



(An Exploration Stage Company)

FINANCIAL STATEMENTS

MARCH 31, 2010 and 2009

BALANCE SHEETS

STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

STATEMENTS OF CASH FLOWS

NOTES TO FINANCIAL STATEMENTS

AUDITORS' REPORT

To the Shareholders of
Triple Dragon Resources Inc.

We have audited the balance sheets of Triple Dragon Resources Inc. (An Exploration Stage Company) as at March 31, 2010 and 2009 and the statements of operations, comprehensive loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended are in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada
July 5, 2010

CHANG LEE LLP

Chartered Accountants

TRIPLE DRAGON RESOURCES INC.

An Exploration Stage Company

BALANCE SHEETS
AS AT MARCH 31

	2010	2009
ASSETS		
Current		
Cash and cash equivalents	\$ 20,026	\$ 419,000
GST receivable	14,938	4,865
Due from a related party (Note 6)	-	5,766
	<u>34,964</u>	429,631
Mineral Properties and Deferred Exploration Expenditures (Note 3)	278,603	164,316
Mineral Property Held for Sale (Note 4)	130,571	27,336
	<u>\$ 444,138</u>	<u>\$ 621,283</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 33,227	\$ 14,918
Due to a related party (Note 6)	26,250	-
	<u>59,477</u>	14,918
Shareholders' Equity		
Share capital	2,648,250	2,691,000
Contributed surplus	751,465	436,463
Deficit	<u>(3,015,054)</u>	<u>(2,521,098)</u>
	<u>384,661</u>	606,365
	<u>\$ 444,138</u>	<u>\$ 621,283</u>

Nature of Operations (Note 1)**Commitments** (Note 8)**Subsequent Events** (Note 9)**On behalf of the Board:**

"David Hodge"
 David Hodge

Director

"Jenna Hardy"
 Jenna Hardy

Director

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

TRIPLE DRAGON RESOURCES INC.

An Exploration Stage Company

STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT
FOR THE YEARS ENDED MARCH 31

	2010	2009
Expenses		
Administrative fees (note 6)	\$ 150,000	\$ 212,500
Advertising and promotions	15,327	17,098
Office and general	3,484	1,652
Professional fees	13,752	83,476
Stock based compensation	315,002	436,463
Transfer agent and regulatory authorities fees	17,010	33,808
Travel and promotion	22,131	15,345
	536,706	800,342
Other income (expenses)		
Interest income	-	5,755
Loss Before Income Tax Provision	536,706	794,587
Future income tax recovery	(42,750)	-
Net loss and comprehensive loss for the year	493,956	794,587
Deficit, beginning of year	2,521,098	1,726,511
Deficit, end of year	\$ 3,015,054	\$ 2,521,098
Basic and diluted loss per share	\$ 0.02	\$ 0.03
Weighted average number of common shares outstanding		
– basic and diluted	24,425,000	22,860,616

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

TRIPLE DRAGON RESOURCES INC.

An Exploration Stage Company

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss for the year	\$ (493,956)	\$ (794,587)
Adjustment for items not involving cash:		
Stock based compensation	315,002	436,463
Future income tax recovery	(42,750)	-
Changes in non-cash operating working capital:		
GST receivable	(10,073)	(4,865)
Due from a related party	5,766	(5,766)
Prepaid expenses	-	66,500
Accounts payable and accrued liabilities	18,309	2,561
Due to a related party	26,250	-
Net cash flows used in operating activities	(181,452)	(299,724)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Mineral properties and deferred exploration expenditures	(114,287)	(164,316)
Mineral property held for sale	(103,235)	(27,336)
Net cash flows used in investing activities	(217,522)	(191,652)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Shares issued for cash, net of issuance costs	-	298,500
Net cash flows from financing activities	-	298,500
DECREASE IN CASH AND CASH EQUIVALENTS	(398,974)	(192,846)
Cash and cash equivalents, beginning of year	419,000	611,846
Cash and cash equivalents, end of year	\$ 20,026	\$ 419,000
Supplemental disclosure with respect to cash flows:		
Interest paid in cash	\$ -	\$ -
Income tax paid in cash	\$ -	\$ -

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TRIPLE DRAGON RESOURCES INC.

