TripleDragon Resources Inc.

(An Exploration Stage Company)

FINANCIAL STATEMENTS

DECEMBER 31 AND MARCH 31, 2009

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

These financial statements have been prepared by management of Triple Dragon Resources Inc. Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

Triple Dragon Resource Inc.'s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

TRIPLE DRAGON RESOURCES INC.
An Exploration Stage Company

BALANCE SHEETS
AS AT DECEMBER 31 AND MARCH 31, 2009

		December 31, 2009 ***(Unaudited)***		March 31, 2009 *(Audited)*
ASSETS				
Current				
Cash and cash equivalents	**$**	**35,950**	$	419,000
Amounts receivable		**12,033**		4,865
Prepaids		**9,587**		-
Due from a related party (Note 5)		**25,000**		5,766
		82,570		424,141
Mineral Properties and Deferred Exploration Expenditures (Note 3)		**387,898**		191,652
	$	**470,468**	$	621,283
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	**$**	**19,985**	$	14,918
Shareholders' Equity				
Share capital (Note 4)		**2,691,000**		2,691,000
Contributed surplus (Note 4)		**436,463**		436,463
Deficit		**(2,676,980)**		(2,521,098)
		450,483		606,365
	$	**470,468**	$	621,283

Nature of Operations (Note 1)
Subsequent Events (Note 8)

On behalf of the Board:

"David Hodge"	Director	*"Shaun Ledding"*	Director
David Hodge		Shaun Ledding	

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

TRIPLE DRAGON RESOURCES INC.
An Exploration Stage Company

STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited)

	For the three months ended December 31, 2009	For the three months ended December 31, 2008	**For the nine months ended December 31, 2009**	For the nine months ended December 31, 2008
Expenses				
Administration fees	**37,500**	62,500	**112,500**	175,000
Consulting fees	**2,000**	-	**2,156**	-
Office and general	**137**	72	**923**	1,215
Professional fees	**315**	22,784	**2,743**	71,614
Shareholder communication expense	**200**	200	**5,554**	4,293
Stock based compensation	**-**	-	**-**	344,713
Transfer agent & regulatory authorities fees	**3,930**	3,341	**13,972**	24,943
Travel and promotions	**4,956**	-	**18,034**	-
	49,038	88,897	**155,882**	621,778
Other income (expenses)				
Interest income	**-**	857	**-**	5,414
Net loss and comprehensive loss for the period	**49,038**	88,040	**155,882**	616,364
Deficit, beginning of period	**2,627,942**	2,254,835	**2,521,098**	1,726,511
Deficit, end of period	**$ 2,676,980**	$ 2,342,875	**$ 2,676,980**	$ 2,342,875
Basic and diluted loss per share	**$ 0.00**	$ 0.00	**$ 0.01**	$ 0.03
Weighted average number of common shares outstanding – basic and diluted	**24,367,466**	22,425,000	**24,367,466**	22,425,000

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

TRIPLE DRAGON RESOURCES INC.
An Exploration Stage Company

STATEMENTS OF CASH FLOWS
(Unaudited)

	For the three months ended December 31, 2009	For the three months ended December 31, 2008	**For the nine months ended December 31, 2009**	For the nine months ended December 31, 2008
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net loss for the period	**(49,038)**	(88,040)	**(155,882)**	(616,364)
Adjustment for items not involving cash:				
Stock based compensation	**-**	-	**-**	344,713
Changes in non-cash operating working capital:				
Receivables	**(3,444)**	(62,191)	**(7,168)**	(73,122)
Due from a related party	**(25,000)**	-	**(19,234)**	-
Prepaid expenses	**(9,587)**	34,550	**(9,587)**	66,500
Accounts payable and accrued liabilities	**(77,160)**	25,624	**5,067**	53,455
Net cash flows used in operating activities	**(164,229)**	(90,057)	**(186,804)**	(224,818)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Property costs	**(48,819)**	(30,472)	**(196,246)**	(154,998)
Net cash flows from investing activities	**(48,819)**	(30,472)	**(196,246)**	(154,998)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Shares issued for cash, net of issuance costs	**-**	150,000	**-**	150,000
Net cash flows from financing activities	**-**	150,000	**-**	150,000
INCREASE (DECREASE) IN CASH	**(213,048)**	29,471	**(383,050)**	(229,816)
Cash and cash equivalents, beginning of period	**248,998**	352,559	**419,000**	611,846
Cash and cash equivalents, end of period	**35,950**	382,030	**35,950**	382,030

