

Gitennes Exploration Inc.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

(Unaudited)

MANAGEMENT COMMENT

These interim consolidated financial statements for the three and nine months ended September 30, 2009 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 September 30 2009	As at December 31 2008
Current		
Cash and cash equivalents	\$ 266,840	\$ 543,661
Accounts receivable	10,644	6,538
Prepaid expenses	24,811	18,398
	<u>302,295</u>	<u>568,597</u>
Mineral Properties (Note 4)	2,341,124	2,267,203
Equipment (Note 5)	56,021	70,423
	<u>\$ 2,699,440</u>	<u>\$ 2,906,223</u>

LIABILITIES

Current		
Accounts payable and accrued liabilities (Note 8)	\$ 89,817	\$ 79,507

SHAREHOLDERS' EQUITY

Share Capital (Note 6)	31,182,886	30,896,547
Contributed Surplus (Note 6b)	1,023,742	1,019,934
Deficit - Statement 2	(29,597,005)	(29,089,765)
	<u>2,609,623</u>	<u>2,826,716</u>
	<u>\$ 2,699,440</u>	<u>\$ 2,906,223</u>

Going Concern (Note 1)

ON BEHALF OF THE BOARD:

"Jerry Blackwell" , Director
JERRY D. BLACKWELL

"Ed Kimura" , Director
ED KIMURA

Interim Consolidated Statements of Operations, Comprehensive Loss and Deficit

(Unaudited)

Canadian Funds

	Three Months Ended September 30		Nine Months Ended September 30	
	2009	2008	2009	2008
Expenses (Income)				
Audit, accounting, legal and professional fees	\$ 40,539	\$ 28,378	\$ 117,561	\$ 98,015
Amortization	3,299	4,402	9,962	13,204
Filing, transfer fees and investor relations	28,016	24,432	102,689	97,891
Insurance	2,500	3,280	8,540	5,467
Interest and bank charges	679	595	2,078	2,174
Office rent, utilities and miscellaneous	20,122	24,965	63,548	84,032
Salaries and benefits	48,285	56,933	143,572	183,895
Stock-based compensation (Note 6d)	3,808	280,680	3,808	280,680
Travel	3,551	3,142	13,729	8,749
Loss Before the Under-Noted	(150,799)	(426,807)	(465,487)	(774,107)
Other Income (Expenses)				
Foreign exchange gain (loss)	1,603	6,747	(6,441)	(2,943)
General exploration	(810)	(2,604)	(4,887)	(37,042)
Interest and other income	1,345	20	1,345	2,024
Gain on disposal of equipment	-	-	1,840	-
Write-down of mineral properties (Note 4)	-	-	(33,610)	(75,925)
Loss and Comprehensive Loss for the Period	(148,661)	(422,644)	(507,240)	(887,993)
Deficit - beginning of period	(29,448,344)	(25,631,226)	(29,089,765)	(25,165,877)
Deficit – End of Period	\$ (29,597,005)	\$ (26,053,870)	\$ (29,597,005)	\$ (26,053,870)
Loss Per Share – Basic and Diluted	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Weighted-Average Number of Shares Outstanding – Basic and Diluted	49,255,011	47,502,231	48,092,911	47,274,129

