

parker simone LLP



Financial Statements
(Audited)

Years Ended

December 31, 2010 and 2009

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by management who when necessary, has made informed judgments and estimates of the outcome of events and transactions, with due consideration given to materiality. Management acknowledges its responsibility for the fairness, integrity and objectivity of all information in the financial statements.

As means of fulfilling its responsibility, management relies on the company's system of internal control. This system has been established to ensure, within reasonable limits, that the assets are safeguarded, transactions are properly recorded and are executed in accordance with management's authorization and that the accounting records provide a solid foundation from which to prepare the financial statements.

The Board of Directors carries out its responsibility for the financial statements principally through the Audit Committee, consisting solely of independent, non-management directors. The Audit Committee has a written mandate that complies with the requirements of Canadian securities legislation. This committee meets at least quarterly, reviews the scope of the external audit, the adequacy of the system of internal control and the appropriateness of the financial reporting and then makes its recommendations to the Board of Directors. Based on those recommendations, the Board of Directors approves the financial statements.

Management's Assessment of Internal Control over Financial Reporting

Management is also responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of financial statements.

Management has assessed the effectiveness of the Company's internal control over financial reporting as at December 31, 2009. Based on management's evaluation, management has concluded that the Company's internal control over financial reporting was effective as at that date.

parker simone LLP, an independent firm of chartered accountants was appointed by a vote of shareholders at the Company's last annual meeting to audit and provide independent opinions on the Company's financial statements as at December 31, 2009, as stated in their auditors' report, parker simone LLP has provided such opinions.



Robert J. Kasner
President, Chief Executive Officer and
Chief Financial Officer

April 19, 2011

Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Mistango River Resources Inc. (formerly GLR Resources Inc.)

We have audited the accompanying financial statements of Mistango River Resources Inc., which comprise the balance sheets as at December 31, 2010 and 2009, and the statements of operations and comprehensive net loss and deficit and cash flows for the periods then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mistango River Resources Inc. as at December 31, 2010 and 2009, and its financial performance and its cash flows for the periods then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matters

Without qualifying our opinion, the accompanying financial statements have been prepared assuming the Company will continue as a going concern. As more fully described in the notes to these financial statements, the Company has not generated revenues to date. This condition raises substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of this uncertainty.



Mississauga, Canada.
April 19, 2011

Chartered Accountants
Licensed Public Accountants

Mistango River Resources Inc.
Balance Sheets
(Canadian dollars)

<i>As at December 31,</i>	2010	2009
	\$	\$
Assets		
Current assets		
Cash and cash equivalents <i>(Note 3)</i>	210,139	154,070
Restricted cash <i>(Note 3)</i>	116,568	582,589
Taxes recoverable	27,716	75,093
Other receivables	-	371,519
Prepaid expenses <i>(Note 4)</i>	-	1,946
Assets held for sale <i>(Note 5)</i>	-	1
Due from related parties <i>(Note 8)</i>	14,264	9,773
	368,687	1,194,991
Investments <i>(Note 2)</i>	125,304	1,095,708
Property, plant and equipment <i>(Note 6)</i>	105,062	128,449
Mineral properties and deferred expenditures <i>(Note 5)</i>	2,620,434	1,936,657
	3,219,487	4,355,805
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities <i>(Note 8)</i>	541,931	954,875
Current portion of long-term debt <i>(Note 7)</i>	14,583	13,950
	556,514	968,825
Long-term liabilities		
Long-term debt <i>(Note 7)</i>	31,879	46,462
	31,879	46,462
	588,393	1,015,287
Shareholders' equity		
Capital stock <i>(Note 9)</i>	17,234,936	17,234,186
Contributed surplus	3,415,474	3,415,474
Accumulated deficit	(18,110,007)	(17,214,462)
Accumulated other comprehensive income (loss)	90,691	(94,680)
	2,631,094	3,340,518
	3,219,487	4,355,805

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

Approved by the Board:

"Robert J. Kasner"
 Robert J. Kasner
 Director

"Daniel Farrell"
 Daniel Farrell
 Director

Mistango River Resources Inc.
Statements of Operations and Deficit
(Canadian Dollars except share and per-share amounts)