Supplemental disclosure with respect to cash flows

Interest paid in cash	**-**	**-**	**-**	**-**
Income tax paid in cash	**-**	**-**	**-**	**-**

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

TRIPLE DRAGON RESOURCES INC.
An Exploration Stage Company

STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED DECEMBER 31, 2009 AND THE YEAR ENDED MARCH 31, 2009
(Unaudited)

	Share Capital		Contributed		
	Number	Amounts	Surplus	Deficit	Total
Balance, March 31, 2008	22,425,000	$2,392,500	$ -	$ (1,726,511)	$ 665,989
Issuance of share capital	2,000,000	300,000	-	-	300,000
Share issue costs		(1,500)	-	-	(1,500)
Net loss	-	-	-	(794,587)	(794,587)
Issuance of stock options	-	-	436,463	-	436,463
Balance, March 31, 2009	24,425,000	$2,691,000	$ 436,463	$ (2,521,098)	$ 606,365
Net loss	-	-	-	(155,882)	(155,882)
Balance, December 31, 2009	24,425,000	$2,691,000	$ 436,463	$ (2,676,980)	$ 450,483

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

TRIPLE DRAGON RESOURCES INC.
An Exploration Stage Company

SCHEDULE OF RESOURCE PROPERTIES
FOR THE NINE MONTHS ENDED DECEMBER 31, 2009

	Murray Property	CAM Property	May Property	Burnt Island	Staircase Claims	Totals
Balance, March 31, 2009	$ 164,316	$ 27,336	$ -	$ -	$ -	$ 191,652
Acquisition costs	-	-	5,500	10,000	30,000	45,500
Administrative expenses	-	30	-	-	-	30
Assays	762	9,282	980	3,594	-	14,618
Consulting	4,981	5,628	7,593	3,418	-	21,620
Geological expenses	3,869	45,733	-	6,203	7,679	63,484
Maps and reports	125	2,547	-	-	-	2,672
Supplies and rentals	81	4,922	241	40	4,540	9,821
Travel and accommodation	-	20,882	7,800	7,800	2,016	35,801
Total deferred exploration costs	9,818	89,024	16,614	21,055	14,235	150,746
Balance, December 31, 2009	$ 174,134	$ 116,360	$ 22,114	$ 31,055	$ 44,235	$ 387,898

FOR THE YEAR ENDED MARCH 31, 2009

	Murray Property	CAM Property	Totals
Balance, March 31, 2008	$ -	$ -	$ -
Acquisition costs	15,509	-	15,509
Accommodation and travel	28,530	10,391	38,921
Administrative expenses	2,646	5	2,651
Assay	5,654	86	5,740
Consulting	787	1,007	1,794
Geological expenses	99,913	13,580	113,493
Maps and reports	1,173	601	1,774
Supplies and rentals	10,104	1,666	11,770
Total deferred exploration costs	148,807	27,336	176,143
Balance, March 31, 2009	$ 164,316	$ 27,336	$ 191,652

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

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated on February 21, 2006, under the laws of British Columbia and on August 4, 2006, it continued out of British Columbia and into the British Virgin Islands. The Company's principal business activity was the exploration of mineral properties. On September 21, 2006, the Company changed its principal business activity and developed its business plan to enter the convention industry principally in Macau. On July 10, 2008, in connection with the change of control, the Company continued into British Columbia as a mineral exploration company.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has incurred losses since inception and the Company has an accumulated deficit of $2,676,980 (2009 - $2,521,098) as at December 31, 2009. The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing required to maintain its operations, and to ultimately attain future profitable operations. Management expects the Company to continue as a going concern and plans to meet any financing requirements through equity financing and seeking other business opportunities to expand the Company's operations. The outcome of these matters cannot be predicted at this time and there are no assurances that the Company will be successful in achieving its goals. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

Estimates, Assumptions and Measurement Uncertainty

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and labilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Areas requiring significant management estimates relate to the determination of impairment of mineral properties, expected tax rates for future income tax recoveries, fair value of stock-based payments and useful lives for amortization of long-lived assets. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in estimates in future periods could be significant.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents. The cash equivalents were $nil as at December 31, 2009 (2008 - $nil).

