

Gitennes Exploration Inc.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2010

(Unaudited)

MANAGEMENT COMMENT

These interim consolidated financial statements for the three months ended March 31, 2010 of Gitennes Exploration Inc. have been prepared by management and have not been subject to review by the Company's auditors.

Interim Consolidated Balance Sheets(Unaudited)
Canadian Funds

ASSETS	As at March 31 2010	As at December 31 2009
Current		
Cash and cash equivalents	\$ 28,480	\$ 96,444
Accounts receivable	8,579	10,926
Prepaid expenses	5,048	7,553
	42,107	114,923
Mineral Properties (Note 4)	2,350,135	2,343,361
Equipment (Note 5)	51,062	53,750
	\$ 2,443,304	\$ 2,512,034

LIABILITIES

Current		
Accounts payable and accrued liabilities (Note 8)	\$ 184,680	\$ 111,710

SHAREHOLDERS' EQUITY

Share Capital (Note 6)	31,182,886	31,182,886
Contributed Surplus (Note 6b)	1,023,742	1,023,742
Deficit - Statement 2	(29,948,004)	(29,806,304)
	2,258,624	2,400,324
	\$ 2,443,304	\$ 2,512,034

Going Concern (Note 1)**Subsequent Event** (Note 10)

ON BEHALF OF THE BOARD:

"Jerry Blackwell", Director
JERRY D. BLACKWELL

"Ken Booth", Director
KEN BOOTH

Interim Consolidated Statements of Operations, Comprehensive Loss and Deficit

For the Three Months Ended March 31

(Unaudited)

Canadian Funds

	2010	2009
Expenses		
Audit, accounting, legal and professional fees	\$ 55,473	\$ 41,710
Amortization	2,688	3,364
Filing, transfer fees and investor relations	19,960	44,678
Insurance	2,500	3,280
Interest and bank charges	595	810
Office rent, utilities and miscellaneous	21,265	22,626
Salaries and benefits	37,806	50,896
Travel	2,575	5,210
Loss Before the Under-Noted	(142,862)	(172,574)
Other Income (Expense)		
Foreign exchange gain	116	1,619
General exploration	(1,113)	(3,639)
Interest and other income	2,159	-
Gain on disposal of equipment	-	1,840
	(141,700)	(172,754)
Loss and Comprehensive Loss for the Period		
Deficit – beginning of period	(29,806,304)	(29,089,765)
Deficit - End of Period	\$ (29,948,004)	\$ (29,262,519)
Loss Per Share – Basic and Diluted	\$ (0.00)	\$ (0.00)
Weighted-Average Number of Shares Outstanding		
– Basic and Diluted	51,860,495	47,502,231

Interim Consolidated Statements of Cash Flows

For the Three Months Ended March 31

(Unaudited)

Canadian Funds

	2010		2009
Cash Flows from Operating Activities			
Loss for the period	\$ (141,700)	\$	(172,754)
Items not affecting cash			
Amortization	2,688		3,364
Gain on disposal of equipment	-		(1,840)
	<u>(139,012)</u>		<u>(171,230)</u>
Changes in non-cash working capital items			
Accounts receivable	2,347		(4,938)
Prepaid expenses	2,505		(2,096)
Accounts payable and accrued liabilities	72,970		(35,886)
	<u>(61,190)</u>		<u>(214,150)</u>
Cash Flows from Investing Activities			
Mineral property expenditures	(6,774)		(39,157)
Proceeds on disposal of equipment	-		6,280
	<u>(6,774)</u>		<u>(32,877)</u>
Decrease in Cash and Cash Equivalents	(67,964)		(247,027)
Cash and cash equivalents - beginning of period	<u>96,444</u>		<u>543,661</u>
Cash and Cash Equivalents - End of Period	\$ 28,480	\$	296,634

Notes to Interim Consolidated Financial Statements

March 31, 2010

(Unaudited)

Canadian Funds

1. Going Concern

The Company, which is considered to be in the exploration stage, is in the process of exploring several mineral properties in Peru. The Company has not yet determined whether these properties contain economic reserves. These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several adverse conditions cast significant doubt upon this assumption. The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. Consistent with other companies in the mining/exploration industry, the Company has no ongoing source of revenue, and has cash requirements to meet its administrative overhead and maintain its mineral interests. The ability of the Company to continue as a going concern is dependent upon its ability to obtain the necessary financing to complete the development of its properties and for future corporate and administrative expenses. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future.

