

NUUKFJORD GOLD LTD.

CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2010

NUUKFJORD GOLD LTD.

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ended April 30, 2010.

NUUKFJORD GOLD LTD.
CONSOLIDATED BALANCE SHEETS

	April 30, 2010	October 31, 2009
ASSETS		
Current		
Cash	\$ 7,305,031	\$ 835,663
Receivables	<u>11,960</u>	<u>1,214</u>
	7,316,991	836,877
Equipment (Note 3)	2,076	-
Mineral property interest (Note 4)	3,845,900	3,316,469
Exploration advance (Note 4)	189,096	-
Deferred finance costs (Note 6)	<u>-</u>	<u>42,250</u>
	<u>\$ 11,354,063</u>	<u>\$ 4,195,596</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 74,345	\$ 42,061
Exploration expenditures payable (Note 4)	<u>-</u>	<u>1,057,204</u>
	<u>74,345</u>	<u>1,099,265</u>
Shareholders' equity		
Capital stock (Note 6)	12,661,581	4,415,000
Subscriptions receivable (Note 6)	-	(35,000)
Contributed surplus (Note 6)	1,510,925	-
Deficit	<u>(2,892,788)</u>	<u>(1,283,669)</u>
	<u>11,279,718</u>	<u>3,096,331</u>
	<u>\$ 11,354,063</u>	<u>\$ 4,195,596</u>

Nature and continuance of operations (Note 1)

Subsequent events (Note 12)

On behalf of the Board:

"Bryan Slusarchuk"

Director

"Aaron Keay"

Director

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

NUUKFJORD GOLD LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

	Three Month Period Ended April 30, 2010	Six Month Period Ended April 30, 2010	Period From Incorporation on July 14, 2009 to October 31, 2009
ADMINISTRATION EXPENSES			
Amortization (Note 3)	\$ 168	\$ 168	\$ -
Consulting	92,410	92,410	-
Financing fees (Note 5)	-	40,000	-
Interest expense	17,877	27,329	-
Investor relations and promotional	66,629	66,629	-
Management fees	7,500	7,500	-
Office and miscellaneous	59,665	88,410	11,662
Professional fees	1,250	33,656	22,250
Stock-based compensation (Note 6)	1,216,305	1,216,305	1,242,150
Transfer agent and filing fees	3,905	4,601	1,200
Travel	<u>28,988</u>	<u>32,111</u>	<u>6,407</u>
Loss and comprehensive loss for the period	(1,494,697)	(1,609,119)	(1,283,669)
Deficit beginning of period	<u>(1,398,091)</u>	<u>(1,283,669)</u>	<u>-</u>
Deficit end of period	<u>\$ (2,892,788)</u>	<u>\$ (2,892,788)</u>	<u>\$ (1,283,669)</u>
Basic and diluted loss per share	<u>\$ (0.07)</u>	<u>\$ (0.08)</u>	<u>\$ (0.08)</u>
Weighted average number of common shares outstanding	<u>21,996,657</u>	<u>21,119,586</u>	<u>17,007,982</u>

