

Lake Victoria Mining Company, Inc.  
(An Exploration Stage Company)

June 30, 2011

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Lake Victoria Mining Company, Inc.  
(An Exploration Stage Company)  
Consolidated Balance Sheets  
(Expressed in US dollars)  
(Unaudited)

	June 30, 2011 \$ (Unaudited)	March 31, 2011 \$ (Audited)
<b>ASSETS</b>		
Current Assets		
Cash	1,560,654	2,282,902
Advances and deposits (Note 3(e))	41,738	32,684
Amounts receivable (Note 7(e))	616,246	256,968
Advances to related party (Note 3)	–	499,043
<b>Total Current Assets</b>	<b>2,218,638</b>	<b>3,071,597</b>
Short-term Investments (Note 4)	880,000	–
Property and Equipment (Note 5)	112,170	103,302
Mineral Properties	464,000	–
<b>Total Assets</b>	<b>3,674,808</b>	<b>3,174,899</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts payable	200,713	212,721
Accounts payable to related party (Note 3)	–	624,773
Accrued expenses	–	119,540
Other payables (Note 6)	15,810	4,386
<b>Total Liabilities</b>	<b>216,523</b>	<b>961,420</b>
Commitments (Note 10)		
Subsequent Events (Note 11)		
Stockholders' Equity		
Preferred Stock, 100,000,000 shares authorized, \$0.00001 par value; No shares issued and outstanding (Note 8)	–	–
Common Stock, 250,000,000 shares authorized, \$0.00001 par value; 97,485,733 shares issued and outstanding (March 31, 2011 - 96,346,900) (Note 8)	975	964
Additional Paid-in Capital	15,928,464	15,620,475
Common Stock and Warrants Issuable (Notes 8(c))	–	35,000
Accumulated other comprehensive loss	(110,000)	–
Deficit Accumulated During the Exploration Stage	(12,361,154)	(13,442,960)
<b>Total Stockholders' Equity</b>	<b>3,458,285</b>	<b>2,213,479</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>3,674,808</b>	<b>3,174,899</b>

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

Lake Victoria Mining Company, Inc.  
(An Exploration Stage Company)  
Consolidated Statements of Operations  
(Expressed in US dollars)  
(Unaudited)

	Three Months Ended June 30,		Accumulated From December 11, 2006 (Date of Inception) to June 30,
	2011 \$	2010 \$	2011 \$
Revenue	-	-	-
Expenses			
Amortization and depreciation	7,125	5,775	45,227
Exploration costs (Note 7)	53,056	104,453	3,065,966
General and administrative	68,825	30,441	2,026,127
Impairment of mineral property acquisition costs	-	-	11,143,091
Management and director fees	5,000	31,500	529,017
Professional and consulting fees	100,025	312,316	3,395,644
Salaries	144,987	24,783	288,669
Stock-based compensation	-	-	1,593,989
Travel and accommodation	24,638	16,721	357,268
Total Operating Expenses	403,656	525,989	22,444,998
Operating Loss	(403,656)	(525,989)	(22,444,998)
Other Income (Expenses)			
Gain on long-term investments	-	-	5,000
Foreign exchange loss	(3,163)	(1,470)	(88,927)
Interest income	1,204	943	9,791
Interest expense	-	(106)	(1,045)
Loss on debt settlement	-	-	(63,752)
Other income	-	-	15,900
Income from options granted on mineral properties	1,487,423	-	1,487,423
Total Other Income (Expenses)	1,485,464	(633)	1,364,390
Net Income (Loss)	1,081,808	(526,622)	(21,080,609)
Net loss attributable to non-controlling interest	-	-	8,719,455
Net Income (Loss) Attributable to the Company	1,081,808	(526,622)	(12,361,154)
Other Comprehensive Income (Loss)			
Unrealized holding loss on other investment (Note 4)	(110,000)	-	(110,000)
Net Comprehensive Income (Loss)	971,808	(526,622)	(12,471,154)
Net Earnings (Loss) Per Share – Basic and Diluted	0.01	(0.01)	
Weighted Average Shares Outstanding	96,472,046	69,020,764	

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

Lake Victoria Mining Company, Inc.  
(An Exploration Stage Company)  
Consolidated Statements of Cash Flows  
(Expressed in US dollars)  
(Unaudited)