<i>Years Ended December 31,</i>	2010	2009
	\$	\$
Operating expenses		
Restructuring costs	36,338	1,079,069
Bad debt <i>(Note 8)</i>	2,591	78,292
Interest, penalties and financing costs	5,541	315,932
Office and general <i>(Note 8)</i>	103,540	135,090
Public relations	12,019	20,711
Professional fees	135,451	259,582
Shareholder information	66,915	8,049
Management fees, salaries and benefits	314,296	158,814
Foreign exchange (gain) loss	118	(29,594)
Write-down of mineral properties and deferred exploration expenditures <i>(Note 5)</i>	20,176	1,156,884
Write-off (recovery) of supplier deposits <i>(Note 1)</i>	-	(300,000)
	696,985	2,882,829
Other income (expense)		
Sale of Goldfields Mine assets	-	6,942,135
Cost of Goldfields Mine assets sold	-	(6,972,397)
Loss on sale of securities	(200,020)	(34,609)
Interest	1,460	420
	(198,560)	(64,451)
Net loss before taxes	(895,545)	(2,947,280)
Future income tax recoveries <i>(Note 10)</i>	-	530,000
Net loss for the year	(895,545)	(2,417,280)
Deficit at beginning of year	(17,214,462)	(14,797,182)
Deficit at end of year	(18,110,007)	(17,214,462)
Net loss per share—basic and fully diluted	(0.01)	(0.04)
Weighted average number of shares (000's) – basic and fully diluted	63,597	63,595

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

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

<i>Year Ended December 31,</i>	2010	2009
	\$	\$
Net loss	(895,545)	(2,417,280)
Other comprehensive income:		
Unrealized gain (loss) on available-for-sale securities	185,371	(85,156)
Total comprehensive loss	(710,174)	(2,502,436)

<i>Accumulated other comprehensive income (loss) as at December 31,</i>	2010	2009
	\$	\$
Accumulated other comprehensive income (loss), beginning of year	(94,680)	(9,524)
Unrealized gain (loss) on available-for-sale securities	185,371	(85,156)
Accumulated other comprehensive income (loss), end of year	90,691	(94,680)

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

Mistango River Resources Inc.
Statements of Cash Flows
(Canadian Dollars)

<i>Year Ended December 31,</i>	2010	2009
	\$	\$
Operations		
Net loss	(895,545)	(2,417,280)
Adjustments to reconcile net (loss) to cash flow from operating activities:		
Amortization	23,387	1,652
Write-down of mineral properties and deferred exploration expenditures	20,176	1,156,884
Write-off (recovery) of deposits held by suppliers	-	(300,000)
Loss on disposal of Goldfields Mine assets	-	30,262
Bad debt expense	-	78,292
Loss on sale of securities	200,020	34,609
Stock-based compensation	-	-
Future income taxes (recoveries)	-	(530,000)
Net change in non-cash working capital items:		
Restricted cash	466,021	(582,589)
Taxes recoverable	47,377	(70,987)
Other receivables	3,947	-
Prepaid expenses and advances	1,946	(1,946)
Assets held for sale	1	300,000
Due from related parties	(4,491)	(3,966)
Accounts payable and accrued liabilities	(412,944)	(576,187)
Cash flow used in operating activities	(550,105)	(2,881,256)
Financing		
Promissory note	-	(2,000,000)
Long-term debt (<i>Note 7</i>)	(13,950)	60,412
Cash flow (used in) financing activities	(13,950)	(1,939,588)
Investments		
Proceeds from sale of Goldfields Mine assets	-	5,656,682
Proceeds from sale of securities	1,323,327	27,497
Expenditures on mineral properties and deferred expenditures Property, plant and equipment	(703,203)	(682,048)
	-	(142,180)
Cash flow from investing activities	620,124	4,859,951
Net increase in cash and cash equivalents	56,069	39,107
Cash and cash equivalents at beginning of year	154,070	114,963
Cash and cash equivalents at end of year	210,139	154,070

Supplemental information (Note 14)

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

Mistango River Resources Inc.
Notes to the Financial Statements
Years ended December 31, 2010 and 2009

1. Nature of Operations and Going Concern

Nature of Operations

Mistango River Resources Inc. (“MRR” or the “Company”) (formerly GLR Resources Inc.) is a federally incorporated company. MRR 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.

