

Gitennes Exploration Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2011

Unaudited

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the Company's interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

"Jerry Blackwell"

President

"Kerry Spong"

CFO

June 24, 2011

Condensed Interim Consolidated Balance Sheets

Canadian Funds

Unaudited

ASSETS	March 31, 2011	December 31, 2010	January 1, 2010
Current			
Cash and cash equivalents	\$ 382,993	\$ 278,298	\$ 96,444
Marketable securities (Note 9)	4,400	7,000	-
Accounts receivable	19,726	10,920	10,926
Prepaid expenses	4,121	18,161	7,553
	411,240	314,379	114,923
Equipment (Note 5)	21,837	21,948	53,750
	\$ 433,077	\$ 336,327	\$ 168,673

LIABILITIES

Current			
Trade payables and accrued liabilities	\$ 194,049	\$ 184,532	\$ 111,710
Loan payable (Note 8e)	-	35,773	-
	194,049	220,305	111,710

SHAREHOLDERS' EQUITY

Share Capital (Note 6a)	31,899,934	31,606,362	31,182,886
Contributed Surplus (Note 6b)	1,181,252	1,181,252	1,023,742
Deficit - Statement 2	(32,842,958)	(32,674,992)	(32,149,665)
Accumulated Other Comprehensive Income - Statement 2	800	3,400	-
	239,028	116,022	56,963
	\$ 433,077	\$ 336,327	\$ 168,673

Nature and Continuance of Operations (Note 1)**Commitment** (Note 10)**Subsequent Events** (Note 13)

ON BEHALF OF THE BOARD:

"Jerry Blackwell", Director
Jerry D. Blackwell

"Ken Booth", Director
Ken Booth

- See Accompanying Notes -

Gitennes Exploration Inc.

Statement 2

Condensed Interim Consolidated Statements of Changes In Shareholders' Equity

Canadian Funds

Unaudited

	Share Capital (Note 6)	Contributed Surplus (Note 6)	Accumulated Other Comprehensive Income (loss)	Deficit	Total
Balance – January 1, 2010	\$ 31,182,886	\$ 1,023,742	\$ -	\$ (32,149,665)	\$ 56,963
Loss for the period - <i>Statement 3</i>	-	-	-	(148,474)	(148,474)
Balance – March 31, 2010	\$ 31,182,886	\$ 1,023,742	\$ -	\$ (32,298,139)	\$ (91,511)
Balance – January 1, 2011	\$ 31,606,362	\$ 1,181,252	\$ 3,400	\$ (32,674,992)	\$ 116,022
Warrants exercised	293,572	-	-	-	293,572
Unrealized loss on available -for-sale marketable securities - <i>Statement 3</i>	-	-	(2,600)	-	(2,600)
Loss for the period - <i>Statement 3</i>	-	-	-	(167,966)	(167,966)
Balance – March 31, 2011	\$ 31,899,934	\$ 1,181,252	\$ 800	\$ (32,842,958)	\$ 239,028

- See Accompanying Notes -

Condensed Interim Consolidated Statements Of Comprehensive Loss

For the Three Months Ended March 31

Canadian Funds

Unaudited

	2011	2010
Expenses		
Audit, accounting, legal and professional fees	\$ 21,672	\$ 55,473
Depreciation	1,150	2,688
Exploration and evaluation (Note 4)	3,973	6,774
Filing, transfer fees and investor relations	68,804	19,960
Foreign exchange loss (gain)	2,386	(116)
General exploration	2,821	1,113
Insurance	2,808	2,500
Interest and bank charges	874	595
Office rent, utilities and miscellaneous	17,980	21,265
Salaries and benefits	45,498	37,806
Travel	-	2,575
Loss Before the Under-Noted	(167,966)	(150,633)
Interest and other income	-	2,159
Loss for the Period	(167,966)	(148,474)
Other Comprehensive Loss		
Unrealized loss on available-for-sale marketable securities (Note 9)	(2,600)	-
Comprehensive Loss for the Period	\$ (170,566)	\$ (148,474)
Loss per Share – Basic and Diluted	\$ (0.00)	\$ (0.00)
Weighted-Average Number of Shares Outstanding – Basic and Diluted	59,669,661	51,860,495