	Three Months Ended June 30,	
	2011	2010
	\$	\$
<b>Operating Activities</b>		
Net Income (Loss)	1,081,808	(526,622)
Adjustments to reconcile net loss to cash used in operating activities		
Amortization and depreciation	7,125	5,775
Share payment for consulting services	48,900	77,200
Shares payments received for options granted on mineral properties	(990,000)	–
Changes in operating assets and liabilities:		
Increase in advances and deposits	(30,904)	(26,484)
Increase in amounts receivable	(337,429)	–
Decrease in amounts due to related parties	(125,730)	–
Increase in notes payable	–	11,522
Decrease in accounts payable	(12,008)	(31,036)
Decrease in accrued expenses	(119,539)	–
Increase (Decrease) in other payables	11,423	(10,209)
<b>Net Cash Used In Operating Activities</b>	<b>(466,354)</b>	<b>(499,854)</b>
<b>Investing Activities</b>		
Acquisition of property, plant and equipment	(15,994)	(1,143)
Cash payment for acquisition of mineral properties	(239,900)	–
<b>Net Cash Used In Investing Activities</b>	<b>(255,894)</b>	<b>(1,143)</b>
<b>Financing Activities</b>		
Proceeds from issuance of stock, net	–	625,870
<b>Net Cash Provided By Financing Activities</b>	<b>–</b>	<b>625,870</b>
<b>Net (Decrease) Increase In Cash</b>	<b>(722,248)</b>	<b>124,873</b>
Cash at Beginning of Period	2,282,902	955,401
<b>Cash at End of Period</b>	<b>1,560,654</b>	<b>1,080,274</b>
<b>Non-cash Investing and Financing Activities</b>		
Stock issued for services	48,900	–
Stock issued for subscription receivable	–	20,000
Stock issued to settle debt	230,227	–
Stock issued for mineral interest acquisition costs	224,100	–
Share payments received for options granted on mineral properties	990,000	–
<b>Supplemental Disclosures</b>		
Interest paid	–	106
Income taxes paid	–	–

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

## 1. Nature of Operations

Lake Victoria Mining Company, Inc. (the "Company") was incorporated on December 11, 2006 under the laws of the State of Nevada. The Company's administrative office is located in Vancouver, Canada. The Company is an Exploration Stage Company, as defined by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 915, Development Stage Entities. The Company has been in the exploration stage since inception and has not yet realized any revenues from its planned operations.

The principal business of the Company is to search for mineral deposits or reserves which are not in either the development or production stage. The Company is conducting exploration activities on gold and uranium properties located in Tanzania.

As of June 30, 2011, none of the Company's mineral property interests had proven or probable reserves as determined under the requirements of SEC Industry Guide No. 7. Planned principal activities have not yet begun. The ability of the Company to emerge from the exploration stage with respect to any planned principal business activity is dependent upon its successful efforts to raise additional debt or equity financing and/or attain profitable mining operations. As shown in the accompanying financial statements, the Company has an accumulated deficit of \$12,361,154 incurred through June 30, 2011. The Company has no revenues. Management intends to seek additional capital from new equity securities offerings that will provide funds needed to continue the exploration for gold and uranium. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue as a going concern. The Company expects to be able to meet its necessary cash outflows for the next twelve months from working capital.

## 2. Summary of Significant Accounting Policies

### a) Basis of Presentation

These consolidated financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in U.S. dollars. These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Kilimanjaro Mining Company, Inc. ("Kilimanjaro"), Lake Victoria Resources Company, (T) Ltd., Jin 179 Company Tanzania Ltd. and Chrysons 197 Company Tanzania Ltd. Significant intercompany accounts and transactions have been eliminated. The Company's fiscal year-end is March 31.

### b) Use of Estimates

The preparation of financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses in the reporting period. The Company regularly evaluates estimates and assumptions related to long-lived assets, mineral property costs, asset retirement obligations, stock-based compensation, financial instrument valuations and deferred income tax asset valuations. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

### c) Business Combinations

The Company follows the guidance in ASC 805, Business Combinations, and ASC 810, Consolidation. The net loss attributable to non-controlling interest recognized from inception to quarter ended June 30, 2011 was previously the minority interest held by certain passive shareholders at the consolidated financial statement level of Kilimanjaro, and whose interests were eliminated for accounting purposes by the August 7, 2009 share exchange agreement. The Company, after August 7, 2009, had no further non-controlling interests.

As of June 30, 2011, a cumulative loss of \$8,719,455 had been attributed to the non-controlling interest of the Company's controlled subsidiary.

2. Summary of Significant Accounting Policies (continued)

d) Basic and Diluted Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with ASC 260, Earnings per Share, which requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive. As of June 30, 2011, the Company had 45,604,901 dilutive securities outstanding.

e) 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.

As of June 30, 2011, the Company has approximately \$691,000 deposited at FDIC insured banks in the United States. FDIC deposit insurance covers the balance of each depositor's account up to \$250,000 per insured bank. As of June 30, 2011, the Company has approximately \$624,000 deposited in Canada. As of June 30, 2011, the Company has 32,902,000 Tanzania Shillings (approximately \$20,000) and \$225,700 deposited in Tanzania. The Deposit Insurance Board in Tanzania insures up to 1,500,000 Tanzanian Shillings (approximately \$915 as of June 30, 2011) per customer per bank. Any amount beyond the basic insurance amount may expose the Company to loss.

f) Property and Equipment

Property and equipment consists of mining tools and equipment, motor vehicle, furniture and equipment and computers and software which are depreciated on a straight line basis over their expected lives of five years.

g) Mineral Property Costs

Under US GAAP mineral property acquisition costs are ordinarily capitalized when incurred using FASB ASC Topic 805-20-55-37, Whether Mineral Rights are Tangible or Intangible Assets. The carrying costs are assessed for impairment under ASC Topic 360-36-10-35-20, Accounting for Impairment or Disposal of Long-Lived Assets, whenever events or changes in circumstances indicate that the carrying costs may not be recoverable. The Company expenses as incurred all property maintenance and exploration costs.