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.

At December 31, 2010 the Company had a working capital deficiency of \$187,827 (2009—working capital of \$226,166) working capital), had not yet achieved profitable operations and had accumulated losses of \$18,110,007 (2009- \$17,214,462). The Company expects to incur further losses in the development of its business, all of which casts substantial doubt upon the Company’s ability to continue as a going concern.

The recoverability of the amount shown for mineral properties and deferred expenditures is dependent upon the existence of economically recoverable reserves, the ability of MRR 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.

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

On May 26, 2009, MRR announced that it had entered into a definitive purchase and sale agreement with Linear Gold Corp., now Brigus Gold Corp., (“Brigus”) to sell its 100% interest in the Goldfields Mine, including the Box and Athona deposits, contiguous exploration property and plant and equipment. Following court approval of this transaction on August 18, 2009, the sale closed on August 20, 2009. Upon closing of the transaction, Brigus paid US\$5.0 million, in cash, and issued 727,272 common shares of then Linear Gold Corp.

On May 29, 2009, the Company filed a Notice of Intention with the Official Receiver to make a proposal to its creditors under the *Bankruptcy and Insolvency Act* (“BIA”). Paddon + Yorke Inc. (“PYI” or the “Trustee”) was appointed as proposal trustee under the BIA proceeding. MRR filed its proposal on June 5, 2009 and, subsequently filed certain amendments to the proposal on July 20, 2009 (the “Proposal”). The Proposal was governed by and construed in accordance with the laws of Ontario and the federal laws of Canada.

On August 18, 2009, the Court approved the Proposal and the sale of its Goldfields assets to Brigus. The Transaction closed on August 20, 2009. The Trustee has certified that the Company has fully performed its obligations under the proposal in bankruptcy as of the 15th day of June 2010.

Mistango River Resources Inc.
Notes to the Financial Statements
Years ended December 31, 2010 and 2009

1. Nature of Operations and Going Concern (continued)

In addition and subject to certain conditions, MRR was to receive post-closing reimbursement of deposits, aggregating approximately \$2.8 million, made by MRR in respect of certain equipment contracts which were assigned to a wholly-owned subsidiary of Brigus as part of the Transaction. On December 31, 2009, Brigus reimbursed MRR in the amount of \$300,000.

Subsequent to December 31, 2010, MRR and, Brigus entered into a settlement agreement, as amended, which provided for the issuance to MRR of 1,396,134 common shares of Brigus valued at \$2,443,235 based on a deemed price of \$1.75 per share and cash payments aggregating \$60,000 comprised of three equal payments of \$20,000 payable on the last day of each of February, March and April of 2011.

2. Summary of Significant Accounting Policies

The accounting policies of the Company are in accordance with Canadian generally accepted accounting principles and their basis of application is consistent with that of the previous year, except as described below. Outlined below are those policies considered particularly significant.

Revenue Recognition

Interest revenue is accrued as earned. Gains and losses realized on disposition of securities are recorded on a trade date basis.

Investments

Investments include 835,121 shares of RJK Explorations Inc. ("RJK") and 136 shares of Strategic Resources Inc. ("SRI"), publicly-traded Canadian companies listed on the TSX-V. As at December 31, 2010 and 2009, these available-for-sale investments have been measured at their fair value, as determined by the closing price of the securities on December 31, 2010. In late December 2009 MRR sold 530,172 Linear shares for net proceeds of \$395,069, of which \$367,572 was recorded as an other receivable at December 31, 2009.