These consolidated financial statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern, and such adjustments could be material.

2. Accounting Policies

a) Basis of Presentation and Principles of Consolidation

These consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada and include the accounts of the Company and its significant wholly-owned subsidiaries, Castle Keep Ltd., Gitennes Exploraciones Peru S.A., Oromalqui Gold Corp., Minera Corimalqui S.A. and Compañía Minera Seis Rios S.A. All significant inter-company transactions and balances have been eliminated.

b) Basis of Presentation

The accompanying unaudited interim consolidated financial statements are prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. They do not include all of the information and disclosures required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. These interim consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with the Company's consolidated financial statements including the notes thereto for the year ended December 31, 2009.

Notes to Interim Consolidated Financial Statements

March 31, 2010

(Unaudited)

Canadian Funds

3. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. Cash and cash equivalents are classified as Assets Held-For-Trading and carried at fair value measured using a Level 1 fair value measurement. All of the Company's other financial instruments are carried at amortized cost. The Company has no speculative financial instruments, derivatives, forward contracts, or hedges.

All of the Company's Canadian cash is held in an account at a major Canadian bank. The Company also maintains U.S. and Peruvian cash in a major bank in Peru, which it uses to fund its Peruvian projects and operations. As at March 31, 2010, the Company held the equivalent of \$16,641 in U.S. dollars and \$2,794 in Peruvian soles. The cash balances and payables that are denominated in U.S. dollars and Peruvian soles are subject to currency risk due to fluctuations in the exchange rates with the Canadian dollar. To manage this currency risk, the Company maintains only the minimum amount of foreign cash that is considered necessary to fund its ongoing exploration expenditures and foreign operations. Accounts payable are settled in a timely manner.

It is management's opinion that the Company is not exposed to significant credit, interest rate, liquidity, or market risks in respect of these financial instruments. The Company's policies and processes of managing all risks associated with its financial instruments have not changed during the current period.

Notes to Interim Consolidated Financial Statements

March 31, 2010

(Unaudited)

Canadian Funds

4. Mineral Properties

a) Details of mineral property activities are as follows:

	Peru						Total
	Tucumachay	Urupalqui	TotoRoko	Titimina	La Chivona	Other	
December 31, 2008	\$ -	\$ 1,462,028	\$ 664,754	\$ 105,675	\$ 8,484	\$ 26,262	\$ 2,267,203
Deferred expenditures							
Administration	-	6,048	-	-	-	-	6,048
Consulting geology	2,500	24,063	-	-	-	-	26,563
Domicile	-	272	-	-	-	-	272
Environmental and social license	630	-	4,588	-	-	-	5,218
Government taxes	29	796	205	-	-	-	1,030
Tenure	-	26	-	-	-	-	26
Total expenditures during the period	3,159	31,205	4,793	-	-	-	39,157
March 31, 2009	\$ 3,159	\$ 1,493,233	\$ 669,547	\$ 105,675	\$ 8,484	\$ 26,262	\$ 2,306,360
December 31, 2009	\$ 28,051	\$ 1,522,463	\$ 676,933	\$ 114,778	\$ -	\$ 1,136	\$ 2,343,361
Deferred expenditures							
Administration	-	5,191	-	-	-	-	5,191
Domicile	146	-	-	-	-	-	146
Environmental and social license	-	483	-	-	-	-	483
Government taxes	10	944	-	-	-	-	954
Total expenditures during the period	156	6,618	-	-	-	-	6,774
March 31, 2010	\$ 28,207	\$ 1,529,081	\$ 676,933	\$ 114,778	\$ -	\$ 1,136	\$ 2,350,135