The Company also evaluates the carrying value of acquired mineral property rights in accordance with ASC Topic 930-360-35-1, Mining Assets: Impairment and Business Combinations, using the Value Beyond Proven and Probable (VBPP) method. The fair value of a mining asset generally includes both VBPP and an estimate of the future market price of the minerals.

When the Company has capitalized mineral property costs, these properties will be periodically assessed for impairment of value. Once a property reaches the production stage, the related capitalized costs will be amortized, using the units of production method. During the three months ended June 30, 2011, the Company records its interests in mining properties and areas of geological interest at cost. The Company has capitalized mineral properties costs of \$464,000 and \$Nil for the three months ended at June 30, 2011 and 2010, respectively.

h) Long-Lived Assets

In accordance with ASC 360, Property Plant and Equipment the Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life. Recoverability is assessed based on the carrying amount of the asset and the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

2. Summary of Significant Accounting Principles (continued)

i) Asset Retirement Obligations

The Company accounts for asset retirement obligations in accordance with the provisions of ASC 440, Asset Retirement and Environmental Obligations which requires the Company to record the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from the acquisition, construction, development and/or normal use of the assets. The Company did not have any asset retirement obligations as of June 30, 2011.

j) Financial Instruments

ASC 825, Financial Instruments requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 825 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 825 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally of cash, advances and deposits, amounts receivable, short-term investments, accounts payable, and other payables.

Pursuant to ASC 825, the fair values of cash and short-term investments are determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The Company believes that the recorded values of advances and deposits, amounts receivable, accounts payable, and other payables approximate their current fair values because of their nature and respective relatively short maturity dates or durations.

Assets measured at fair value on a recurring basis were presented on the Company's balance sheet as of June 30, 2011 as follows:

	Fair Value Measurements Using			Balance June 30, 2011 \$
	Quoted Prices in Active Markets For Identical Instruments (Level 1) \$	Significant Other Observable Inputs (Level 2) \$	Significant Unobservable Inputs (Level 3) \$	
Assets:				
Cash	1,560,654	–	–	1,560,654
Short-term Investments	880,000	–	–	880,000
	<u>2,440,654</u>	<u>–</u>	<u>–</u>	<u>2,440,654</u>

2. Summary of Significant Accounting Policies (continued)

k) Foreign Currency Translation

The Company's functional and reporting currency is the United States dollar. Monetary assets and liabilities denominated in foreign currencies are translated to United States dollars in accordance with ASC 740, Foreign Currency Matters, using the exchange rate prevailing at the balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income.

To the extent that the Company incurs transactions that are not denominated in its functional currency, they are undertaken in Canadian dollars and the Tanzanian Schilling. A portion of business transactions in Tanzania and mineral option purchase agreements are denominated in the Tanzanian Schilling. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

l) Segment Information

At June 30, 2011, \$91,000 of property and equipment is located in Tanzania. Although Tanzania is considered economically stable, it is always possible that unanticipated events in foreign countries could disrupt the Company's operations.

m) Comprehensive Loss

ASC 220, Comprehensive Income, establishes standards for the reporting and display of other comprehensive loss and its components in the consolidated financial statements. As at June 30, 2011 and 2010, the Company had unrealized loss on other investments of \$110,000 and \$nil, respectively, that represent other comprehensive loss.

n) Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, Income Taxes. The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

o) Stock-Based Compensation

The Company records stock-based compensation in accordance with ASC 718, Compensation – Stock Based Compensation and ASC 505, Equity Based Payments to Non-Employees, which requires the measurement and recognition of compensation expense based on estimated fair values for all share-based awards made to employees and directors, including stock options.

ASC 718 requires companies to estimate the fair value of share-based awards on the date of grant using an option-pricing model. The Company uses the Black-Scholes option-pricing model as its method of determining fair value. This model is affected by the Company's stock price as well as assumptions regarding a number of subjective variables. These subjective variables include, but are not limited to the Company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviours. The value of the portion of the award that is ultimately expected to vest is recognized as an expense in the statement of operations over the requisite service period.

All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

p) Recent Accounting Pronouncements

The Company has evaluated all recent accounting pronouncements and determined that they would not have a material impact on the Company's financial statements or disclosures.

q) Reclassifications

Certain reclassifications have been made to the prior period's financial statements to conform to the current period's presentation.