Financial Instruments

All financial assets and liabilities are initially recognized at fair value. In subsequent periods, financial assets and liabilities which are held for trading are recorded at fair value with gains and losses recognized in the statement of operations; financial assets which are loans and receivables or held to maturity are recorded at amortized cost using the effective interest rate method and gains and losses recognized in the statement of operations; financial assets which are available-for-sale are recorded at fair value with gains and losses recognized (net of applicable taxes) in the statements of comprehensive income and accumulated other comprehensive income; financial liabilities that are not held for trading are recorded at amortized cost using the effective interest method and recognized in the statement of operations.

Effective January 1, 2009, MRR adopted an amendment to CICA Handbook Section 3862, financial instruments, which requires disclosure about inputs to fair value measurements within fair value measurement hierarchy as follows:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2: inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly or indirectly;

Mistango River Resources Inc.
Notes to the Financial Statements
Years ended December 31, 2010 and 2009

2. Summary of Significant Accounting Policies (continued)

(iii) Level 3: inputs for the asset or liability that are not based on observable market data.

The Company expenses transaction costs relating to its financial instruments.

Flow-Through Common Shares

From time-to-time the Company has financed a portion of its exploration activities in Canada through the issue of flow-through shares, which transfers the income tax deductibility of Canadian exploration expenditures to the investor. Proceeds received on the issue of such shares are credited to capital stock. The related exploration costs, when incurred, are charged to mineral properties.

Resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. The tax benefit forgone on renunciation of Canadian exploration expenditures to investors is charged to capital stock as a cost of equity financing when such amounts are renounced.

Mineral Properties and Deferred Expenditures

The exploration activities of the Company are directed towards the search, evaluation and development of mineral properties. Major expenditures are required to locate and establish ore reserves to develop metallurgical processes and to construct mining and processing facilities at a particular site.

The recoverability of values assigned to mineral interests is dependent upon discovery of economically recoverable reserves, confirmation of the Company's interest in the mineral claims, the ability to obtain necessary financing to complete development and future profitable production or proceeds from disposition. Management reviews the carrying value of the Company's interest in each property on an annual basis or whenever events or changes in circumstances indicate that their carrying amount may not be recoverable and, where necessary, these properties are written down to their estimated recoverable amount. It is reasonably possible that certain events could adversely affect management's estimates of recoverable amounts and the need for, as well as the amount of, provision for impairment in the carrying value of mineral interests and related assets.

The cost of acquisition of mineral interests and related exploration costs are deferred until the properties to which they relate are placed into production, sold or allowed to lapse or exploration activity on the relevant property has been dormant for three years. These costs will be amortized over the estimated useful life of the properties following commencement of commercial production. The Company does not accrue future costs to keep the properties in good standing. Administrative expenditures, not directly related to property maintenance, are charged to operations as incurred.

The Company recognizes government assistance in the form of mineral exploration and mining tax credits when the amounts to be received can be reasonably estimated and collection can be reasonably assured. The amount of mineral exploration and mining tax credit reduces the Company's capitalized mineral property costs.

The amounts shown for mineral properties and related deferred expenditures represent costs incurred to-date, less write-offs and recoveries, and do not necessarily reflect present or future values of particular properties.

Mistango River Resources Inc.
Notes to the Financial Statements
Years ended December 31, 2010 and 2009

2. Summary of Significant Accounting Policies (continued)

Property, Plant and Equipment

Property, plant and equipment are recorded at cost less accumulated amortization. Amortization on corporate assets is provided on the declining balance basis at rates varying from 10% to 30% per year.

Foreign Exchange

Monetary assets and liabilities have been translated at the exchange rate prevailing at the balance sheet dates. Income and expenses are translated at rates prevailing at the dates of the related transactions. Non-monetary assets, liabilities are translated at historic rates. Gains and losses on foreign exchange for the year are included in the statements of operations.

Income Taxes

MRR follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, future income taxes are determined based on the differences between the financial reporting and tax bases of assets and liabilities. These income tax assets and liabilities are measured using the substantially enacted tax rates, in effect at the balance sheet date, in which the income tax assets and liabilities are expected to be settled or realized. A valuation allowance has been provided to the extent that it is more likely than not that future income tax assets will not be realized.