- See Accompanying Notes -

Condensed Interim Consolidated Statements of Cash Flows

For the Three Months Ended March 31

Canadian Funds

Unaudited

	2011	2010
Cash Flows from Operating Activities		
Loss for the period	\$ (167,966)	\$ (148,474)
Item not involving cash		
Depreciation	1,150	2,688
	(166,816)	(145,786)
Changes in non-cash working capital items		
Accounts receivable	(8,806)	2,347
Prepaid expenses	14,040	2,505
Trade payables and accrued liabilities	9,517	72,970
	(152,065)	(67,964)
Cash Flows from Financing Activities		
Net proceeds from issuance of common shares	293,572	-
Repayment of loan payable	(35,773)	-
	257,799	-
Cash Flows from Investing Activities		
Purchase of equipment	(1,039)	-
Net Increase (Decrease) in Cash and Cash Equivalents	104,695	(67,964)
Cash and Cash Equivalents - Beginning of Period	278,298	96,444
Cash and Cash Equivalents - End of Period	\$ 382,993	\$ 28,480

Supplemental Cash Flow Information

Interest paid	\$ 946	\$ -
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Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2011

Canadian Funds

Unaudited

1. Nature and Continuance of Operations

Gitennes Exploration Inc. ("the Company") is incorporated in the province of Ontario with its principal office located in Vancouver, British Columbia. It's mineral properties are situated in Canada and Peru and are in the process of being explored. 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. Significant Accounting Policies

a) Adoption of International Financial Reporting Standards ("IFRS") and basis of presentation

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants, which was revised in 2010 to incorporate IFRS. Publicly accountable enterprises are required to apply such standards effective for years beginning on or after January 1, 2011.

These are the Company's first IFRS interim consolidated financial statements which cover a portion of the first annual consolidated financial statements that will be presented in accordance with IFRS for the year ending December 31, 2011. Previously, the Company prepared its interim and annual consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). In these financial statements, the term Canadian GAAP refers to Canadian GAAP prior to the adoption of IFRS.

These interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34") using those standards issued and current as of June 24, 2011, the date that the Company's audit committee approved these financial statements. The preparation of financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. Actual results may differ from these estimates. These interim consolidated financial statements do not include all of the information required for full annual financial statements.

The standards that will be effective as at December 31, 2011 are subject to change and additional interpretation. Any subsequent changes to IFRS may affect the Company's annual consolidated financial statements for the year ending December 31, 2011 and could result in restatement of these interim consolidated financial statements, including the transition adjustments recognized on conversion to IFRS.

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2011

Canadian Funds

Unaudited

2. Significant Accounting Policies - *continued*

a) Adoption of International Financial Reporting Standards ("IFRS") and basis of presentation - *continued*

Subject to certain transition elections discussed in Note 11, the Company has applied the same accounting policies incorporated in its opening IFRS balance sheet at January 1, 2010 ("Transition Date") and for all periods presented, as if these policies had always been in effect. Note 11 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended December 31, 2010. Comparative figures for 2010 in these financial statements have been restated to give effect to these changes.

These interim consolidated financial statements should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended December 31, 2010.

b) Principles of consolidation

These consolidated financial statements 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.

c) Estimates, risks, and uncertainties

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates and the differences could be material to the Company's results and financial position. Significant estimates used in the preparation of these financial statements relate to the useful life of equipment, valuation of deferred income tax assets, estimates of share-based compensation, and the valuation of warrants issued under private placements.

d) Foreign currency translation

The presentation currency of the Company and the functional currency of the Company and its subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at rates approximating those in effect at the time of the transactions. Monetary items are translated at the exchange rate in effect at the balance sheet date and non-monetary items are translated at historical exchange rates. Translation gains and losses are reflected in the statement of operations for the period.

Notes to Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2011

Canadian Funds

Unaudited

2. Significant Accounting Policies - *continued*

e) Financial instruments

All financial instruments are classified into one of five categories: fair value through profit or loss, held-to-maturity investments, loans and receivables, available-for-sale financial assets, or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in the operating results. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income.