### 3. Related Party Transactions and Balances

- a) Prior to incorporation of the Company's wholly-owned subsidiary in Tanzania, the Company contracted with Geo Can Resources Company Ltd (Geo Can), a related company with a shared common director, to perform exploration services on all of the properties. On June 1, 2011, the Company paid Geo Can \$121,480 which was the difference between amounts owing for exploration services totalling \$620,523 and advances of \$499,043 made to Geo Can through Company's subsidiary, Kilimanjaro Mining Company.

As of June 30, 2011, the Company owed \$Nil (March 31, 2011 - \$121,480) to Geo Can for exploration services provided.

- b) During the three months ended June 30, 2011, the Company incurred \$5,000 (2010 - \$6,000) of directors fees to a Director of the Company.
- c) During the three months ended June 30, 2011, the Company incurred \$1,050 (2010 - \$nil) of accounting fees to an Officer of the Company.
- d) During the three months ended June 30, 2011, the Company incurred \$10,500 (2010 - \$30,000) of geologist consulting fees to a Director of the Company.
- e) As at June 30, 2011, the Company held \$9,710 in trust with a company sharing a common director, which has been included in advances and deposits.

### 4. Short-term Investments

	June 30, 2011		March 31, 2011	
	Cost	Carrying Value	Cost	Carrying Value
	\$	\$	\$	\$
<i>Otterburn Ventures Inc.</i> 2,200,000 common shares	990,000	880,000	-	-
	<u>990,000</u>	<u>880,000</u>	<u>-</u>	<u>-</u>

### 5. Property and Equipment

At June 30, 2011 and March 31, 2011, property and equipment consisted of the following:

	As at June 30, 2011			As at March 31, 2011		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$	\$	\$	\$
Mining tools and equipment	101,885	30,362	71,523	101,495	25,278	76,217
Vehicle	12,800	213	12,587	-	-	-
Furniture and equipment	10,101	2,150	7,951	10,101	1,794	8,307
Computer and software	32,611	12,502	20,109	29,808	11,030	18,778
	<u>157,397</u>	<u>45,227</u>	<u>112,170</u>	<u>141,404</u>	<u>38,102</u>	<u>103,302</u>

### 6. Other Payables

As of June 30, 2011 and March 31, 2011, the Company withheld payroll deductions of \$15,810 and \$4,386, respectively, to conform to local tax law.

Lake Victoria Mining Company, Inc.  
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June 30, 2011  
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7. Mineral Property Acquisition and Exploration Costs

On May 4, 2009, Kilimanjaro completed a Property Acquisition Agreement (the "Geo Can Agreement") with Geo Can (a related party, see Note 3). Under the terms of the agreement Kilimanjaro acquired a 100% interest in the mineral property assets, which included 33 gold prospecting licenses and 13 uranium licenses. Included in this agreement were the Kalemela project's licenses, Geita project's license, Uyowa Project's licenses, Kinyambwiga project's license and other projects' licences. Geo Can had entered into property option agreements, regarding some of these resource properties, with Lake Victoria before the share exchange agreement between Lake Victoria and Kilimanjaro on August 7, 2009, and as a consequence Geo Can no longer has any interest in those prior property agreements.

The mineral property acquisition costs are capitalized and the carrying values are periodically assessed for impairment of value and any diminution in value. When a property reaches the development stage, the related costs will be capitalized and amortized, using the units of production method on the basis of periodic estimates of ore reserves. Costs to maintain the mineral rights and leases are expensed as incurred.

All of the Company's mineral property interests are located in Tanzania. Geo Can holds resource properties in trust for the Company. Most of the resource property interests are still formally registered to Geo Can to save on registration fees. When the annual filing for each property comes due then the formal registration of each property will be transferred to Kilimanjaro or as directed by Kilimanjaro.

7. Mineral Property Acquisition and Exploration Costs (continued)

The following is a continuity of mineral property acquisition costs (recoveries) accumulated from inception:

	Kalemela Gold Project	Geita Project	Kinyambwiga Project	Singida Project	North Mara	Handeni Project	Buhemba Project	Other Projects	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	(a)	(b)	(c)	(e)	(g)	(h)	(i)		
March 31, 2011	3,643,125	2,752,608	1,922,608	1,707,810	135,648	-	-	981,292	11,143,091
Related payments:									
Cash Consideration	-	-	-	-	-	120,250	119,650	-	239,900
Share issued	-	-	-	-	-	116,100	108,000	-	224,100
Recovery from option payment-cash	(61,898)	(42,740)	-	(300,770)	(92,015)	-	-	-	(497,423)
Recovery from option payment-shares	(135,000)	(135,000)	-	(495,000)	(225,000)	-	-	-	(990,000)
	(196,898)	(177,740)	-	(795,770)	(317,015)	236,350	227,650	-	(1,023,423)
June 30, 2011	3,446,227	2,574,868	1,922,608	912,040	(181,367)	236,350	227,650	981,292	10,119,668

The following is a continuity of mineral property exploration costs accumulated from inception:

	Kalemela	Geita	Kinyambwiga	Suguti	Singida	Uyowa	North Mara	Handeni	Behemba	Other Project	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		
Balance, March 31, 2011	640,404	415,789	494,861	51,640	1,319,884	36,287	31,744	-	-	22,303	3,012,912
Exploration expenditures:											
Camp, Field Supplies and Travel	-	-	6,224	5,073	17,783	1,278	1,488	3,904	-	5	35,755
Drilling Cost	-	-	-	-	364,159	-	-	-	-	-	364,159
Geological consulting and Wages	138	1,842	21,797	11,600	75,161	7,706	7,351	6,367	733	1,022	133,717
Geophysical and Geochemical	-	-	740	4,477	41,871	15,544	-	-	-	(246)	62,386
Parts and equipment	-	-	5,804	637	642	32	39	188	-	-	7,342
Vehicle and Fuel expenses	-	-	6,071	7,622	8,729	2,755	3,119	1,494	-	-	29,790
Expense reimbursements	-	-	-	-	(580,095)	-	-	-	-	-	(580,097)
	138	1,842	40,636	29,409	(71,750)	27,315	11,997	11,953	733	781	53,054
Balance, June 30, 2011	640,542	417,631	535,497	81,049	1,248,134	63,602	43,741	11,953	733	23,084	3,065,966

7. Mineral Property Acquisition and Exploration Costs (continued)

a) Kalemela Gold Project

As a part of the Geo Can Agreement, Kilimanjaro owns 100% interest in the Kalemela Gold Project's three prospecting licenses PL2747/2004, PL3006/2005 and PL2910/2004. The original three prospecting licenses have been divided and the project is now comprised of six licenses: PL2747/2004, PL3006/2005, PL2910/2004, PL5892/2009, PL5912/2009 and PL5988/2009. The Kalemela Gold Project is located within the Southeastern Lake Victoria Goldfields in Northern Tanzania in Magu District, Mwanza Region.

On May 6, 2011, the Company entered into an option and joint venture agreement with Otterburn. On May 20, 2011, the Company received option payment of \$61,898 in cash and 300,000 common shares of Otterburn with a fair value of \$135,000. On July 8, 2011, Otterburn terminated the option and joint venture agreement. Refer to Note 11(b).

b) Geita Project

As a part of the Geo Can Agreement, the Company owns 100% interest in the Geita project's one prospecting license as at March 31, 2011. The original prospecting license PL2806 has been divided and the project is now comprised of two licenses: PL2806/2004 and PL5958/2009. The Geita Gold Project is located in Northern Tanzania within the Lake Victoria Goldfields in the Geita District, Mwanza Region.

On May 6, 2011, the Company entered into an option and joint venture agreement with Otterburn. On May 20, 2011, the Company received option payment of \$42,740 in cash and 300,000 common shares of Otterburn with a fair value of \$135,000. On July 8, 2011, Otterburn terminated the option and joint venture agreement. Refer to Note 11(b).

c) Musoma Bunda - Kinyambwiga Project

The Musoma Bunda Gold Project comprise of three prospecting licences that are located on the eastern side of Lake Victoria.

Kinyambwiga project is part of the Musoma Bunda Gold Project. As a part of the Geo Can Agreement, the Company owns 100% interest of Kinyambwiga project's one prospecting license and 24 primary mining licenses. The Kinyambwiga Gold Project is about 208 kilometers northeast of the city of Mwanza in northern Tanzania.

A director of the Company entered into Mineral Purchase agreements on behalf of the Company with 24 Primary Mining Licenses (PMLs) which are part of the Kinyambwiga Project and which are recorded in his name and are to be transferred over to the Company at a future date.

d) Musoma Bunda - Suguti Project

Suguti project is part of the Musoma Bunda Gold Project. As a part of the Geo Can Agreement, the Company owns 100% interest of Suguti project's one prospecting license.

e) Singida Project

On May 15, 2009, the Company signed a Mineral Financing Agreement with one director of the Company authorizing him, on behalf of the Company, to acquire Primary Mining Licenses ("PMLs") in the Singida area. As of December 31, 2010, this director has entered into Mineral Properties Sales and Purchase agreements with various PML owners. The Company has 100% acquired 23 PML agreements. The Company has the option to acquire 37 additional and different PMLs in the Singida area. Under the terms of these agreements, if the option to purchase is completed on all these PMLs, then the total purchase consideration would be approximately \$6,037,058 (TZS9,896,816,657, outstanding option payments in US Dollar amount is estimated with an exchange rate of 0.00061 as at June 30, 2011), payable by February 24, 2013.

In September 2009, pursuant to the agreement, the Company completed an Addendum to the Mineral Properties and Sale and provided notification to all the PML owners involved in Singida Mineral Properties and Sale Agreements that the Company would extend their due diligence period for an additional 120 days as upon paying \$48,782.

On January 19, 2010, a director on behalf of the Company signed second addendums to Singida mineral properties sales and purchase agreements. The addendums revised and extended the second payment of the mineral agreements. The second payment was divided into three payments with \$470,927 due on January 27, 2010, \$470,927 due on July 27, 2010 and \$922,900, due on January 27, 2011.