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

NUUKFJORD GOLD LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Month Period Ended April 30, 2010	Six Month Period Ended April 30, 2010	Period From Incorporation on July 14, 2009 to October 31, 2009
CASH FROM OPERATING ACTIVITIES			
Loss for the period	\$ (1,494,697)	\$ (1,609,119)	\$ (1,283,669)
Items not affecting cash:			
Amortization	168	168	-
Financing fee	-	40,000	-
Stock-based compensation	1,216,305	1,216,305	1,242,150
Changes in non-cash working capital items:			
Increase in receivables	(9,023)	(10,746)	(1,214)
Increase (decrease) in accounts payable and accrued liabilities	<u>(8,970)</u>	<u>(1,243)</u>	<u>29,811</u>
Net cash used in operating activities	<u>(296,217)</u>	<u>(364,635)</u>	<u>(12,922)</u>
CASH FROM INVESTING ACTIVITIES			
Acquisition of equipment	(2,244)	(2,244)	-
Expenditures on mineral property interests	(147,419)	(1,583,485)	(596,765)
Exploration advances	<u>(109,982)</u>	<u>(189,096)</u>	<u>-</u>
Net cash used in investing activities	<u>(259,645)</u>	<u>(1,774,825)</u>	<u>(596,765)</u>
CASH FROM FINANCING ACTIVITIES			
Proceeds on issuance of capital stock	9,000,000	9,440,000	1,475,350
Share issuance costs	(744,909)	(744,909)	-
Deferred finance costs	(76,263)	(86,263)	(30,000)
Loans payable	-	500,000	-
Repayment of loans payable	(500,000)	(500,000)	-
Interest accrued on loans payable	<u>(9,452)</u>	<u>-</u>	<u>-</u>
Net cash provided by financing activities	<u>7,669,376</u>	<u>8,608,828</u>	<u>1,445,350</u>
Increase in cash during the period	7,113,514	6,469,368	835,663
Cash, beginning of period	<u>191,517</u>	<u>835,663</u>	<u>-</u>
Cash, end of period	<u>\$ 7,305,031</u>	<u>\$ 7,305,031</u>	<u>\$ 835,663</u>
Cash paid for interest during the period	<u>\$ 27,329</u>	<u>\$ 27,329</u>	<u>\$ -</u>
Cash paid for income taxes during the period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Supplemental disclosure with respect to cash flows (Note 7)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Nuukfjord Gold Ltd. (the “Company”) was incorporated on July 14, 2009 under the laws of the Province of British Columbia, Canada. The Company completed its Initial Public Offering (“IPO”) during the period ended April 30, 2010 and is listed on the Toronto Stock Exchange (“TSX”).

The Company is in the business of acquiring, exploring and developing economically viable mineral resource deposits on its mineral properties in Greenland. The Company has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These interim consolidated financial statements have been prepared on a going concern basis which assumes the realization of assets and liquidation of liabilities in the normal course of business for the foreseeable future. These interim consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future. If the use of the going concern assumption was not appropriate, the changes to these financial statements would be material.

2. BASIS OF PRESENTATION

These consolidated financial statements include the accounts of Nuukfjord Gold Ltd. and its wholly owned subsidiary Storgold Resources Ltd. (“Storgold”). The interim period consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. All financial summaries included are presented on a comparative and consistent basis. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual consolidated financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with Canadian generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the audited consolidated financial statements and the accompanying notes included in the Company's latest audited filing. In the opinion of the Company, its unaudited interim consolidated financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

New accounting standards

Business combinations, non-controlling interest and consolidated financial statements

In January 2009, the CICA issued Handbook Sections 1582 “Business Combinations”, 1601 “Consolidated Financial Statements” and 1602 “Non-controlling Interests” which replace CICA Handbook Sections 1581 “Business Combinations” and 1600 “Consolidated Financial Statements”. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company’s business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of financial statements. Section 1601 is applicable for the Company’s interim and annual financial statements for its fiscal year beginning November 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

International financial reporting standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected 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. The transition date of November 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended October 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

NUUKFJORD GOLD LTD.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. EQUIPMENT

	April 30, 2010			October 31, 2009		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computers	\$ 2,244	\$ 168	\$ 2,076	\$ -	\$ -	\$ -

4. MINERAL PROPERTY INTEREST

	Nuukfjord (Greenland)	
	April 30, 2010	October 31, 2009
Exploration costs		
Balance, beginning of period	\$ 1,589,080	\$ -
Assays	106,053	249,391
Drilling	160	323,377
Equipment rental and maintenance	42,270	21,663
Field work, field personnel and geological consulting	159,592	480,741
Management fees	2,500	-
Project administration and report preparation	85,945	201,213
Travel and transportation	132,911	312,695
	<u>529,431</u>	<u>1,589,080</u>
Balance, end of period	<u>2,118,511</u>	<u>1,589,080</u>
Acquisition costs		
Balance, beginning of period	1,727,389	-
Issuance of common shares	-	1,662,500
Other acquisition costs	-	64,889
Balance, end of period	<u>1,727,389</u>	<u>1,727,389</u>
	<u>\$ 3,845,900</u>	<u>\$ 3,316,469</u>

Title to mineral properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain mineral titles as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to the properties being optioned from NunaMinerals A/S and, to the best of its knowledge, title to all of its properties is in good standing.

