

NUUKFJORD GOLD LTD.

CONSOLIDATED FINANCIAL STATEMENTS

JANUARY 31, 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 January 31, 2010.

NUUKFJORD GOLD LTD.
CONSOLIDATED BALANCE SHEETS

	January 31, 2010	October 31, 2009
ASSETS		
Current		
Cash	\$ 191,517	\$ 835,663
Receivables	<u>2,937</u>	<u>1,214</u>
	194,454	836,877
Mineral property interest (Note 3)	3,695,331	3,316,469
Exploration advance (Note 3)	79,114	-
Deferred finance costs (Note 9)	<u>116,263</u>	<u>42,250</u>
	<u>\$ 4,085,162</u>	<u>\$ 4,195,596</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	\$ 113,801	\$ 42,061
Exploration expenditures payable (Note 3)	-	1,057,204
Loans payable (Note 4)	<u>509,452</u>	<u>-</u>
	<u>623,253</u>	<u>1,099,265</u>
Shareholders' equity		
Capital stock (Note 5)	4,820,000	4,415,000
Subscriptions receivable (Note 5)	-	(35,000)
Contributed surplus (Note 5)	40,000	-
Deficit	<u>(1,398,091)</u>	<u>(1,283,669)</u>
	<u>3,461,909</u>	<u>3,096,331</u>
	<u>\$ 4,085,162</u>	<u>\$ 4,195,596</u>

Nature and continuance of operations (Note 1)

Subsequent events (Note 9)

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 January 31, 2010	Period From Incorporation on July 14, 2009 to October 31, 2009
ADMINISTRATION EXPENSES		
Financing fee (Note 4)	\$ 40,000	\$ -
Interest expense	9,452	-
Office and miscellaneous	28,745	11,662
Professional fees	32,406	22,250
Stock-based compensation (Note 5)	-	1,242,150
Transfer agent and filing fees	696	1,200
Travel	<u>3,123</u>	<u>6,407</u>
Loss and comprehensive loss for the period	(114,422)	(1,283,669)
Deficit beginning of period	<u>(1,283,669)</u>	<u>-</u>
Deficit end of period	<u>\$ (1,398,091)</u>	<u>\$ (1,283,669)</u>
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.08)</u>
Weighted average number of common shares outstanding	<u>20,865,245</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 January 31, 2010	Period From Incorporation on July 14, 2009 to October 31, 2009
CASH FROM OPERATING ACTIVITIES		
Loss for the period	\$ (114,422)	\$ (1,283,669)
Items not affecting cash:		
Accrued interest payable	9,452	-
Financing fee	40,000	-
Stock-based compensation	-	1,242,150
Changes in non-cash working capital items:		
Increase in receivables	(1,723)	(1,214)
Increase in accounts payable and accrued liabilities	<u>7,727</u>	<u>29,811</u>
Net cash used in operating activities	<u>(58,966)</u>	<u>(12,922)</u>
CASH FROM INVESTING ACTIVITIES		
Expenditures on mineral property interests	(1,436,066)	(596,765)
Exploration advances	<u>(79,114)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,515,180)</u>	<u>(596,765)</u>
CASH FROM FINANCING ACTIVITIES		
Proceeds on issuance of capital stock	440,000	1,475,350
Deferred finance costs	(10,000)	(30,000)
Loans payable	<u>500,000</u>	<u>-</u>
Net cash provided by financing activities	<u>930,000</u>	<u>1,445,350</u>
Increase (Decrease) in cash during the period	(644,146)	835,663
Cash, beginning of period	<u>835,663</u>	<u>-</u>
Cash, end of period	<u>\$ 191,517</u>	<u>\$ 835,663</u>
Cash paid for interest during the period	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes during the period	<u>\$ -</u>	<u>\$ -</u>

Supplemental disclosure with respect to cash flows (Note 6)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Nuukfjord Gold Ltd. (the “Company”) is an exploration company incorporated on July 14, 2009 under the laws of the Province of British Columbia, Canada.

The Company is in the process of acquiring and exploring its mineral properties in Greenland and 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.

The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. Current market conditions make the present environment for raising additional equity financing uncertain. The Company has received final receipt to an initial public prospectus offering of its common shares, to raise up to \$12,000,000 (“IPO”), and to subsequently list on the Toronto Stock Exchange (“TSX”), however there is no guarantee that this or future financings will be available or be available on favourable terms. Consequently, the Company may, in the future, be unable to meet its share of costs incurred under the Property Option Agreement (Note 3) or any subsequent joint venture agreement with NunaMinerals A/S, and may have its interest in the Property reduced as a result. If NunaMinerals A/S is unable to meet its share of such costs, the Company may be unable to finance the cost required to complete recommended programs. An inability to raise additional financing may impact the future assessment of the Company as a going concern.

Furthermore, the acquisition agreement and subsequent amendment with Storgold Resources Ltd. (“Storgold”) (Note 3) is subject to the conditions subsequent that the Company obtains a listing of its Common Shares on the TSX by April 21, 2010. Should the Company fail to satisfy this condition, the former Storgold shareholders may repurchase all of the shares of Storgold in exchange for the payment shares previously issued to them.

The consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. 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.