Net Loss per Share

Net loss per share is calculated based on the weighted average number of shares issued and outstanding during the quarter or year, as appropriate. In the years when the Company reports a net loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive and, therefore, basic and diluted losses per share are the same. When fully-diluted loss per share is calculated, only those options and warrants with average exercise prices "in-the-money" are included.

Issuance of Options and Warrants

MRR records employee stock-based compensation and warrant issuances using the fair value method. Under the fair value method, stock-based payments are measured at the fair value of the equity instruments issued and are amortized over the vesting period. The offset to stock-based compensation in respect of stock option issuances is recorded to contributed surplus. Contributed surplus is relieved of these costs when the options or warrants associated with the contributed surplus are exercised.

The Company uses the Black-Scholes option pricing model to determine the fair value of all issued options and warrants.

Asset Retirement Obligations

The fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred. Also, when the liability is initially recorded, a corresponding increase in the carrying amount of the related asset is recorded.

On an annual basis, the liability is increased by the discount interest factor that was applied in the initial measurement of fair value and the asset is amortized in accordance with the corresponding policy. The amount of the liability will be subject to re-measurement at the end of each reporting period. Any adjustment

Mistango River Resources Inc.
Notes to the Financial Statements
Years ended December 31, 2010 and 2009

2. Summary of Significant Accounting Policies (continued)

to this liability will impact the related asset. As at December 31, 2010 and 2009, the Company had no asset retirement obligations.

Impairment of Long-Lived Assets

Senior management periodically reviews the carrying value of its long-lived assets, being mineral properties, deferred expenditures and property, plant and equipment to consider whether there are any conditions that may indicate impairment. Where estimates of future cash flows are available, a reduction in the carrying value is recorded to the extent the net book value of the long-lived asset exceeds the estimated fair value, which is normally the undiscounted value of future cash flows. Where estimates of future cash flows are not available and where other conditions suggest impairment, management assesses if carrying value can be recovered and provides for impairment if so indicated, by reducing the carrying value of the property to its estimated fair value.

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results may differ from those estimates. Significant estimates and assumptions include those related to the recoverability of long-lived assets and future tax assets, estimated useful lives of property, plant and equipment and fair value of investments, determinations as to whether costs are expensed or deferred and stock-based compensation valuation assumptions. Management believes these estimates to be reasonable.

MRR is subject to all of the risks normally associated with mining activities. Changes in estimates and assumptions will occur based on additional information and the occurrence of future events.

Cash and cash equivalents

Cash and cash equivalents include cash on deposit as at December 31, 2010 and 2009.

Adoption of New Standards

i) International Financial Reporting Standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a 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 is currently being evaluated.

Mistango River Resources Inc.
Notes to the Financial Statements
Years ended December 31, 2010 and 2009

2. Summary of Significant Accounting Policies (continued)

(ii) Business Combinations

In January 2009, the CICA issued the new handbook Section 1582, Business Combinations, effective for fiscal years beginning on or after January 1, 2011. Earlier adoption of Section 1582 is permitted. This pronouncement further aligns Canadian GAAP with IFRS and changes the accounting for business combinations in a number of areas. It establishes principles and requirements governing how an acquiring company recognizes and measures in its financial statements identifiable assets acquired, liabilities assumed, any non-controlling interest in the acquire and goodwill acquired. The section also establishes disclosure requirements that will enable users of the acquiring company's financial statements to evaluate the nature and financial effects of its business combinations. Although the Company is considering the impact of adopting this pronouncement on its financial statements, it is expected to be limited to any future acquisitions beginning in fiscal 2011.

3. Cash, Cash Equivalents and Restricted Cash

The cash balance at December 31, 2010, contains cash on deposit of \$210,139 (2009 - \$154,070) and no cash equivalents.

Restricted cash at December 31, 2009, consists of cash on deposit. This restricted cash is held in trust by the Trustee in its capacity as trustee in bankruptcy. Included in accounts payable and accrued liabilities is an equivalent amount owing to the Trustee. These funds will be used to settle the Trustee's outstanding account.