Nuukfjord (Greenland)

By agreement dated July 17, 2009, as amended from time to time, (the "Acquisition Agreement") the Company acquired all of the issued and outstanding shares of Storgold Resources Ltd. ("Storgold"). Storgold's material asset at that time was a property option agreement (the "Option Agreement") with NunaMinerals A/S (a public Danish company) on certain mineral licenses in Greenland (the "Property").

4. MINERAL PROPERTY INTEREST (cont'd...)

Nuukfjord (Greenland) (cont'd...)

Pursuant to the Acquisition Agreement, the Company issued 6,650,000 common shares valued at \$1,662,500, granted a 0.5% net smelter returns royalty ("NSR") and reimbursed the vendors' prior expenditures incurred in negotiating the Option Agreement of \$64,889, which were recorded as other acquisition costs, and \$13,967 recorded as exploration costs.

The Option Agreement entitles the Company to earn up to a 65% interest of the Property, in incremental phases. To earn the full 65% interest the Company is required to pay \$23,000,000 towards exploration expenditures over four years. The payments toward exploration expenditures and the interest earned are as follows:

Phase A – To earn an initial 15% interest the Company has advanced \$2,250,000 in exploration expenditures and is required to advance a further \$1,250,000 no later than June 30, 2010.

Phase B – The Company is required to advance an additional \$3,500,000 towards exploration expenditures by September 30, 2011 for an additional 15% interest,

Phase C – The Company is required to advance an additional \$4,500,000 towards exploration expenditures by September 30, 2012 for an additional 19% interest,

Phase D – The Company is required to advance an additional \$11,500,000 towards exploration expenditures by September 30, 2013 for an additional 16% interest.

Pursuant to the Option Agreement, NunaMinerals A/S is the operator, and will conduct all work on the Property. NunaMinerals A/S may, at its election, incur exploration expenses in advance of the option payment dates, which will be subsequently reimbursed by the Company.

The Company's completion of Phase A is mandatory, whereas advancement of funds required to exercise the option in respect of Phase B, C and D respectively are entirely at the Company's option. Upon the completion of any of Phases A, B or C, the Company has the option to form a joint venture partnership with NunaMinerals A/S or to complete the next Phase. Upon the completion of Phase D a joint venture will have deemed to have formed. When a joint venture is formed a new Danish company will be formed to hold title to the Property, which will be owned by Storgold and NunaMinerals A/S as to their respective interests. Contributions will be made based on each company's interest.

If subsequent to entering the joint venture the Company elects not to contribute its proportionate share of costs, the Company's interest is subject to dilution. If the Company's interest dilutes to less than 10%, its interest will automatically convert to a 1% NSR.

Exploration advance and Exploration expenditures payable

As at April 30, 2010 the Company had an exploration advance of \$189,096 (October 31, 2009: \$Nil) with NunaMineralsA/S to be applied against future exploration on the mineral property. As at April 30, 2010 NunaMinerals A/S had incurred additional expenditures of \$Nil (October 31, 2009: \$1,057,204), recorded as exploration expenditures payable.

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5. LOANS PAYABLE

During the period ended April 30, 2010 the Company entered into loan agreements for proceeds of \$500,000 of which \$100,000 was owed to a company owned by an officer of the Company. The loans bear interest at 15% per annum and were repayable at the earliest of (i) within five days following the Company's first day of trading on the TSX, (ii) April 30, 2010, or (iii) at the election of the lender in the event of default. The Company also issued 100,000 special warrants to the lenders (of which 20,000 special warrants were issued to a company owned by an officer of the Company) as a financing fee valued at \$40,000, which were converted to common shares of the Company upon the closing of the IPO.

On commencement of the Company trading on the TSX the special warrants were converted to common shares and the Company repaid the loans and interest totaling \$527,329.