- See Accompanying Notes -

Interim Consolidated Statements of Cash Flows(Unaudited)
Canadian Funds

	Three Months Ended September 30		Nine Months Ended September 30	
	2009	2008	2009	2008
Cash Flows From Operating Activities				
Loss for the period	\$ (148,661)	\$ (422,644)	\$ (507,240)	\$ (887,993)
Items not affecting cash				
Amortization	3,299	4,402	9,962	13,204
Stock-based compensation	3,808	280,680	3,808	280,680
Gain on disposal of equipment	-	-	(1,840)	-
Write-down of mineral properties	-	-	33,610	75,925
	(141,554)	(137,562)	(461,700)	(518,184)
Changes in non-cash working capital items				
Accounts receivable	(2,358)	1,973	(4,106)	14,611
Prepaid expenses	(4,406)	(1,626)	(6,413)	(11,338)
Accounts payable and accrued liabilities	22,446	(13,041)	10,310	(26,776)
	(125,872)	(150,256)	(461,909)	(541,687)
Cash Flows From Financing Activities				
Net proceeds from issuance of common shares	286,339	-	286,339	65,000
Cash Flows From Investing Activities				
Mineral property expenditures	(11,822)	(67,212)	(107,531)	(819,275)
Proceeds on disposal of equipment	-	-	6,280	-
	(11,822)	(67,212)	(101,251)	(819,275)
Net Increase (Decrease) in Cash and Cash Equivalents				
	148,645	(217,468)	(276,821)	(1,295,962)
Cash and cash equivalents – beginning of period	118,195	953,093	543,661	2,031,587
Cash and Cash Equivalents - End of Period	\$ 266,840	\$ 735,625	\$ 266,840	\$ 735,625
Supplemental Disclosure of Non-Cash Investing and Financing Activities				
Increase (decrease) in mineral property accounts payable	\$ -	\$ 5,598	\$ -	\$ (166,318)
Fair value of stock options exercised	\$ -	\$ -	\$ -	\$ 64,366

Notes to Interim Consolidated Financial Statements

September 30, 2009

(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 Perú. 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 these 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) 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 Perú 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

These 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. Except as noted below, 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, 2008.

c) Recent Accounting Pronouncements

Mining Exploration Costs

On March 27, 2009, the CICA approved EIC-174 – *Mining Exploration Costs*. This guidance clarified that an entity that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The adoption of this new standard has had no material impact on these financial statements.

Notes to Interim Consolidated Financial Statements

September 30, 2009

(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. 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 Perú, which it uses to fund its Peruvian projects and operations. As at September 30, 2009, the Company held the equivalent of \$17,848 in U.S. dollars and \$3,653 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.

Gitennes Exploration Inc.
Notes to Interim Consolidated Financial Statements
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(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, 2007	\$ 2,856,313	\$ 856,826	\$ 599,036	\$ 95,683	\$ -	\$ 96,811	\$ 4,504,669
Deferred expenditures							
Administration	1,675	5,435	-	-	-	-	7,110
Assays	787	21,611	12,313	-	-	-	34,711
Consulting geology	5,313	125,517	16,534	700	-	1,847	149,911
Domicile	1,517	31,913	2,746	-	-	-	36,176
Drilling	-	274,767	-	-	-	-	274,767
Environmental and social license	1,167	10,848	16,764	-	-	-	28,779
Government taxes	1,109	61,768	6,425	8,943	-	-	78,245
Tenure	17,495	8,185	5,325	-	8,484	3,333	42,822
Topographic survey	-	436	-	-	-	-	436
Total expenditures during the period	29,063	540,480	60,107	9,643	8,484	5,180	652,957
Write-off of mineral properties	-	-	-	-	-	(75,925)	(75,925)
September 30, 2008	\$ 2,885,376	\$ 1,397,306	\$ 659,143	\$ 105,326	\$ 8,484	\$ 26,066	\$ 5,081,701
December 31, 2008	\$ -	\$ 1,462,028	\$ 664,754	\$ 105,675	\$ 8,484	\$ 26,262	\$ 2,267,203
Deferred expenditures							
Administration	9,798	11,048	-	-	-	-	20,846
Consulting geology	3,700	33,268	-	-	-	-	36,968
Domicile	-	3,116	-	-	-	-	3,116
Environmental and social license	800	-	5,638	-	-	-	6,438
Government taxes	798	1,303	286	-	-	-	2,387
Tenure	12,955	9,463	6,255	9,103	-	-	37,776
Total expenditures during the period	28,051	58,198	12,179	9,103	-	-	107,531
Write-off of mineral properties	-	-	-	-	(8,484)	(25,126)	(33,610)
September 30, 2009	\$ 28,051	\$ 1,520,226	\$ 676,933	\$ 114,778	\$ -	\$ 1,136	\$ 2,341,124