7. Mineral Property Acquisition and Exploration Costs (continued)

(e) Singida Project (continued)

On July 27, 2010, the director signed third addendums to the Singida mineral properties sales and purchase agreements on behalf of the Company. The third addendums revised the payment terms of the second addendum. Based on the revised terms, the second instalment of \$470,927 was divided into two payments, with \$281,065 due on July 27, 2010 and \$187,426 due on October 24, 2010. The Company made the payment of \$281,065 on July 27, 2010, and the payment of \$187,426 on October 26, 2010.

On February 7, 2011, a director signed fourth addendums to the Singida mineral properties sales and purchase agreements on behalf of the Company. The fourth addendums revised the payment terms of the second addendum. Based on the revised terms, the third instalment of approximately \$922,900 was divided into three payments, with \$92,065 paid on February 9, 2011, \$181,998 paid on March 10, 2011 and \$646,030 due on August 9, 2011.

At the option of the Company, any PMLs may be relinquished at any time during the agreement and the title transferred back to the original owner. Also, at the option of the Company, a 2% Net Smelter Production royalty or 2% of the Net Sale Value may be substituted in place of the final payment for each PML and paid on a pro rata basis determined by the total final number of PMLs involved in a special mining license.

As of June 30, 2011, under the terms of the mineral properties sales and purchase agreements the Company has completed initial option payments in the amount of \$1,707,810. Pursuant to the original agreement and the subsequent addendums, the Company will pay approximately \$646,030 on August 9, 2011, approximately \$419,100 on January 23, 2013 and \$3,828,000 on February 24, 2013.

On May 6, 2011, the Company entered into an option and joint venture agreement with Otterburn. On May 20, 2011, the Company received option payment of \$300,770 in cash and 1,100,000 common shares of Otterburn with a fair value of \$495,000.

On June 21, 2011, Lake Victoria Resources, a subsidiary of the Company, entered into a service agreement with Otterburn to perform all recommended exploration work on optioned properties. As per the agreement, Otterburn agreed to reimburse exploration costs incurred on Singida project from March 2011 up to the day of termination. As of June 30, 2011, the balance of reimbursement cost from Otterburn was \$616,296.

On July 8, 2011, Otterburn terminated the option and joint venture agreement and services agreement. Refer to Note 11(b).

f) Uyowa Project

As a part of the Geo Can Agreement the Company owns 100% interest in the Uyowa project's prospecting licenses. The Uyowa Gold project consists of seven prospecting licenses.

g) North Mara Project

During the year, there are three prospecting licenses expired. As of March 31, 2011, the North Mara Project comprised of nine prospecting licenses.

On May 6, 2011, the Company entered into an option and joint venture agreement with Otterburn. On May 20, 2011, the Company received option payment of \$92,015 in cash and 500,000 common stock of Otterburn with a fair value of \$225,000.

On July 8, 2011, Otterburn terminated the option and joint venture agreement. Refer to Note 12(a).

h) Handeni Project

Currently, Handeni Project Uranium Project is comprised of three prospecting licenses.

On April 20, 2011, the Company signed license purchase agreements to acquire one prospecting license. The total consideration was \$113,250, of which \$77,250 was paid on April 29, 2011 and \$36,000 is due on receipt of license. On June 14 and June 20, 2011 the Company paid a finder's fee of \$30,000 in cash and issued 400,000 common shares with a fair value of \$108,000.

On May 30, 2011, the Company signed prospecting licence purchase agreements to acquire one prospecting license. The total consideration includes:

- 1) paying \$10,000 within 5 days after execution date. The payment was made on June 16, 2011;
- 2) paying a total amount of \$450,000 to the owner of the license, of which \$70,000 due in 2011, \$170,000 due in 2012 and \$200,000 due in 2013

7. Mineral Property Acquisition and Exploration Costs (continued)

h) Handeni Project (continued)

- 3) paying a finder's fee of \$30,000 and 300,000 common shares. On June 14 and 20, 2011, the Company paid \$3,000 in cash and issued 30,000 common shares with a fair value of \$8,100.

On July 1, 2011, the Company entered into a prospecting license purchase agreement to acquire one prospecting license. Refer to Note 12(b).

i) Buhemba Project

Buhemba Project consists of two prospecting licenses. One prospecting license is a part of the Geo Can Agreement the Company owns 100% interest.

On April 20, 2011, the Company signed license purchase agreements to acquire one prospecting license. The total consideration was \$112,150, of which \$89,650 was paid on April 29, 2011 and \$22,500 is due on receipt of license. On June 14 and June 20, 2011 the Company paid a finder's fee of \$30,000 in cash and issued 400,000 common shares with a fair value of \$108,000.

j) Mbinga Project

The Mbinga Uranium Project is comprised of three prospecting licenses and two Reconnaissance Licenses. The Reconnaissance Licenses, located along the eastern shoreline of Lake Nyasa are currently under application.