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Capital Stock		Contributed Surplus
	Number of Shares	Amount	
Authorized			
Unlimited common shares without par value			
Issued and outstanding			
Private placements	7,850,000	\$ 1,285,000	\$ -
Private placements	5,870,000	1,467,500	-
For mineral property interests	<u>6,650,000</u>	<u>1,662,500</u>	<u>-</u>
As at October 31, 2009	20,370,000	4,415,000	-
Private placement	1,012,500	405,000	-
Initial public offering	18,000,000	9,000,000	-
Finders' and corporate finance fee	120,000	(675,000)	-
Brokers warrants	-	(294,620)	294,620
Other share issuance costs	-	(228,799)	-
Special warrants (Note 5)	100,000	40,000	-
Stock-based compensation	<u>-</u>	<u>-</u>	<u>1,216,305</u>
As at April 30, 2010	<u>39,602,500</u>	<u>\$ 12,661,581</u>	<u>\$ 1,510,925</u>

Included in capital stock are 5,782,500 common shares subject to an escrow agreement that may not be transferred, assigned or otherwise dealt with without consent of the regulatory authorities.

Private placements

During the period ended April 30, 2010, the Company issued 1,012,500 shares at \$0.40 per share for proceeds of \$405,000.

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

Private placements (cont'd...)

During the period ended October 31, 2009, the Company:

- a) Issued 7,850,000 shares having a fair value of \$1,285,000, for which the Company received cash proceeds of \$7,850 during the period ended October 31, 2009 and \$35,000 during the period ended April 30, 2010 and, recorded stock based compensation of \$1,242,150. The shares were issued to directors, officers and founders of the Company and 7,550,000 of these shares are in escrow and will be released as to 25% on listing and 25% every six months thereafter.
- b) Issued 5,870,000 shares at \$0.25 per share for proceeds of \$1,467,500, of which 160,000 were issued to officers and founders of the Company and were placed in escrow on completion of the IPO to be released as to 25% on listing and 25% every six months thereafter.

Initial public offering

The Company issued for its IPO 18,000,000 shares at \$0.50 per share for gross proceeds of \$9,000,000. The Company paid \$630,000 and issued 100,000 common shares valued at \$50,000 as finders' fees and paid \$45,000 and issued 20,000 common shares valued at \$10,000 as a corporate finance fee. The Company also paid \$228,799 as other share issuance costs. The brokers were also given 1,260,000 brokers' warrants. Each warrant is exercisable at \$0.50 for one share for a period of two years. The warrants were valued at \$294,620 using the Black-Scholes option pricing model with a weighted average expected volatility of 100%, risk free interest rate of 1.97%, expected life of one and one-half year and dividend yield of 0%.

Special warrants

During the period ended April 30, 2010, the Company issued 100,000 special warrants which were converted to common shares of the Company upon the closing of the IPO (Note 5).

Stock option plan

The Company has a stock option plan under which it 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 stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors.

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6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

Stock options and warrants

Stock option and warrant transactions are summarized as follows:

	Warrants		Stock options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, October 31, 2009	-	-	-	-
Granted	<u>1,260,000</u>	\$ 0.50	<u>3,875,000</u>	\$ 0.50
Outstanding, April 30, 2010	1,260,000	\$ 0.50	3,875,000	\$ 0.50
Number currently exercisable	1,260,000	\$ 0.50	3,875,000	\$ 0.50

The following incentive stock options and warrants were outstanding at April 30, 2010:

	Number	Exercise price	Expiry date
Stock options			
	3,875,000	\$ 0.50	April 27, 2015
Brokers Warrants			
	1,260,000	\$ 0.50	April 27, 2012

Stock-based compensation

During the period ended April 30, 2010, the Company granted 3,875,000 (October 31, 2009 - Nil) options with a weighted-average fair value of \$0.31 per option (October 31, 2009 - \$Nil) to directors, officers and consultants. Total stock-based compensation recognized in the statement of operations during the period ended April 30, 2010 was \$1,216,305 (October 31, 2009 - \$Nil) for incentive options granted and vested. This amount was also recorded as contributed surplus on the balance sheet.