An Exploration Stage Company

STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED MARCH 31, 2010 AND 2009

	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 for the year	-	-	-	(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
Tax effect on flow-through renunciation	-	(42,750)	-	-	(42,750)
Share purchase warrant modification	-	-	315,002	-	315,002
Net loss for the year	-	-	-	(493,956)	(493,956)
Balance, March 31, 2010	24,425,000	\$ 2,648,250	\$ 751,465	\$ (3,015,054)	\$ 384,661

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

TRIPLE DRAGON RESOURCES INC.

An Exploration Stage Company

SCHEDULE I SUMMARY OF DEFERRED COST ON MINERAL PROPERTIES

	Acquisition Cost					Deferred Exploration Cost					Total Acquisition and Deferred Exploration Costs	
	2009		2010			2009		2010			2010	2009
	Beginning	Additions	Ending	Additions	Ending	Beginning	Additions	Ending	Additions	Ending		
Murray	-	15,509	15,509	-	15,509	-	148,807	148,807	9,981	158,788	174,297	164,316
May	-	-	-	5,701	5,701	-	-	-	16,881	16,881	22,582	-
Burnt	-	-	-	10,000	10,000	-	-	-	26,197	26,197	36,197	-
Staircase	-	-	-	30,830	30,830	-	-	-	14,697	14,697	45,527	-
Total	-	15,509	15,509	46,531	62,040	-	148,807	148,807	67,756	216,563	278,603	164,316

SCHEDULE II EXPLORATION COSTS ON MINERAL PROPERTIES

	March 31, 2010					Total	March 31, 2009	
	Murray	May	Burnt Island	Staircase			Murray	Total
Administrative expenses	-	-	-	-	-	-	2,646	2,646
Assays	762	980	3,594	337	5,673	5,654	5,654	
Consulting	4,981	7,593	3,418	-	15,992	787	787	
Geological expenses	4,032	50	10,542	7,804	22,428	99,913	99,913	
Maps and reports	125	-	-	-	125	1,173	1,173	
Supplies and rentals	81	241	40	4,540	4,902	10,104	10,104	
Travel and accommodation	-	8,017	8,603	2,016	18,636	28,530	28,530	
Total	9,981	16,881	26,197	14,697	67,756	148,807	148,807	

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

TRIPLE DRAGON RESOURCES INC.

An Exploration Stage Company

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

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 in the exploration stage engaged in the acquisition, exploration and development of mineral properties.

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 as at March 31, 2010 of \$3,015,054 (2009 - \$2,521,098) and a working capital deficiency of \$24,513 (2009 - working capital of \$414,713). 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 liabilities 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 March 31, 2010 (2009 - \$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.

TRIPLE DRAGON RESOURCES INC.

An Exploration Stage Company

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

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 March 31, 2010.

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.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

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

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 a related party as loans and receivables, accounts payable and accrued liabilities and due to a related party as other financial liabilities.

TRIPLE DRAGON RESOURCES INC.

An Exploration Stage Company

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments - Recognition and Measurement (continued)

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

Fair Value

The Company categorizes its financial assets and liabilities measured at the fair value into one of three different levels depending on the observability of the inputs used in the measurement. For the years ended March 31, 2010 and 2009, the fair value of cash and cash equivalents was measured using Level 1 inputs.

The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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 March 31, 2010, the Company had a cash balance of \$20,026 (2009 - \$419,000), and current liabilities of \$59,477 (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.

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.

TRIPLE DRAGON RESOURCES INC.

An Exploration Stage Company

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments – Disclosures and Presentation (continued)

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

It is required to disclose 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.

Changes in Accounting Policies

Effective April 1, 2009, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

In January 2009, the CICA issued EIC Abstract 173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". The EIC requires the Company to take into account the Company's own credit risk and the credit risk of the counterparty in determining the fair value of financial assets and financial liabilities, including derivative instruments. The abstract applies to interim and annual consolidated financial statements relating to fiscal years ending after January 2009. There was no material impact on adoption of this standard.

TRIPLE DRAGON RESOURCES INC.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

In March 2009, the CICA issued EIC Abstract 174, "Mining Exploration Costs". The EIC provides additional guidance to the Company on when an impairment test is required. The abstract applies to financial statements issued after March 27, 2009. There was no material impact on adoption of this standard.

In June 2009, the CICA issued amendments to Handbook Section 3862, "Financial Instruments – Disclosures", which requires enhanced disclosures on liquidity risk of financial instruments and new disclosures on fair value measurements of financial instruments. These amendments apply for annual financial statements relating to fiscal years ending after September 30, 2009. There was no impact on the adoption of this standard.