As of June 30, 2011, the Company owns 100% interest of Mbinga project's prospecting licenses.

8. Capital Stock

Preferred Stock

The Company is authorized to issue 100,000,000 shares of preferred stock with a par value of \$0.00001. As of June 30, 2011, the Company has not issued any preferred stock.

Common Stock

On December 7, 2010, the Company's shareholders approved a resolution to amend the Company's articles of incorporation to increase the number of authorized shares of common stock from 100,000,000 shares to 250,000,000 shares. All shares have equal voting rights, are non-assessable and have one vote per share.

- a) On April 20 and May 30, 2011, the Company entered into three prospecting licences purchase agreements to acquire three prospecting licenses. As per the agreements, the Company agreed to pay a finder's fee of 830,000 common shares. On June 20, 2011, the Company issued 830,000 common shares with a fair value of \$224,100 as finders' fee to a company.
- b) On April 8, 2011, the Company signed a debt settlement agreement with a consultant to settle a consulting fee of \$80,614 for geological and business development services provided. The Company agreed to pay \$31,714 cash and issue 163,000 shares with a market value of \$48,900 to settle the outstanding balance. On June 20, 2011, the Company issued the shares to the consultant.
- c) On February 24, 2011, the Company signed debt settlement and subscription agreement with a director to settle a consulting fee of \$35,000 in exchange for 145,833 shares of common stock at \$0.24 per share. On June 20, 2011, the Company issued the shares to the director.

## 9. Stock Options and Warrants

On October 7, 2010, the Company adopted the 2010 Stock Option Plan under which the Company is authorized to grant stock options to acquire up to a total of 10,000,000 shares of common stock.

The following table summarizes the continuity of the Company's stock options:

	Number of Options	Weighted Average Exercise Price \$	Weighted- Average Remaining Contractual Life (years)	Aggregate Intrinsic Value \$
Outstanding, March 31, 2011	4,200,000	0.45		
Granted	—	—		
Exercised	—	—		
Expired	—	—		
<b>Outstanding, June 30, 2011</b>	<b>4,200,000</b>	<b>0.45</b>	<b>2.31</b>	<b>2,400</b>
<b>Exercisable, June 30, 2011</b>	<b>4,200,000</b>	<b>0.45</b>	<b>2.31</b>	<b>2,400</b>

At June 30 and March 31, 2011, the Company did not have any unvested options.

The Company had the following warrants outstanding as of June 30, 2011:

Expiration Date	Exercise Price per Share \$	Shares Issuable Upon Exercise
September 7, 2011	0.30	20,000,000
September 9, 2012	1.25	1,350,501
January 28, 2013 <sup>(1)</sup>	1.25	10,473,000
August 13, 2013 <sup>(2)</sup>	0.40	4,790,700
August 13, 2013 <sup>(2)</sup>	0.60	4,790,700
		<u>41,404,901</u>

<sup>(1)</sup> These redeemable warrants are callable by the Company upon 30 days written notice to the warrant holder. If the redeemable warrants are not exercised within 30 days of being called, they will terminate and may not be exercised thereafter.

<sup>(2)</sup> These redeemable warrants are callable by the Company upon 20 days written notice to the warrant holder. If the redeemable warrants are not exercised within 20 days of being called, they will terminate and may not be exercised thereafter.

## 10. Commitments

- a) On May 15, 2009, Kilimanjaro signed a Mineral Financing Agreement with a director of the Company authorizing him, on behalf of the Company, to acquire Primary Mining Licenses (PMLs) in the Singida area of Tanzania. As of June 30, 2011, this director has entered into Mineral Properties Sales and Purchase agreements with various PML owners of which 23 PML Option to Purchase agreements have been completed. These PMLs have been 100% acquired and the Company has the option to acquire 37 additional and different PMLs in the Singida area. Under the terms of these agreements, if the option to purchase is completed on all these PMLs, then the total purchase consideration will be approximately \$6,432,930 (see Note 7(e)).
- b) The same director of the Company entered into Mineral Purchase agreements with 24 PML's which are part of the Kinyambwiga Project and which are recorded in his name and are to be transferred over to the Company at a future date (see Note 7(c)).

