25, 2009, as amended. The Company will pursue all action necessary to collect on the amount owed to GLR by Brigus.

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.

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

11. Management of Capital (continued)

Company, on approval from the Board of Directors, will make changes to its capital structure as deemed appropriate under specific circumstances.

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.

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 June 30, 2010, credit risk magnified the liquidity risk in that certain suppliers may not provide future services.

12. Financial Instruments (continued)

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	**32,946**	51,843