On April 1, 2009, the Company adopted 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. There was no material impact on the adoption of this standard.

New Accounting Pronouncements

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".

In June 2009, the CICA issued amendments to Handbook Section 3855, "Financial Instruments" to add guidance concerning the assessment of embedded derivative upon reclassification of a financial asset out of the held-for-trading category and to clarify the application of the effective interest method after a debt instrument has been impaired. These amendments apply to interim and annual financial statements relating to years beginning on/after January 1, 2011.

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.

In December 2009, the CICA issued EIC 175, Multiple Deliverable Revenue Arrangements, replacing EIC 142, Revenue Arrangements with Multiple Deliverables. This abstract was amended to: (1) provide updated guidance on whether multiple deliverables exist, how the deliverables in an arrangement should be separated, and the consideration allocated; (2) require, in situations where a vendor does not have vendor specific objective evidence ("VSOE") or third-party evidence of selling price, that the entity allocate revenue in an arrangement using estimated selling prices of deliverables; (3) eliminate the use of the residual method and require an entity to allocate revenue using the relative selling price method; and (4) require expanded qualitative and quantitative disclosures regarding significant judgments made in applying this guidance.

TRIPLE DRAGON RESOURCES INC.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The accounting changes summarized in EIC 175 are effective for fiscal years beginning on or after January 1, 2011, with early adoption permitted. Adoption may either be on a prospective basis or by retrospective application. If the Abstract is adopted early, in a reporting period that is not the first reporting period in the entity's fiscal year, it must be applied retroactively from the beginning of the Company's fiscal period of adoption.

The Company is currently assessing the future impact of these amendments on its financial statements and has not yet determined the timing and method of its adoption.

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.

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 from a third party. 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 (issued subsequent to the year end) 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 payable to the Vendor upon the commencement of commercial production.

Burnt Island Property

On August 11, 2009, the Company entered into a Mineral Property Option Agreement ("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. Per the Agreement, the Company 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 payable to the Optionor upon the commencement of commercial production.

Staircase Claims

On November 9, 2009, the Company acquired a 100% interest in 83 mineral claims located north of Prince George, B.C. comprising of approximately 36,600 hectares. The Company purchased the claims from Radius Gold Inc. for \$30,000 (paid) and paid \$830 to have the claim transferred to their name.

TRIPLE DRAGON RESOURCES INC.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

4. MINERAL PROPERTY HELD FOR SALE

Mineral property held for sale refers to the Camlaren Property ("CAM Property") that the Company intends to sell and is summarized as follows:

	2010	2009
Balance, beginning of year	27,336	-
Expenditures incurred prior to sale	103,235	27,336
Balance, end of year	130,571	27,336

The Company acquired by staking a 100% interest in two mineral claims northeast of Yellowknife, Northwest Territory which covers approximately 2,425 acres (981 hectares), located 80 km northeast of Yellowknife and 6 km east-southeast of the Murray Property.

Pursuant to a purchase and sale agreement dated April 27, 2010, the Company agreed to sell the CAM Property to Cats Eye Capital Corp. ("Cats Eye") in consideration for \$300,000, which shall be satisfied by the issuance to the Company of 3,000,000 Cats Eye common shares at a deemed price of \$0.10 per share.

5. SHARE CAPITAL

a) Authorized: Unlimited common shares with no par value

b) Issued and Outstanding

During the year ended March 31, 2010

During the year ended March 31, 2010, the Company renounced all of its flow-through shares issued in 2009. As result, the Company recognized \$42,750 as the tax effect on the renunciation.

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 20, 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.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

5. 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, March 31, 2010				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:

	March 31, 2010		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 year	2,442,500	\$ 0.21	2,442,500	\$ 0.21

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MARCH 31, 2010 AND 2009

5. SHARE CAPITAL (continued)

d) Stock Options (continued)

The following stock options were outstanding and exercisable as at March 31, 2010:

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	3.19
February 3, 2014	\$ 0.25	250,000	3.84
	\$ 0.21	2,442,500	3.26

The Company applies the fair value method in accounting for its stock options. During the year ended March 31, 2010, 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 year ended March 31, 2010.