4. Prepaid Expenses

At December 31, 2010, the Company had \$Nil prepaid expense (2009-\$1,946) in respect of the January 2010 office rent, to a company controlled by the President of MRR.

5. Mineral Properties and Deferred Expenditures

The following table summarizes the Company's mineral properties and deferred expenditures for the year ended December 31, 2010:

	Opening Balance (\$)	Additions (\$)	Adjustments and disposals (\$)	Net (\$)
Sackville, Ontario	311,436	132,332	-	443,768
Goldie, Ontario	511,825	-	-	511,825
Baldwin, Ontario	463,509	129,419	-	592,928
Kirkland West, Ontario	251,180	1,209	-	252,389
Casa Berardi, Quebec	262,704	416,401	-	679,105
General and other	136,003	24,592	(20,176)	140,419
	1,936,657	703,953	(20,176)	2,620,434

Mistango River Resources Inc.
Notes to the Financial Statements
Years ended December 31, 2010 and 2009

5. Mineral Properties and Deferred Expenditures (continued)

The following table summarizes the Company's mineral properties and deferred expenditures for the year ended December 31, 2009:

	Opening Balance (\$)	Additions (\$)	Adjustments and disposals (\$)	Net (\$)
Stares, Ontario	790,722	-	(790,722)	-
Sackville, Ontario	-	311,436	-	311,436
Goldie, Ontario	498,519	13,306	-	511,825
Baldwin, Ontario	319,414	144,095	-	463,509
Kirkland West, Ontario	249,972	1,208	-	251,180
Casa Berardi, Quebec	29,480	233,224	-	262,704
Golden Pond, Saskatchewan	341,488	-	(341,488)	-
General and other	171,270	(9,462)	(25,805)	136,003
	2,400,865	693,807	(1,158,015)	1,936,657

Effective January 9, 2009, MRR sold its Hurd McCauley property for \$300,000 in cash. During 2008, the carrying value of the property was written down to the amount realized on its sale and recorded as an asset held for sale. In addition, the purchasers agreed to assume the underlying royalty obligation and to pay MRR a 2% net smelter royalty on future production.

Pursuant to a re-instated option agreement in respect of its Boudreault property, the Company made a \$10,000 payment. In order to exercise its right to acquire the Boudreault property under the re-instated option, MRR effected a cash payment of \$15,000 and issued 25,000 shares in the capital of the Company on December 1, 2010.

During 2009, MRR received a refund of a \$30,440 deposit in lieu of work in respect of the Martin Lake, Saskatchewan Project.

6. Property, Plant and Equipment

	2010			2009		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$	\$	\$	\$
Exploration equipment	121,843	22,066	99,777	121,843	-	121,843
Office furniture and fixtures	36,776	31,491	5,285	36,776	30,170	6,606
	158,619	53,557	105,062	158,619	30,170	128,449

7. 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 remaining term of the loan is for a period of 36 months, is fully secured and bears interest at the rate 5.9% per annum.

Mistango River Resources Inc.
Notes to the Financial Statements
Years ended December 31, 2010 and 2009

8. 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.

	2010	2009
Transactions during the year:	\$	\$
Exploration expenditures	59,000	49,234
Management and professional fees	243,000	393,000
Administrative costs	22,245	24,126
Automotive equipment	-	17,000
Related party advances and fees receivable:	\$	\$
Other (non-interest bearing, no fixed terms of repayment)	14,264	9,128
	14,264	9,128
Related party payables included in:	\$	\$
Accounts payable and accrued liabilities	2,301	101,699

Exploration expenditures were indirectly paid to a sibling of a director and President of MRR. During 2010, the Company indirectly paid \$243,000 to senior officers of the Company (2009-\$306,250) to senior officers of the Company for management services rendered and, during 2009, \$86,750 to three directors in their capacity as members of the Special Committee. Administrative costs are comprised of rent paid to a company controlled by the President of the Company (See Note 12-Commitments and Contingencies).

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

Accounts payable is comprised of \$2,301 in respect of expense reports from the Chief Financial Officer and exploration manager and December 31, 2009 is comprised of \$75,750 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 of 2009 accounts payable consists of fees payable in respect of exploration costs and the purchase of a truck at a cost of \$17,000 from the brother of the President. The latter cost was not incurred in the normal course of business.