Notes to Interim Consolidated Financial Statements

March 31, 2010

(Unaudited)

Canadian Funds

4. Mineral Properties - Continued**b) Cumulative mineral costs are as follows:**

	Acquisition		Exploration		March 31	December 31		
					2010	2009		
Peru								
Urupalqui	\$	87,329	\$	1,441,752	\$	1,529,081	\$	1,522,463
TotoRoko		-		676,933		676,933		676,933
Titimina		9,456		105,322		114,778		114,778
Tucumachay		-		28,207		28,207		28,051
Other		-		1,136		1,136		1,136
	\$	96,785	\$	2,253,350	\$	2,350,135	\$	2,343,361

c) Tucumachay, Perú

The Company owns a 100% interest in the Tucumachay project subject to a sliding-scale net smelter returns royalty ("NSR") of 0.75% to 1.25% on any future gold production from the property. The NSR will apply as follows: 1.25% at gold prices above US\$400 per ounce; 1.0% at gold prices between US\$400 and US\$330; and 0.75% at gold prices below US\$330 per ounce.

d) Urupalqui, Perú

The Company owns a 100% interest in the Urupalqui project, which is situated in north-central Perú. During the period, the Company signed a memorandum of understanding with AndeanGold Ltd. ("Andean") whereby the Company has granted to Andean the right to earn a 60% interest in the Urupalqui project. Andean must spend \$3,000,000 in qualifying exploration expenditures on the project over a four-year term, which shall include a minimum of 3,000 metres of drilling by the end of the second year and 7,000 metres of cumulative drilling by the end of the third year. Andean must issue 800,000 shares to the Company in four tranches of 200,000 shares. The first tranche is to be issued within five days of delivery of the related agreements in Peru, with the remaining tranches upon the first, second and third year anniversaries of the agreements. Except for the first payment, the Company may elect to receive cash in lieu of shares, with the amount not to exceed \$25,000, \$50,000 and \$100,000 with respect to the first, second and third year anniversary date payments, respectively. If the market value of the shares on the respective payment dates exceeds the maximum cash payment amount on such date, the difference will be paid in equivalent shares.

Upon Andean meeting the terms and exercising its option, the Company and Andean will form a joint venture to further the development of the property.

e) TotoRoko, Perú

The Company owns a 100% interest in the TotoRoko property in the State of Arequipa, Perú.

f) Titimina, Perú

The Company owns a 100% interest in the Titimina property adjacent in part to the Tucumachay property.

Notes to Interim Consolidated Financial Statements

March 31, 2010

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5. Equipment

Details are as follows:

	Cost	Accumulated Amortization	March 31 2010 Net Book Value	December 31 2009 Net Book Value
Computer equipment	\$ 97,446	\$ 81,837	\$ 15,609	\$ 16,430
Furniture and fixtures	74,182	63,728	10,454	11,005
Equipment	59,823	34,824	24,999	26,315
	<u>\$ 231,451</u>	<u>\$ 180,389</u>	<u>\$ 51,062</u>	<u>\$ 53,750</u>

6. Share Capital

a) Details of share capital are as follows:

Authorized: An unlimited number of common shares without par value

Issued and outstanding:

	2010		2009	
	Shares	Amount	Shares	Amount
Balance - beginning and end of the period	51,860,495	\$ 31,182,886	47,502,231	\$ 30,896,547

b) Contributed Surplus

Details are as follows:

	2010	2009
Balance – beginning and end of the period	<u>\$ 1,023,742</u>	<u>\$ 1,019,934</u>

c) Stock Options

The Company has a rolling stock option plan under which the Company may grant options to its directors, employees, and other service providers for up to 10% of the outstanding common shares. The Board of Directors determines the exercise price per share and the vesting period under the plan. During the periods ended March 31, the changes in stock options outstanding were as follows:

	2010	Weighted Average Exercise Price	2009	Weighted Average Exercise Price
Balance – beginning and end of the period	3,220,000	\$ 0.27	4,560,000	\$ 0.29

Notes to Interim Consolidated Financial Statements

March 31, 2010

(Unaudited)

Canadian Funds

6. Share Capital - Continued

c) Stock Options - Continued

Details of the stock options outstanding at March 31 are as follows:

2010	2009	Exercise Price	Expiry Date
-	670,000	\$ 0.355	April 21, 2009
-	180,000	\$ 0.40	July 21, 2009
380,000	460,000	\$ 0.47	April 1, 2010
40,000	80,000	\$ 0.30	November 10, 2010
400,000	400,000	\$ 0.40	March 12, 2011
35,000	55,000	\$ 0.41	August 30, 2012
200,000	200,000	\$ 0.47	March 18, 2015
515,000	515,000	\$ 0.26	June 5, 2017
1,650,000	1,700,000	\$ 0.17	August 7, 2018
-	300,000	\$ 0.17	August 21, 2013
<u>3,220,000</u>	<u>4,560,000</u>		

As at March 31, 2010, all stock options had vested and the weighted-average remaining contract life of the options was 5.89 years.

d) Warrants

	2010	Weighted Average Exercise Price	2009	Weighted Average Exercise Price
Balance – beginning and end of the period	<u>2,179,130</u>	<u>\$ 0.12</u>	-	\$ -

At March 31, 2010, there were 2,179,130 warrants outstanding with an exercise price of \$0.12 per share and an expiry date of February 25, 2011.

7. Capital Disclosures

The Company is in the business of mineral exploration and has no source of operating revenue. The Company has no short- or long-term debt and finances its operations through the issuance of capital stock. Capital raised is held in cash until such time as it is required to pay operating expenses or mineral property costs. The Company is not subject to any externally imposed capital restrictions. Its objectives in managing its capital are to safeguard its cash and its ability to continue as a going concern, and to utilize as much of its available capital as possible for exploration activities. The Company's objectives have not changed during the period.

Notes to Interim Consolidated Financial Statements

March 31, 2010

(Unaudited)

Canadian Funds

8. Related Party Transactions

During the period, the Company incurred \$27,589 (2009 - \$3,326) in legal fees and disbursements with a law firm in which a director of the Company is a partner. Accounts payable and accrued liabilities include \$60,709 (December 31, 2009 - \$33,120) payable to this firm.

The Company also incurred \$15,000 (December 31, 2009 - \$15,000) in geological and administrative consulting fees to the President of the Company who is also a director. Accounts payable and accrued liabilities include \$33,350 (2009 - \$20,350) payable to this director.

The above transactions were conducted in the normal course of operations and were measured at the exchange amount, which for the consulting fees are based on the rate agreed to by the consultant and the board of directors, and for the legal fees is the amount agreed to between the parties.

9. Segmented Information

The Company's business consists of mineral exploration and development. Details on geographic segments are as follows:

2010	Interest and Other Income	Equipment	Mineral Properties
Canada	\$ -	\$ 24,999	\$ -
Peru	2,159	26,063	2,350,135
Total	\$ 2,159	\$ 51,062	\$ 2,350,135

2009	Interest and Other Income	Equipment	Mineral Properties
Canada	\$ -	\$ 31,358	\$ -
Peru	-	31,261	2,306,360
Total	\$ -	\$ 62,619	\$ 2,306,360

10. Subsequent Event

On March 19, 2010, the Company announced its intention to undertake a private placement financing of 7,000,000 units at a price \$0.07 per unit. Each unit will consist of one common share and one share-purchase warrant, each warrant entitling the holder to purchase one additional common share at an exercise price of \$0.12 within 12 months of closing. Insiders of the Company may subscribe for up to 20% of the units. Finder's fees may be payable on a portion of the financing to registered dealers who assist in the placement.

The Company completed the first Tranche of the financing on April 19, 2010 and issued 1,750,000 units for gross proceeds of \$122,500.