

Consolidated Interim Financial Statements of

**MANITOU GOLD INC.**

Three and six months ended June 30, 2010  
(Unaudited – prepared by management)

## **NOTICE TO READER**

The consolidated balance sheets of Manitou Gold Inc. as at June 30, 2010 and December 31, 2009, as well as the consolidated interim statements of operations and deficit and of cash flows for the three and six month period ended June 30, 2010 have been compiled by management.

No audit or review to verify the accuracy or completeness of the information contained in these financial statements has been performed. Readers are cautioned that these statements may not be appropriate for their purposes.

August 23, 2010

# Manitou Gold Inc.

## Consolidated Balance Sheets

As at June 30, 2010, with comparative figures as at Decmeber 31, 2009  
(Unaudited - prepared by management)

	Jun 2010	Dec 2009
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 4,343,031	234,802
Prepaid expenses and other sundry assets	89,278	14,858
	4,432,309	249,660
Deferred share issuance costs	-	86,238
Capital assets	1,949	1,703
Mineral properties and deferred exploration costs	2,648,457	721,334
	\$ 7,082,715	1,058,935
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 254,205	196,115
<b>Shareholders' equity:</b>		
Share capital	6,656,135	968,323
Contributed surplus	647,000	137,000
Warrants	326,100	-
Deficit	(800,725)	(242,503)
	6,828,510	862,820
	\$ 7,082,715	1,058,935

See accompanying notes to consolidated interim financial statements.

Approved on behalf of the Board:

"Wayne Whymark" Director  
Wayne Whymark

"Richard Murphy" Director  
Richard Murphy

# Manitou Gold Inc.

## Consolidated Interim Statements of Operations and Deficits

Three and six months ended June 30, 2010,  
with comparative figures for the period from incorporation (May 8, 2009) to June 30, 2009  
(Unaudited - prepared by management)

	Three months ended June 30, 2010	Six months ended June 30, 2010	Period from incorporation (May 8, 2009) to June 30, 2009
<b>General and administrative expenses</b>			
Stock-based compensation	\$ 510,000	510,000	-
Office and administrative	86,188	150,910	-
Professional fees	10,415	19,476	3,895
Depreciation	296	424	-
	<u>606,899</u>	<u>680,810</u>	<u>3,895</u>
<b>Other</b>			
Interest revenue	(5,018)	(6,400)	-
	<u>(5,018)</u>	<u>(6,400)</u>	<u>-</u>
<b>Loss before income tax</b>	<u>(601,881)</u>	<u>(674,410)</u>	<u>(3,895)</u>
<b>Income taxes</b>			
Future (recovery)	-	(116,188)	-
<b>Loss for the period</b>	<u>(601,881)</u>	<u>(558,222)</u>	<u>(3,895)</u>
Deficit, beginning of period	(198,844)	(242,503)	-
<b>Deficit, end of period</b>	<u>\$ (800,725)</u>	<u>(800,725)</u>	<u>(3,895)</u>
Loss per share - basic	\$ (0.03)	(0.03)	Nil
Weighted average shares outstanding - basic	23,218,161	18,319,524	811,593

See accompanying notes to consolidated financial statements.

# Manitou Gold Inc.

## Consolidated Interim Statement of Cash Flows

Three and six months ended June 30, 2010,  
with comparative figures for the period from incorporation (May 8, 2009) to June 30, 2009  
(Unaudited - prepared by management)

	Three months ended June 30, 2010	Six months ended June 30, 2010	Period from incorporation (May 8, 2009) to June 30, 2009
<b>Cash flows from (used in) operating activities:</b>			
Loss for the period	\$ (601,881)	(558,222)	(3,895)
Adjustments for:			
Stock-based compensation	510,000	510,000	-
Future income tax recovery	-	(116,188)	-
Depreciation	296	424	-
	<u>(91,585)</u>	<u>(163,986)</u>	<u>(3,895)</u>
Changes in non-cash working capital:			
Deferred share issue costs			
Prepaid expenses and other sundry assets	(39,678)	(74,420)	(786)
Accounts payable and accrued liabilities	168,515	58,090	16,358
	<u>37,252</u>	<u>(180,316)</u>	<u>11,677</u>
<b>Cash flows from (used in) financing activities:</b>			
Issuance of warrants	281,100	326,100	-
Issuance of share capital, net of share issuance costs	2,816,437	4,754,506	(3,886)
	<u>3,097,537</u>	<u>5,080,606</u>	<u>(3,886)</u>
<b>Cash flows used in investing activities:</b>			
Capital assets	(670)	(670)	-
Mineral properties	(708,104)	(791,391)	(7,791)
	<u>(708,774)</u>	<u>(792,061)</u>	<u>(7,791)</u>
<b>Net increase in cash and cash equivalents</b>	<b>2,426,015</b>	<b>4,108,229</b>	<b>-</b>
Cash and cash equivalents, beginning of period	1,917,016	234,802	-
<b>Cash and cash equivalents, end of period</b>	<b>\$ 4,343,031</b>	<b>4,343,031</b>	<b>-</b>

See accompanying notes to consolidated financial statements.