9. Capital Stock

Share Capital

MRR'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.

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9. Capital Stock (continued)

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

	Number of Shares	\$
Balance at December 31, 2008	63,595,024	17,764,186
Future income taxes	-	(530,000)
Balance at December 31, 2009	63,595,024	17,234,186
Issue of common shares for property option	25,000	750
Balance at December 31, 2010	63,620,024	17,234,936

Warrants

At December 31, 2010 there were no warrants issued and outstanding to purchase Class A Voting Common Shares.

Options

MRR 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 December 31, 2010 the Company had 4,632,002 (2009 – 4,229,502) options available for issuance. A continuity of the unexercised options to purchase Class A Voting Common Shares is as follows:

	2010		2009	
	Weighted Average Exercise Price (\$)	No. of Options	Weighted Average Exercise Price (\$)	No. of Options
Outstanding at beginning of year	0.52	2,130,000	0.52	2,950,000
Transactions during the year:				
Exercised	-	-	-	-
Granted	-	-	-	-
Forfeited	-	-	0.51	(475,000)
Expired	0.45	(400,000)	0.46	(345,000)
Outstanding at end of year	0.55	1,730,000	0.53	2,130,000
Exercisable at end of year	0.55	1,730,000	0.53	2,130,000

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9. Capital Stock (continued)

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

Range of Exercise Prices	No. of Options Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price (\$)
\$0.40	230,000	0.7	0.40
\$0.50 - \$0.60	1,430,000	1.0	0.57
\$0.70	70,000	1.8	0.70
\$0.18 - \$0.70	1,730,000	1.0	0.55

10. Income Taxes

The Company has \$6,151,298 (2009 - \$7,057,178) of unused CEE and CDE expenses available to offset future taxable income. The tax benefits pertaining to these expenses are available to carry forward indefinitely. The Company also has \$5,132,657 (2009 - \$3,663,667) of loss carry-forwards and financing costs available to offset future taxable income. The tax benefits pertaining to these expenses are available to carry-forward for 20 years.

MRR's future income tax asset in 2010 and 2009 results from the tax effects of temporary differences between the book value of its mineral properties capitalized for accounting purposes and the amount capitalized for income tax purposes.

Future Income Taxes Recoverable

The income tax provision differs from that computed using the statutory tax rates for the following reasons:

	December 31, 2010 (\$)	December 31, 2009 (\$)
Expected income tax (recovery) loss at federal and provincial statutory rates	(277,619)	(972,602)
Change in tax rates	136,590	265,444
Financing costs	(74,512)	(87,758)
Expenses capitalized for tax purposes	56,275	56,275
Non-deductible expenses	38,606	64,375
Share issue costs	-	(530,000)
Write down of mineral properties, property, plant, equipment	6,254	381,952
Sale of assets	-	271,831
Other	75,620	(13,069)
Change in valuation allowance	38,786	33,552
Future income taxes recoveries	-	(530,000)

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10. Income Taxes (continued)

Future Income Tax Asset

The tax effects of temporary differences that give rise to the future tax assets and liabilities are:

	December 31, 2010	December 31, 2009
<i>Future income tax assets:</i>	(\$)	(\$)
Mineral property, plant and equipment	926,797	1,291,650
Financing arrangements	98,041	167,620
Loss carryforwards	1,312,493	807,840
Unrealized losses on "available-for-sale" investments	114,573	146,008
Future income tax asset before valuation allowance	2,451,904	2,413,118
Valuation allowance	(2,451,904)	(2,413,118)
	-	-

11. Financial Instruments and Risk Management

The Company's financial assets and liabilities consist of cash and cash equivalents, restricted cash, accounts receivable, due from related parties, investments, accounts payable and accrued liabilities and long-term debt. Cash is classified as held-for-trading and is carried at fair value.