The following weighted average assumptions were used for the valuation of stock options:

	April 30, 2010	October 31, 2009
Risk-free interest rate	2.49%	-
Expected life of options	3 years	-
Annualized volatility	100%	-
Dividend rate	0.00%	-

7. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the six month period ended April 30, 2010 include the Company:

- a) Incurring mineral property expenditures of \$3,150 through accounts payable and accrued liabilities.
- b) Issuing 100,000 special warrants as finance fees, which were converted to common shares at a value of \$40,000.
- c) Granting 1,260,000 brokers' warrants valued at \$294,260 as finders' fees in relation to the IPO.
- d) Issuing 120,000 common shares at a value of \$60,000 as finders' and corporate finance fees in relation to the IPO.
- e) Incurring share issuance costs in accounts payable and accrued liabilities of \$42,627.

Significant non-cash transactions for the period from commencement of operations on July 14, 2009 to October 31, 2009 include the Company:

- a) incurring mineral property expenditures of \$1,057,204 through exploration expenditures payable (Note 3).
- b) issuing of 6,650,000 common shares at a value of \$1,662,500 pursuant to the acquisition of Storgold (Note 3).
- c) incurring deferred finance costs of \$12,250 through accounts payable and accrued liabilities.
- d) issuing common shares for subscriptions receivable of \$35,000.

8. RELATED PARTY TRANSACTIONS

During the six month period April 30, 2010 the Company:

- a) paid or accrued management fees of \$7,500 (October 31, 2009 - \$Nil) to a Director of the Company
- b) paid or accrued geological consulting fees of \$2,500 (October 31, 2009 - \$Nil) to an officer of the Company.
- c) Paid or accrued professional fees of \$5,000 (October 31, 2009 - \$Nil) to officers of the Company.

The transaction was in the normal course of operations and was measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. FINANCIAL INSTRUMENTS AND RISK FACTORS

Cash is carried at fair value using a level 1 fair value measurement. The carrying value of receivables and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments.

9. FINANCIAL INSTRUMENTS AND RISK FACTORS (cont'd...)

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2010, the Company had a cash balance of \$7,305,031 to settle current liabilities of \$74,345.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk

The Company's financial assets exposed to interest rate risk consist of cash balances. The Company's current policy will be to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at April 30, 2010, the Company did not have any investments in investment-grade short-term deposit certificates.

b) Foreign currency risk

The majority of the Company's business is conducted in Greenland in Canadian dollars and the Danish Kroner. As such, the Company is exposed to a foreign currency risk in fluctuations among the Canadian dollar, and the Danish kroner. Fluctuations in the exchange rate among the Canadian dollar, and the Danish kroner may have a material adverse effect on the Company's business, financial condition and operating results.

c) Price risk

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist for their sale. There can be no assurance that mineral prices will be such that the Company's properties can be mined at a profit. Factors beyond control of the Company may affect the marketability of any minerals discovered. The price of gold has experienced volatile and significant price movements over short periods of time, and is affected by numerous factors beyond the Company's control.

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10. CAPITAL MANAGEMENT

The Company's primary objectives in capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain sufficient funds to finance the exploration and development of its mineral property interests. Capital is comprised of the Company's shareholders' equity which is \$11,279,718 as at April 30, 2010. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

11. SEGMENTED INFORMATION

The Company's one reportable operating segment is the acquisition, exploration and development of mineral property concessions. Geographic information is as follows:

	April 30, 2010	October 31, 2009
Capital assets:		
Canada	\$ 2,076	\$ -
Greenland	<u>3,845,900</u>	<u>3,316,469</u>
	<u>\$ 3,847,976</u>	<u>\$ 3,316,469</u>

12. SUBSEQUENT EVENT

Subsequent to April 30, 2010, the Company entered into an investor relations agreement. The company agreed to pay \$6,000 per month for a term of one year and granted 75,000 incentive stock options. Each stock option has an exercise price of \$0.50 per share for a period of two years. The options vest over a period of 12 months in accordance with the Company's stock option plan.