Notes to Interim Consolidated Financial Statements

September 30, 2009

(Unaudited)

Canadian Funds

4. Mineral Properties - Continued

b) Cumulative mineral costs are as follows:

	Acquisition	Exploration	September 30 2009	December 31 2008
Perú				
Tucumachay	\$ -	\$ 28,051	\$ 28,051	\$ -
Urumalqui	87,329	1,432,897	1,520,226	1,462,028
TotoRoko	-	676,933	676,933	664,754
Titimina	9,456	105,322	114,778	105,675
La Chivona	-	-	-	8,484
Other	-	1,136	1,136	26,262
	\$ 96,785	\$ 2,244,339	\$ 2,341,124	\$ 2,267,203

c) Tucumachay, Perú

Under an agreement dated June 30, 2004 with Inmet Mining Corp. ("Inmet"), the Company earned a 100% interest in the Tucumachay property subject to a 60% back-in right.

During the period, the Company acquired a 100% interest in the Tucumachay project. Inmet agreed to exchange the back-in right for a sliding-scale net smelter returns royalty ("NSR") of 0.75% to 1.25% on any future gold production from the project. 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.

As the Company had no firm plans to explore the property, it wrote its carrying value down to a nominal value in 2008 in accordance with GAAP. The Company intends to maintain the claims in good standing and to further develop the property in the future.

d) Urumalqui, Perú

The Company owns a 100% interest in the Urumalqui project, which is situated in north-central Perú.

e) TotoRoko, Perú

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

f) Titimina, Perú

The Company has acquired, by staking, the Titimina property adjacent in part to the Tucumachay property.

g) La Chivona, Perú

The Company acquired, by staking, the La Chivona property near the coastal city of Chiclayo. During the period the Company abandoned this project and wrote off \$8,484 in costs.

h) Other Properties

The Company has staked various claims in Perú, all of which are held 100% by the Company. Individual, segregated exploration expenses will be shown for these properties if and when significant costs are incurred exploring one or more of the claims. During the period the Company abandoned certain of these claims and wrote off \$25,126 in costs.

Notes to Interim Consolidated Financial Statements

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(Unaudited)

Canadian Funds

5. Equipment

	Cost	Accumulated Amortization	September 30 2009 Net Book Value	December 31 2008 Net Book Value
Computer equipment	\$ 96,364	\$ 79,999	\$ 16,365	\$ 19,253
Furniture and fixtures	74,182	62,490	11,692	13,756
Equipment	59,823	31,859	27,964	37,414
	<u>\$ 230,369</u>	<u>\$ 174,348</u>	<u>\$ 56,021</u>	<u>\$ 70,423</u>

6. Share Capital

a) Details are as follows:

Authorized: An unlimited number of common shares without par value

Issued and outstanding:

	2009		2008	
	Shares	Amount	Shares	Amount
Balance – beginning of period	47,502,231	\$ 30,896,547	47,002,231	\$ 30,767,181
Private placement (i)	4,358,264	305,078	-	-
Share issuance costs	-	(18,739)	-	-
Exercise of options	-	-	500,000	65,000
Fair value of options exercised (Note 6b)	-	-	-	64,366
Balance – end of period	<u>51,860,495</u>	<u>\$ 31,182,886</u>	<u>47,502,231</u>	<u>\$ 30,896,547</u>

(i) During the period, the Company completed a private placement consisting of 4,358,264 units at a price of \$0.07 per unit. Each unit consists of one common share and one-half of one warrant with each whole warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.12 per share until February 25, 2011. The Company paid finders' fees of \$4,500 and legal expenses of \$14,239 in respect of the placement.

b) Contributed Surplus

	2009	2008
Balance – beginning of period	\$ 1,019,934	\$ 803,620
Stock-based compensation (Note 6d)	3,808	280,680
Fair value of options exercised (i)	-	(64,366)
Balance – end of period	<u>\$ 1,023,742</u>	<u>\$ 1,019,934</u>

(i) During the period, nil (2008 – 500,000) stock options were exercised for which the related fair value has been recorded as share capital in these financial statements.