Mineral Properties

The cost of mineral properties and related exploration and development costs are deferred until the properties are placed into production, sold or abandoned. These costs will be amortized using the unit of production method of the properties following the commencement of commercial production or written off if the properties are sold, allowed to lapse, or abandoned. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made. It is reasonably possible that economically recoverable reserves may not be discovered and accordingly a material portion of the carrying value of mineral properties and related deferred exploration costs could be written off. Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to the usual industry standards for the stage of exploration of such properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected title defects.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Asset Retirement Obligations

An asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets that the Company is required to settle. This would include obligations related to future removal of property and equipment, and site restoration costs. The Company recognizes the fair value of a liability for an asset retirement obligation in the year in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. The Company currently does not have any significant asset retirement obligations.

Impairment of Long-Lived Assets

The Company follows the recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3063, "Impairment of Long-Lived Assets". Section 3063 establishes standards for recognizing, measuring and disclosing impairment of long-lived assets held for use. The Company conducts its impairment test on long-lived assets when events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is recognized when the carrying amount of an asset to be held and used exceeds the undiscounted future net cash flows expected from its use and disposal. If there is an impairment, the impairment amount is measured as the amount by which the carrying amount of the asset exceeds its fair value, calculated using discounted cash flows when quoted market prices are not available.

Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury method. The treasury method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate. Diluted loss per share is equal to the basic loss per share as there were no dilutive securities as at December 31, 2009.

Corporate Transaction Costs

The Company adopted Emerging Issues Committee (EIC) 94, "Accounting for Corporate Transaction Costs" and recorded the costs incurred in connection with the proposed corporate transaction eligible for deferral as a non-current deferred charge.

Income Taxes

The Company accounts for income taxes using the asset and liability method, whereby future tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the carrying values of the asset and liabilities and their respective income tax bases. Future income tax assets and liabilities are measured using substantively enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on future income taxes and liabilities of a change in rates is included in operations in the period that includes the substantive enactment date. To the extent that the Company does not consider it more likely than not that a future income tax asset will be recovered, it provides a valuation allowance against the excess.

The Company recognizes into income a future income tax benefit on the renouncement of Canadian exploration expenditures to its flow-through share investors.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Stock-Based Compensation

The Company accounts for stock options granted using CICA Section 3870,"Stock-Based Compensation and Other Stock-Based Payments". Under this Handbook section, the Company is required to expense, over the vesting period, the fair value of the options and awards granted. Accordingly, the fair value of the options at the date of grant is accrued and charged to operations, with a corresponding credit to contributed surplus, on a straight-line basis over the vesting period. If and when the stock options are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

Flow-through Common Shares

Canadian income tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, future income tax liabilities are recognized thereby reducing share capital when the expenses are renounced.

If a company has sufficient unused tax losses and deductions to offset all or part of the future income tax liabilities and no future income tax assets have been previously recognized on such losses, a portion of such unrecognized losses is recorded as income up to the amount of the future income tax liability previously recognized on the renounced expenditures.

Comprehensive Income

Comprehensive income is the overall change in the net assets of the Company for a period, other than changes attributable to transactions with shareholders. It is made up of net income and other comprehensive income. The historical make up of net income has not changed. Other comprehensive income includes gains or losses, which generally accepted accounting principles requires to be recognized in a period, but excluded from net income for that period.

The Company has no items of other comprehensive income in any period presented. Therefore, net income as presented in the Company's statement of operations equals comprehensive income.

Foreign Currency Translation

Monetary items denominated in a foreign currency are translated into Canadian dollar equivalents at exchange rates prevailing at the balance sheet date and non-monetary items are translated at exchange rates prevailing when the assets were acquired or obligations incurred. Foreign currency denominated revenue and expense items are translated at exchange rates prevailing at the transaction date. Gains or losses arising from the translations are included in the operations

Financial Instruments - Recognition and Measurement

This standard sets out criteria for the recognition and measurement of financial instruments. This standard requires all financial instruments within its scope, including derivatives, to be included on a Company's balance sheet and measured either at fair value or, in certain circumstances when fair value may not be considered and most relevant, at cost or amortized cost. Changes in fair value are to be recognized in the statements of operations and comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments - Recognition and Measurement (continued)

All financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of the financial instruments depends on their initial classification.