Fair Value of Financial Assets and Liabilities

The carrying amounts of the Company's financial assets and liabilities, exclusive of available-for-sale investments, approximate fair values because of the limited term of these instruments. Investments classified as available-for-sale are measured at their fair values using level 1 quoted prices in an active market. The Company has made the following classifications:

	As at December 31, 2010			
Designation of financial assets	Held for trading (\$)	Loans and receivables (\$)	Available-for-sale securities (\$)	Total (\$)
Cash and cash equivalents	210,139	-	-	210,139
Restricted cash	-	116,568	-	116,568
Receivables	-	27,716	-	27,716
Due from related parties	-	14,264	-	14,264
Investments	-	-	125,304	125,304
Total	210,139	158,548	125,304	493,991

	As at December 31, 2010		
Designation of financial liabilities	Held for trading (\$)	Other financial liabilities (\$)	Total (\$)
Accounts payable and accrued liabilities	-	541,931	541,931
Long-term debt	-	46,462	46,462
Total	-	588,393	588,393

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11. Financial Instruments and Risk Management (continued)

	As at December 31, 2009			
Designation of financial assets	Held for trading (\$)	Loans and receivables (\$)	Available-for-sale securities (\$)	Total (\$)
Cash and cash equivalents	154,070	-	-	154,070
Restricted cash	-	582,589	-	582,589
Receivables	-	446,612	-	446,612
Due from related parties	-	9,773	-	9,773
Investments	-	-	1,095,708	1,095,708
Total	154,070	1,038,974	1,095,708	2,288,752

	As at December 31, 2009			
Designation of financial liabilities	Held for trading (\$)	Other financial liabilities (\$)		Total (\$)
Accounts payable and accrued liabilities	-	954,875		954,875
Long-term debt	-	60,412		60,412
Total	-	1,015,287		1,015,287

Risk Management of Financial Assets and Liabilities

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 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 7-Long-term debt bears interest at a fixed rate.

The Company is not exposed to any significant interest rate risk due to the short-term maturity of its monetary assets and liabilities and or fixed interest rates.

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.

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11. Financial Instruments and Risk Management (continued)

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.

f) Price risk

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

12. 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)*.

Subsequent to year end, MRR signed a one-year lease extension on the Kirkland Lake premises. Pursuant to the terms of the renewed lease agreement, the Company is committed to paying approximately \$22,245, during 2011, to a company owned by the President of MRR.

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

During its 2009 restructuring under the Bankruptcy and Insolvency Act, the Company was subject to certain externally imposed capital restraints in respect of its 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 MRR for failing to file continuous disclosure materials as required by Ontario securities law. Effective September 27, 2010, the Ontario, Alberta, British Columbia and Quebec Securities Commissions and revoked the cease trade order. Consequently, the Company’s common shares were accepted and listed on the Canadian National Stock Exchange. Trading in shares of the Company commenced on November 11, 2010.

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14. Supplemental Cash Flow Information

	2010	2009
	\$	\$
Income taxes paid	-	-
Interest paid	2,807	30,852
Capital stock- Future income taxes	-	(530,000)

15. Subsequent Events

Name change and consolidation of shares

At a Special Meeting of shareholders held on March 17, 2011, the shareholders approved the consolidation of its Class A Voting Common Shares on the basis of one (1) new common share for four (4) old common shares (the "Consolidation") and change the Company's name from GLR Resources Inc. to Mistango River Resources Inc. Fractional shares remaining after giving effect to the Consolidation will be cancelled such that shareholdings of each shareholder will be rounded down to the nearest whole number of post-Consolidation common shares. On March 23, 2011, Articles of Amendment were filed to give effect to the disclosed changes.

Brigus Gold Corp.

Subsequent to December 31, 2010, Brigus and MRR reached an agreement, as amended, regarding the reimbursement by Brigus to MRR in connection with certain equipment originally ordered by MRR.

Pursuant to the agreement, Brigus issued to MRR 1,396,134 common shares of Brigus valued at \$2,443,235 based on a deemed price of \$1.75 per share and will make cash payments aggregating \$60,000. The agreement was subject to receipt of requisite regulatory approvals and discontinuance of the outstanding legal action between Brigus and MRR.