# MANITOU GOLD INC.

## Notes to Consolidated Interim Financial Statements

Three and six months ended June 30, 2010  
(Unaudited - prepared by management)

---

Manitou Gold Inc. was incorporated on May 8, 2009 under the *Business Corporations Act* (Ontario) and is engaged in the business of locating and exploring mineral properties. Substantially all of the efforts of the Company are devoted to these business activities. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

### 1. **Basis of presentation:**

The accompanying unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principals for interim financial information. They do not include all of the information and footnotes required by Canadian generally accepted accounting principals for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the period ended June 30, 2010 are not necessarily indicative of the results that may be expected for the full year ended December 31, 2010. These interim financial statements follow the same accounting policies and methods of application described in the Company's most recent audited financial statements at December 31, 2009, and should be read in conjunction with those financial statements and related footnotes.

These consolidated interim financial statements have been prepared on the going concern basis, which contemplates that the Company will be able to realize its assets and discharge liabilities in the normal course of business.

### 2. **Comparative figures:**

As the Company was incorporated on May 8, 2009, it is not able to present a statement of operations or a statement of cash flows for a comparative three or six month period ended June 30, 2009. Comparative figures presented are for the period from incorporation (May 8, 2009) to June 30, 2009.

### 3. **New accounting developments:**

- (i) International Financial Reporting Standards ("IFRS")

The CICA's Accounting Standards Board ("AcSB") has confirmed that IFRS will be replace Canadian Generally Accepted Accounting Principles for publicly accountable enterprises, effective for accounting periods commencing on or after January 1, 2011. Accordingly, the Company will be required to adopt IFRS in respect of its interim and annual financial statements beginning on January 1, 2011.

# MANITOU GOLD INC.

## Notes to Interim Financial Statements

Three and six months ended June 30, 2010  
(Unaudited - prepared by management)

### 4. Mineral properties:

(a) A detailed continuity of expenditures capitalized to specific mineral properties during the year to date is as follows:

	Kenwest	Canamerica	Higbee	Sherridon	Project Generation	Total
Balance, January 1, 2010	\$ 369,637	206,112	59,646	71,761	14,178	721,334
Acquisition and carrying costs:						
Option payments made	-	20,000	-	-	-	20,000
Filing fees	-	-	254	-	-	254
Share issuances	1,037,732	98,000	-	-	-	1,135,732
Staking	-	13,395	-	-	-	13,395
Property taxes	2,578	-	-	-	-	2,578
	\$ 1,040,310	131,395	254	-	-	1,171,959
Exploration expenditures:						
Analysis and lab work	21,317	-	-	-	-	21,317
Consultants	17,819	1,531	1,969	1,156	-	22,475
Drilling	350,344	-	-	-	-	350,344
Field office	592	163	163	107	56	1,081
Field supplies/consumables	31,345	-	-	-	-	31,345
Geophysics	46,429	44,898	-	20,113	-	111,440
Insurance	1,479	564	106	106	-	2,255
Line cutting	-	22,938	15,000	-	-	37,938
Management fees	38,362	3,563	3,563	3,562	2,700	51,750
Stripping and trenching	17,710	-	-	-	-	17,710
Travel and accommodation	26,049	1,737	-	-	-	27,786
Wages and benefits	76,793	2,930	-	-	-	79,723
	\$ 628,239	78,324	20,801	25,044	2,756	755,164
	\$ 1,668,549	209,719	21,055	25,044	2,756	1,927,123
Balance, June 30, 2010	\$ 2,038,186	415,831	80,701	96,805	16,934	2,648,457

(b) A detailed continuity of expenditures capitalized to specific mineral properties during the comparative period from incorporation (May 8, 2009) to June 30, 2009 is as follows:

	Kenwest	Canamerica	Higbee	Total
Balance, May 8, 2009	\$ -	-	-	-
Acquisition costs:				
Shares issued	275,243	12,000	30,000	317,243
Professional fees	7,791	-	-	7,791
	\$ 283,034	12,000	30,000	325,034
Balance, June 30, 2009	\$ 283,034	12,000	30,000	325,034

# MANITOU GOLD INC.

## Notes to Interim Financial Statements

Three and six months ended June 30, 2010  
(Unaudited - prepared by management)

### 5. Share capital:

The change in share capital since December 31, 2009 is as follows:

	Number of Shares	Amount
Balance at December 31, 2009	9,553,333	\$ 968,323
Shares and warrants issued on initial public offering	8,000,000	2,000,000
Shares and warrants issued on private placements	5,450,000	3,437,500
Compensation shares and warrants	240,000	60,000
Allocated to warrants	-	(304,200)
Shares issued in connection with property acquisitions	3,945,000	1,135,732
Exercise of warrants	10,000	4,100
Share issue Costs	-	(529,131)
Tax effect of flow through renunciations	-	(116,188)
Balance, June 30, 2010	27,198,333	\$ 6,656,136

### 6. Warrant capital:

The change in warrant capital since December 31, 2009 is as follows:

	Number of warrants	Amount
Balance, December 31, 2009	-	\$ -
Warrants issued as part of unit (share and warrant) issuances	6,545,000	304,200
Compensation warrants issued	977,000	22,000
Warrants exercised	(10,000)	(100)
Balance, June 30, 2010	7,512,000	\$ 326,100

### 7. Contributed surplus:

The change in contributed surplus since December 31, 2009 is as follows:

Balance, December 31, 2009	\$ 137,000
Options granted	510,000
Balance, June 30, 2010	\$ 647,000

### 8. Stock options:

The change in stock options outstanding since December 31, 2009 is as follows:

	Number	Weighted average exercise price
Balance, December 31, 2009	915,000	\$ 0.30
Options granted	1,620,000	0.45
Options cancelled	(25,000)	0.36
Balance, June 30, 2010	2,510,000	\$ 0.40