The Company classifies its cash and cash equivalents as held-for-trading; due from related party as loans and receivables, and accounts payable and accrued liabilities as other financial liabilities.

Financial Instruments – Disclosures and Presentation

Effective April 1, 2008, the Company adopted the requirements of CICA Handbook sections 3862, and 3863. These sections increase the disclosures currently required, which will enable users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. In addition, disclosure is required of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The quantitative disclosures must provide information about the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel.

Fair Value
Upon adoption of this new standard, the Company designated its financial instruments as follows:
- Cash is classified as held-for-trading;
- Due from related party as loans and receivables;
- Accounts payable and accrued liabilities as other financial liabilities.

The fair value of due from related party and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments.

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about the financial instruments. Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from the markets.

Financial Risk Management
The Company's activities expose it to a variety of financial risks including credit risk, foreign exchange risk, interest rate risk and liquidity risk.

Credit Risk
Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. Management believes that the credit risk with respect to receivables is remote.

Liquidity Risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Company's holdings of cash that might be raised from equity financings. As at December 31, 2009, the Company had a cash balance of $35,950 (2009 - $419,000), and current liabilities of $19,985 (2009 - $14,918). All of the Company's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The Company believes that these sources will be sufficient to cover the expected short and long term cash requirements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments – Disclosures and Presentation (continued)

Market Risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. With respect to financial assets, the Company's practice is to invest cash in cash equivalents in order to maintain liquidity. Fluctuations in interest rates affect the fair value of cash equivalents.

b) Foreign currency risk

The Company is not exposed to foreign currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars.

Capital Disclosures

Effective April 1, 2008, the Company adopted Section 1535 "Capital Disclosures". This standard requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such noncompliance.

The Company manages its common shares, stock options and warrants as capital. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. It is the Company's objective to safeguard its ability to continue as a going concern, so that it can continue to explore and develop its project for the benefit of its stakeholders. The Company is not subject to any externally imposed capital requirement.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the exploration and development of its mineral properties. The Board of Directors has not established quantitative capital structure criteria for management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

The properties in which the Company currently has interest are in the development stage and the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and development and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

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

In order to facilitate the management of capital and maintenance and development of future mining sites, the Company may issue new equity, incur additional debt, option its properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. The Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

General Standards of Financial Statement Presentation

Effective April 1, 2008, the Company adopted the requirements of the CICA Handbook Section 1400 – General Standards of Financial Statement Presentation which includes an assessment by management of the Company's ability to continue as a going concern. When management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast doubt upon the Company's ability to continue as a going concern, these uncertainties should be disclosed. The disclosures required by this standard are provided in Note 1.

New Accounting Pronouncements

On April 1, 2009, the Company will be required to adopt CICA Section 3064, Goodwill and Intangible Assets. This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and other intangible assets. The adoption of this standard is not expected to have any material impact on the Company's financial statements.

In January 2009, the CICA issued Section 1582 "Business Combinations" to replace Section 1581. Prospective application of the standard is effective January 1, 2011, with early adoption permitted. This new standard effectively harmonizes the business combinations standard under Canadian GAAP with International Financial Reporting Standards ("IFRS"). The new standard revises guidance on the determination of the carrying amount of the assets acquired and liabilities assumed, goodwill and accounting for non-controlling interests at the time of a business combination.

The CICA concurrently issued Section 1601 "Consolidated Financial Statements" and Section 1602 "Non-Controlling Interests" which replace Section 1600 "Consolidated Financial Statements. Section 1601 provides revised guidance on the preparation of consolidated financial statements and Section 1602 addresses accounting for non-controlling interests in consolidated financial statements subsequent to a business combination. These standards are effective January 1, 2011, unless they are early adopted at the same time as Section 1582 "Business Combinations".

On February 13, 2008, Canada's Accounting Standard Board confirmed January 1, 2011 as the effective date for complete convergence of Canadian GAAP to International Financial Reporting Standards ("IFRS"). The official changeover date will apply for interim and financial statements relating to fiscal years beginning on or after January 1, 2011. The Company has determined that the key elements of this IFRS changeover on the Company will be in the areas of accounting for resource properties' acquisition and exploration costs, impairment of long-lived assets, accounting for share capital including stock options and warrant valuations and general IFRS disclosure requirements. The Company is currently assessing the specific impact on the Company's financial reporting and developing an implementation timetable.

3. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

Murray Property

The Company acquired a 100% interest in one mineral claim northeast of Yellowknife, Northwest Territories, known as the Murray Property. Pursuant to a Mineral Property Acquisition Agreement dated April 17, 2008 between the Company and Zimtu Capital Corp. ("Zimtu"), the Company acquired the Property for $15,509 cash. There was a 1% net smelter return royalty and a 1% gross overriding royalty on the Property, in favour of the original vendor of the property, which was relinquished on May 7, 2009. Zimtu is a related party to the Company by virtue of its controlling share position in the Company.

3. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES (continued)

CAM Property

The Company acquired by staking a 100% interest in two mineral claims northeast of Yellowknife, known as the CAM Property. The CAM Property consists of two mineral claims covering approximately 2,425 acres (981 hectares), located 80 km northeast of Yellowknife and 6 km east-southeast of the Murray Property. The CAM claims include the past producing Camlaren Gold Mine as well as other gold showings.

May Property

On May 14, 2009, the Company acquired a 100% interest in a mineral lease comprising approximately 100.5 acres in the Northwest Territories known as the May Property. The May Property was acquired for total consideration of $5,500 cash (paid) and the issuance of $10,000 of common shares of the Company on May 14, 2010 and a further $15,000 of common shares of the Company on May 14, 2011.

There is a 2% Net Smelter Return royalty on the Property.

Burnt Island Property

The Company entered into an agreement to purchase a 100% interest in two mineral claims in the Gordon Lake area of the Northwest Territories, known as the Burnt Island Property. Pursuant to a Mineral Property Acquisition Agreement dated May 14, 2009, TDN shall pay to the Vendor the following:

- $10,000 cash within 5 days of signing the agreement (paid)
- $10,000, in either cash or shares, for every year that the Company holds the option

There is a 3% Net Smelter Return royalty on the Property.

Staircase Claims

On November 9, 2009, the Company acquired a 100% interest in 83 mineral claims located north of Prince George, B.C. and comprising approximately 36,600 hectares. The Company purchased the claims from Radius Gold Inc. for $30,000.

4. SHARE CAPITAL

a) Authorized: Unlimited common shares with no par value

b) Issued and Outstanding

	Number of Shares		Share Capital
Opening balance, March 31, 2007	20,825,000	$	2,082,500
Issued during the year:			
Shares issued for cash at $0.25 per share	1,600,000		400,000
Share issuance costs	-		(90,000)
Balance, March 31, 2008	22,425,000	$	2,392,500
Issued during the year:			
Flow Through shares issued for cash at $0.15 per share	1,000,000		150,000
Shares issued for cash at $0.15 per share	1,000,000		150,000
Share issuance costs	-		(1,500)
Balance, March 31, 2009 and December 31, 2009	24,425,000	$	2,691,000

During the year ended March 31, 2009

On December 31, 2008, the Company completed the first tranche of its public offering of 1,000,000 units at a price of $0.15 per unit for total proceeds of $150,000. Each unit consisted of one flow-through common share and one share purchase warrant. Each share purchase warrant is exercisable into one additional common share of the Company at a price of $0.25 until December 31, 2009. These warrants were extended for an additional 2 years in December 2009 and will now expire on December 31, 2011. As at December 31, 2009, the flow-through shares have been renounced.

On January 21, 2009, the Company completed the second tranche of its private placement. The Company issued 1,000,000 units at a price of $0.15 per unit for total proceeds of $150,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.25 per share until January 21, 2010. These warrants were extended for an additional 2 years in December 2009 and will now expire on January 21, 2012.

The Company applied the residual approach which allocates the net proceeds to the common shares up to their fair value and the balance to the attached warrants. All of the proceeds from the above private placement have been allocated to the common shares.