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 annual 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
JANUARY 31, 2010

3. MINERAL PROPERTY INTEREST

	Nuukfjord (Greenland)	
	January 31, 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	14,018	21,663
Field work, field personnel and geological consulting	71,022	480,741
Project administration and report preparation	56,418	201,213
Travel and transportation	<u>131,191</u>	<u>312,695</u>
	<u>378,862</u>	<u>1,589,080</u>
Balance, end of period	<u>1,967,942</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	<u>-</u>	<u>64,889</u>
Balance, end of period	<u>1,727,389</u>	<u>1,727,389</u>
	<u>\$ 3,695,331</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 July 18, 2009, December 21, 2009 and February 25, 2010 (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"). 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.

Pursuant to the Acquisition Agreement, the Company was required to raise (and subsequently did raise) financing of \$1,250,000 and is required to list its common shares on the TSX by April 21, 2010. Should the Company fail to obtain a listing, the vendors may repurchase all of the shares of Storgold in return for the 6,650,000 common shares of the Company.

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

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

The Option Agreement entitles the Company to earn up to 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 \$2,000,000 in exploration expenditures and is required to advance a further \$1,500,000 as follows:

- a. \$250,000 no later than March 31, 2010, and
- b. \$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 joining 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 January 31, 2010 the Company had an exploration advance of \$79,114 (October 31, 2009: \$Nil) with NunaMineralsA/S to be applied against future exploration on the mineral property. As at January 31, 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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4. LOANS PAYABLE

During the period ended January 31, 2010 the Company entered into loan agreements for proceeds of \$500,000 of which \$100,000 is owed to a company owned by an officer of the Company. The loans bear interest at 15% per annum and are 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 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 will convert to common shares of the Company upon the closing of the IPO.

5. 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 placements	1,012,500	405,000	-
Special warrants	<u>-</u>	<u>-</u>	<u>40,000</u>
As at January 31, 2010	<u>21,382,500</u>	<u>\$ 4,820,000</u>	<u>\$ 40,000</u>

Private placements

During the period ended January 31, 2010, the Company issued 1,012,500 shares at \$0.40 per share for proceeds of \$405,000.

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 January 31, 2010 and, recorded stock based compensation of \$1,242,150. The shares were issued to directors, officers and founders of the Company and the Company will place 7,550,000 of these shares in escrow on completion of the IPO (Note 9) to 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 will be placed in escrow on completion of the IPO (Note 9) to be released as to 25% on listing and 25% every six months thereafter.

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

Special warrants

During the period ended January 31, 2010, the Company issued 100,000 special warrants which will convert to common shares of the Company upon the closing of the IPO (Note 9).

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.

6. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions for the three month period ended January 31, 2010 include the Company incurring deferred finance costs of \$76,263 through accounts payable and accrued liabilities.

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.

7. 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 January 31, 2010, the Company had a cash balance of \$191,517 to settle current liabilities and loans payable of \$623,253. Subsequent to January 31, 2010 the Company proposes completing its IPO (Note 10) for gross proceeds of a minimum of \$9,000,000 and a maximum of \$12,000,000.

7. FINANCIAL RISK FACTORS (cont'd...)

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 January 31, 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.

8. 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 \$3,461,909 as at January 31, 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.

9. SUBSEQUENT EVENTS

Subsequent to January 31, 2010, the Company:

- a) Has agreed to grant, subject to and effective upon completion of an IPO, incentive stock options to purchase up to 3,875,000 common shares at an exercise price of \$0.50 per share, exercisable for a period of five years.

9. SUBSEQUENT EVENTS (cont'd...)

- b) Proposes, pursuant to its Initial Public Offering prospectus, to issue a minimum of 18,000,000 common shares and a maximum of 24,000,000 common shares at a price of \$0.50 per share for gross proceeds of a minimum of \$9,000,000 and a maximum of \$12,000,000.

The Company has engaged an agent to assist in raising funds under the IPO and has granted the agent an over-allotment option to sell up to 2,400,000 additional shares at \$0.50 per share. The agent will also be (i) paid a cash commission of 7% of the gross proceeds; (ii) granted options to purchase shares equal to 7% of the number of IPO shares, exercisable at \$0.50 per share for a period of 24 months following the closing of the IPO; (iii) issued 100,000 shares; and (iv) paid a corporate finance fee of \$55,000 (of which \$15,000 has been paid); the balance of which is payable in cash, common shares, or any combination thereof at the election of the agent.

The Company has also paid the agent \$15,000 for legal expenses and will reimburse the agent for additional expenses incurred. These expenses, along with additional legal fees of \$76,263, filing fees of \$10,000 and the advance of \$15,000 on the corporate finance fees are included in deferred financing costs as at January 31, 2010.

Concurrently with the IPO, certain common shares issued prior to the IPO will be held in escrow and will be released pro-rata to the shareholders as to 25% of the escrow shares upon issuance of notice by the TSX and as to the remainder in three equal tranches of 25% every six months thereafter for a period of 18 months.

The Company has applied for and received conditional approval to the listing of its common shares on the TSX.

- c) Negotiated an amendment to the Storgold Acquisition Agreement to extend the deadline to list its common shares on the TSX from March 21, 2010 to April 21, 2010.