10. Commitments (continued)

- c) On December 31, 2009, the Company entered into a Geological and Business Development Consulting Services Agreement with Jack V. Everett ("Everett") under which Everett will provide public relations, geological, and consulting services to us and the Company agrees to compensate Everett on a quarterly basis in two methods: (a) cash and (b) restricted common shares of the Company. The quarterly compensation will be agreed upon, in advance of each quarter, by the Company and Everett. Accordingly, upon execution of the agreement the Company paid Everett a cash payment of \$20,000 and issued him 68,775 restricted common shares valued at \$42,641. On May 10, 2010, the Company paid Everett a cash payment of \$21,265 and on April 7, 2010 issued him 153,525 restricted common shares valued at \$50,000. On November 9, 2010, the Company issued him 217,100 restricted common shares for services provided valued at \$54,275. The term of the consulting agreement is twelve months. As of June 30, 2011, the Company paid Everett a cash payment of \$31,714 and issued him 163,000 restricted common shares valued at \$48,900 for services rendered for the period from October 2010 to March 31, 2011.
- d) On January 4, 2010, the Company entered into a finder's fee agreement with Robert A. Young, The RAYA Group ("Young") wherein we agreed to pay Young fees limited to introductions that Young makes to the Company of investors who invest in the Company's private placements or become involved with the Company through joint venture property agreements. No Finder's fees will be paid in connection with any introduction to any existing contacts of the Company. The fee will be 10% of the first \$10,000,000 and 5% of amounts in excess of \$10,000,000. The term of the finder's fee agreement is five years.
- e) On May 11, 2010, the Company entered into an agreement with a consultant to provide services as a Senior Geological Consultant. In consideration of the foregoing the Company will pay a base compensation of \$15,000 per month for the first six months, to be increased to \$20,000 per month after the initial six months; eligibility of a bonus of 100,000 shares of common stock at the end of six months; and at the end of 12 months the Company will grant the consultant 300,000 stock options. On November 9, 2010, the Company issued 100,000 shares of common stock to the consultant. On October 21, 2010, the Company passed a board resolution to grant the Consultant 500,000 stock options at an exercise price of \$0.45 per share. On November 11, 2010, the Company signed an amendment with the consultant to the original May 11th consulting agreement. The amendment extended the term of the agreement to three years and the Company agreed to pay \$17,500 per month for the first 12 months and \$20,000 per month thereafter. The Company will grant the Consultant 300,000 stock options on November 1, 2011, 2012 and 2013.
- f) On October 7, 2010, the Company entered into a consulting agreement with Misac Noubar Nabighian to provide geophysical data processing and geophysical data interpretation services to the Company in consideration for:
- i. granting the Consultant an option to acquire 120,000 shares of common stock of the Company pursuant to the terms of the Company's 2010 Stock Option Plan, at an exercise price of \$0.29 per share, exercisable until October 7, 2013 and vesting immediately. On October 7, 2010, the Company granted 120,000 options to the Consultant;
  - ii. paying the Consultant 0.5% of the net proceeds from the sale of any mining properties;
  - iii. granting the Consultant a royalty on producing properties as follows: (a) \$1.00 per ounce of gold produced or 0.25% of net smelter returns (as such term is defined in the Agreement), whichever is greater, and (b) 0.25% of net smelter returns for all other commercial production.
- The agreement is for a term of 36 months and may be renewed at the option of the Company upon 30 days written notice.
- g) On April 26, 2011, the Company entered into two consulting agreements to provide consulting services commencing April 1, 2011 for a period of two years. The Company will pay one consultant Cdn\$10,000 per month, and will grant 500,000 stock options annually at each anniversary of the agreement. The Company will pay the second consultant \$3,500 per month, and will grant 250,000 stock options annually at each anniversary of the agreement.
- h) On April 26, 2011, the Company entered into two employment agreements for the positions of Corporate Secretary and Chief Financial Officer. The Company will pay aggregate annual salaries of Cdn\$192,000 and paid each employee a one-time bonus of Cdn\$1,000.

#### 11. Subsequent Events

- a) On July 1, 2011, the Company signed prospecting licence purchase agreements to acquire one prospecting license. The total consideration includes:
  - i. paying \$20,000 within 5 days after execution date. The payment was made on July 6, 2011;
  - ii. paying a total amount of \$470,000 to earn up to 90% of interest, of which \$70,000 due in 2011, \$150,000 due in 2012, \$125,000 and \$125,000 due in 2013
  - iii. paying \$1,500,000 on or before September 21, 2015 to earn final 10% interest.
  
- b) On July 8, 2011, Otterburn Venture Inc. terminated all option and Joint Ventures agreements signed on May 20, 2011.
  
- c) On July 19, 2011, Guardian Investment Ltd, a related party, on behalf of the Company, entered into a mineral properties option agreement to acquire four primary mining licenses. Total consideration includes:
  - iv. paying \$20,000 within 7 days after execution date. The payment was made on July 21, 2011;
  - v. paying a total amount of \$470,000, of which \$70,000 due in 2012, \$360,000 due in 2013 and \$40,000 due in 2014.
  - vi. Royalty may be purchased at any time by paying \$250,000 per PML
  
- d) Pursuant to share purchase agreements dated July 22, 2011, the Company has agreed to sell an aggregate of 2,200,000 of common shares of Otterburn to private purchasers unrelated to the Company at a price of \$0.10 per share. These shares will be held in escrow and released on September 22, 2011. The Company received these shares from Otterburn pursuant to four option and joint venture agreements dated May 6, 2011 between Otterburn and the Company regarding four Tanzanian properties, all of which were terminated on July 8, 2011.