4. SHARE CAPITAL (continued)

c) Escrow Shares

The release of the common shares in escrow is as follows:

		To be Released	Released	In Escrow
Opening balance				20,300,000
May 23, 2007	10%		2,030,000	
November 23, 2007	15%		3,045,000	
May 23, 2008	15%		3,045,000	
November 23, 2008	15%		3,045,000	
May 23, 2009	15%		3,045,000	
November 23, 2009	15%		3,045,000	
May 23, 2010	15%	3,045,000		
Total		3,045,000	17,255,000	20,300,000
Less: shares released				(17,255,000)
Balance, December 31, 2009				3,045,000

d) Stock Options

The Company has a stock option plan whereby the Company is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum term of 5 years.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	December 31, 2009		**March 31, 2009**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Balance, beginning of year	2,442,500	$ 0.21	-	$ -
Granted	-	-	2,492,500	0.21
Cancelled	-	-	(50,000)	0.20
Balance, end of period	2,442,500	$ 0.21	2,442,500	$ 0.21

4. SHARE CAPITAL (continued)

d) Stock Options (continued)

The following stock options were outstanding and exercisable as at December 31, 2009:

Expiry Date	Weighted Average Exercise Price	Weighted Average Number of Shares	Weighted Average Remaining Contractual Life (Years)
June 11, 2013	$ 0.20	2,192,500	4.19
February 3, 2014	$ 0.25	250,000	4.84
	$ 0.21	2,442,500	3.96

The Company applies the fair value method in accounting for its stock options. During the nine months ended December 31, 2009, the Company issued a total of nil (2009 - 2,492,500) incentive stock options to directors of the Company resulting in stock-based compensation of $nil (2009 - $436,463). There were no options exercised or expired during the nine months ended December 31, 2009.

The weighted average fair value of stock options granted during the year ended March 31, 2009 is $0.17, where the exercise price is above the market price at the date of grant and the fair value of each option granted is calculated using the Black Scholes option pricing model using the following weighted average assumptions:

	March 31, 2009
Risk-free interest rate	2.08% - 3.35%
Expected life of options	5 years
Annualized volatility	137% - 164%
Dividends	0.00%

All options granted by the Company vest on the grant date and bear a four month hold period. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate.

e) Warrants

December 31, 2009	March 31, 2009	Exercise Price	Expiry Date
1,000,000	1,000,000	$ 0.25	December 31, 2011*
1,000,000	1,000,000	$ 0.25	January 21, 2012*
2,000,000	2,000,000		Ending Balance

* These warrants were extended for an additional 2 years in December 2009.

5. RELATED PARTY TRANSACTIONS

During the nine months ended December 31, 2009, the Company paid a related company $112,500 in administrative fees (2009 - $212,500). The Company also paid a related company $nil (2009 - $15,509) for the purchase of a property and has a receivable of $nil (2009 - $5,766) from the related company.

At December 31, 2009, the Company had a receivable owing from the related company in the amount of $25,000. This amount has been repaid subsequent to the end of the quarter and is no longer outstanding.

See also Note 7.

6. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		December 31, 2009		March 31, 2009
Loss before income taxes	**$**	**(155,882)**	**$**	(794,587)
Income tax at statutory rates of 30% (31.5%-2008)		**(46,765)**		(238,376)
Temporary difference		**(5,490)**		(5,490)
Permanent difference		**-**		202
Unrecognized item for tax purposes		**-**		130,939
Unrecognized benefits of capital losses		**52,255**		112,725
Total income tax recovery	**$**	**-**	**$**	-

Details of future income tax assets are as follows:

		December 31, 2009		March 31, 2009
Future income tax assets:				
Non-capital losses available for future periods	**$**	**245,424**	**$**	201,000
Benefit of share issuance costs		**20,862**		20,862
Valuation allowance		**(266,286)**		(221,862)
Net future income tax assets	**$**	**-**	**$**	-

The Company has non-capital losses of approximately $861,000, which may be carried forward and applied against taxable income in future years. If not utilized, the non-capital losses would expire in 2027 to 2029. The benefits of these losses have not been reflected in these financial statements and have been offset by a valuation allowance since the Company cannot be assured that it is more likely than not that such benefit will be utilized in future year.

7. COMMITMENTS

On May 15, 2008, the Company signed a management services agreement with Zimtu Capital Corp. ("Zimtu") for the provision of administrative and managerial services to the Company for a period of 12 months. On November 30, 2008, the Company revised the agreement to reduce the fee from $25,000 per month to $12,500 per month commencing December 1, 2008, for the duration of the agreement. The agreement was extended for a further 12 month term, until May 15, 2010. The monthly remuneration to be paid to Zimtu for these services will remain at the rate of $12,500 per month.

8. SUBSEQUENT EVENTS

None.