Notes to Interim Consolidated Financial Statements

September 30, 2009

(Unaudited)

Canadian Funds

6. Share Capital – Continued**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 September 30, the change in stock options outstanding was as follows:

	2009	Weighted Average Exercise Price	2008	Weighted Average Exercise Price
Balance – beginning of period	4,560,000	\$ 0.29	3,495,000	\$ 0.54
Granted	-	\$ -	2,000,000	\$ 0.17
Exercised	-	\$ -	(500,000)	\$ 0.13
Expired	(1,020,000)	\$ 0.36	(435,000)	\$ 2.43
Balance – end of period	3,540,000	\$ 0.26	4,560,000	\$ 0.29

Details of the stock options outstanding at September 30 are as follows:

2009	2008	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
55,000	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	300,000	\$ 0.17	August 21, 2013
3,540,000	4,560,000		

As at September 30, 2009, 3,540,000 (2008 – 4,535,000) of these options have vested. The weighted average exercise price of the stock options outstanding at September 30, 2009 is \$0.26 and the weighted average remaining contract life of the options is 6.16 years.

d) Stock Based Compensation

During the period, the Company issued stock options to its directors, officers and employees and estimated fair value of those options as follows:

	2009	2008
Total options granted	-	2,000,000
Average exercise price	\$ -	\$ 0.17
Estimated fair value of options granted	\$ -	\$ 284,488
Estimated fair value per option	\$ -	\$ 0.14

Notes to Interim Consolidated Financial Statements

September 30, 2009

(Unaudited)

Canadian Funds

6. Share Capital – Continued**d) Stock Based Compensation – Continued**

Stock-based compensation relating to grants made in the period has been estimated using the Black-Scholes Option-Pricing Model with the following weighted-average assumptions:

	2009	2008
Risk-free interest rate	-	3.56%
Expected dividend yield	-	0.00%
Expected stock price volatility	-	95.61%
Expected option life in years	-	9.25

During the period, 25,000 (2008 – 1,975,000) options vested and the Company recognized \$3,808 (2008 - \$280,680) in stock-based compensation.

The Black-Scholes Option-Pricing Model was created for use in estimating the fair value of freely tradable, fully transferable options. The Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the highly subjective input assumptions can materially affect the calculated values, management believes that the accepted Black-Scholes model does not necessarily provide a reliable measure of the fair value of the Company's stock option awards.

e) Warrants

	2009	Weighted Average Exercise Price	2008	Weighted Average Exercise Price
Balance – beginning of period	-	\$ -	-	\$ -
Granted	2,179,130	\$ 0.12	-	\$ -
Balance – end of period	2,179,130	\$ 0.12	-	\$ -

At September 30, 2009, 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 resource 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' objectives have not changed during the period.

Notes to Interim Consolidated Financial Statements

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(Unaudited)

Canadian Funds

8. Related Party Transactions

During the period, the Company incurred \$21,432 (2008 - \$15,701) in legal fees and disbursements paid to a law firm in which a director of the Company is a partner; accounts payable and accrued liabilities includes \$28,605 (December 31, 2008 - \$801) payable to this firm.

The Company also paid \$45,000 (2008 - \$90,288) in geological and administrative consulting fees to a director. Accounts payable and accrued liabilities include \$20,350 (December 31, 2008 - \$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 fee is based on the rate agreed to by the consultant and the board of directors, and for the legal fees is based on the same rates that the law firm charges its other clients.

9. Segmented Information

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

2009		Interest and Other Income		Plant and Equipment		Mineral Properties
Canada	\$	-	\$	28,057	\$	-
Perú		1,345		27,964		2,341,124
Total	\$	1,345	\$	56,021	\$	2,341,124

2008		Interest and Other Income		Plant and Equipment		Mineral Properties
Canada	\$	269	\$	34,507	\$	-
Perú		1,755		20,350		4,243,850
Total	\$	2,024	\$	54,857	\$	4,243,850