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

	March 31, 2010		March 31, 2009	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of year	2,000,000	\$ 0.25	-	\$ -
Granted	-	-	2,000,000	0.25
Balance, end of year	2,000,000	\$ 0.25	2,000,000	\$ 0.25

TRIPLE DRAGON RESOURCES INC.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

5. SHARE CAPITAL (continued)

The following warrants were outstanding and exercisable as at March 31, 2010:

Expiry Date	Weighted Average Exercise Price	Weighted Average Number of Shares	Weighted Average Remaining Contractual Life (Years)
December 31, 2011	\$0.25	1,000,000	1.75
January 21, 2012	\$0.25	1,000,000	1.81
	\$0.25	2,000,000	1.78

During the year ended March 31, 2010, the Company extended the terms of the 2,000,000 share purchase warrants for an additional 2 years. The Company applies the fair value method to account for the modification of the warrants.

The fair value of warrant is calculated using the Black Scholes option pricing model using the following weighted average assumptions:

	March 31, 2010
Risk-free interest rate	1.20% to 1.45%
Expected life of warrants	2 years
Annualized volatility	149% - 150%
Dividends	0.00%

6. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2010, the Company paid a related company, Zimtu Capital Corp. ("Zimtu"), \$150,000 in administrative fees (2009 - \$212,500) and \$nil (2009 - \$15,509) for the purchase of a property. At March 31, 2010, the Company has a payable owing to Zimtu of \$26,250 (2009 - \$nil) and a receivable owing from Zimtu of \$nil (2009 - \$5,766).

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

See also Note 3 and 8.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

7. INCOME TAXES

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

	March 31, 2010	March 31, 2009
Loss before income taxes	\$ (536,706)	\$ (794,587)
Income tax at statutory rates of 30% (31.5%-2009)	(161,012)	(238,376)
Temporary difference	(5,490)	(5,490)
Permanent difference	372	202
Unrecognized item for tax purposes	94,501	130,939
Change in valuation allowance	28,879	112,725
Total income tax recovery	\$ (42,750)	\$ -

Details of future income tax assets are as follows:

	March 31, 2010	March 31, 2009
Future income tax assets:		
Non-capital losses available for future periods	\$ 269,048	\$ 201,000
Benefit of share issuance costs	10,517	20,862
Mineral Properties	(42,750)	-
Valuation allowance	(236,815)	(221,862)
Net future income tax assets (liability)	\$ -	\$ -

The Company has non-capital losses of approximately \$944,000 (2009 - \$705,000), 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 2030. 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.

The losses expire as follows:

2027	\$	197,000
2028	\$	132,000
2029	\$	376,000
2030	\$	239,000

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2010 AND 2009

8. 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. Subsequent to the year ended March 31, 2010, the agreement was extended for a further 12 month term, until May 15, 2011. The monthly remuneration to be paid to Zimtu for these services will be at the rate of \$5,000 per month.

Pursuant to the acquisition of the May Property, the Company is obligated to issue \$15,000 of common shares of the Company on May 14, 2011. There is a 2% net smelter return royalty on the Property payable to the Vendor upon the commencement of commercial production.

Pursuant to the Mineral Property Option Agreement of the Burnt Island Property, the Company is obligated to pay the Vendor \$10,000, in either cash or shares, for every year that the Company holds the option. In addition, there is a 3% net smelter return royalty on the Property payable to the Optionor upon the commencement of commercial production.

9. SUBSEQUENT EVENTS

Subsequent to the year end, the Company issued 86,956 common shares at a deemed price of \$0.115 per share of the Company for a total of \$10,000 on May 14, 2010 pursuant to the May Property acquisition terms.

Subsequent to the year end, the Company renewed 31 of the 83 Staircase mineral claims. The Company allowed 52 mineral claims to lapse.

Subsequent to the year end, the Company entered a purchase and sale agreement dated April 27, 2010. The Company agreed to sell the CAM Property to Cats Eye Capital Corp. ("Cats Eye") in consideration for \$300,000, which shall be satisfied by the issuance to the Company of 3,000,000 Cats Eye common shares at a deemed price of \$0.10 per share.

Subsequent to the year end, the management service agreement with Zimtu was extended for a further 12 month term, until May 15, 2011. The monthly remuneration to be paid to Zimtu for these services will be at the rate of \$5,000 per month.

Subsequent to the year ended March 31, 2010, the remaining 3,045,000 common shares that were held in escrow were released on May 23, 2010.