The Company discloses the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of inputs are: Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities; Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and Level 3 – inputs that are not based on observable market data.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash and term deposits maturing within 90 days from the original date of acquisition.

g) Marketable securities

Marketable securities consist of common shares of a publicly traded company and are classified as "Available For Sale". The shares are recorded at fair value; gains or losses arising from changes in fair value are recorded as other comprehensive income (loss) and included in accumulated other comprehensive income (loss) until the investments are sold or written off, at which time the accumulated gains or losses are included in operating results.

h) Equipment

Equipment is recorded at cost less accumulated depreciation, which is calculated on a declining balance basis at the following annual rates:

- Computer Equipment – 20%
- Furniture and Fixtures – 20%
- Equipment – 20%

Equipment is reviewed for impairment if there is an indication that the carrying amount may not be recoverable. The Company compares the carrying value of equipment to estimated net recoverable amounts to determine the extent of the necessary impairment..

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2011

Canadian Funds

Unaudited

2. Significant Accounting Policies - *continued*

i) Exploration and evaluation

The Company is currently in the exploration stage with all of its mineral interests. Exploration and evaluation expenditures include the cost of acquiring licenses, expenses incurred to explore and evaluate properties, and the fair value, upon acquisition, of mineral properties acquired in a business combination.

Exploration and evaluation expenditures are expensed in the period they are incurred. Property acquisition costs are capitalized only to the extent that such costs can be directly attributed to an area of interest where it is considered likely to be recoverable by future exploitation or sale. Development costs relating to specific properties are capitalized once management has made a development decision.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to options being exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not accrued. Option payments are recorded as exploration and evaluation expenses or recoveries when the payments are made or received. The Company does not accrue the estimated costs of maintaining its mineral interests in good standing.

j) Restoration provisions

The Company recognizes liabilities for legal or constructive obligations associated with the reclamation or rehabilitation of mineral property interests that the Company is required to settle. The Company recognizes the present value of liabilities for such obligations in the period in which they occur or in the period in which a reasonable estimate of such costs can be made. The obligation is recorded as a liability with a corresponding charge to operations. The Company has determined that it has no restoration obligations as at March 31, 2011.

k) Share-based compensation

The Company uses the fair value method whereby it recognizes share-based compensation costs over the vesting periods for the granting of all stock options and direct awards of stock. Any consideration paid by the option holders to purchase shares is then credited to capital stock. The Company uses the Black-Scholes Option-Pricing Model to estimate the fair value of its share-based compensation. The fair value of each grant is measured at the grant date and each tranche is recognized on a graded-vesting basis over the vesting period.

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2011

Canadian Funds

Unaudited

2. Significant Accounting Policies – *continued*

l) Income Taxes

Current tax expense is calculated using income tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is accounted for using the liability method which recognizes differences between the carrying amounts of assets and liabilities in the financial statements and the amounts used for tax purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets are recognized only to the extent that sufficient taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability will be settled or the asset realized, based on income tax rates and income tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in the period that the substantive enactment occurs. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

m) Loss per Share

Loss per share is computed using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to calculate diluted earnings per share, which assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The effect on loss per share of the Company's outstanding options and warrants is anti-dilutive for the period ended March 31, 2011 and therefore basic and diluted loss per share amounts are the same.

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2011

Canadian Funds

Unaudited

2. Significant Accounting Policies – *continued*

n) Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net income from operations, such as unrealized gains or losses on available-for-sale investments. The Company's comprehensive income (loss) and components of other comprehensive income (loss) are presented in the consolidated statements of loss and comprehensive loss and in the consolidated statements of changes in shareholders' equity.

3. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, marketable securities, accounts receivable, trade payables and accrued liabilities, and loan payable. Marketable securities are classified as Available For Sale 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 with carrying values that approximate fair value due to their short-term nature. The Company has no derivatives.

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 that it uses to fund its Peruvian projects and operations. As at March 31, 2011, the Company held the equivalent of \$102,622 in U.S. dollars and \$1,886 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 denominated in foreign currencies are settled in a timely manner.

The Company's marketable securities are subject to market risk due to market downturns and declines in market value and therefore the Company is exposed to market risk in respect of these financial instruments.

Due to the value and nature of the Company's financial instruments, it is management's opinion that the Company is not exposed to significant credit, interest rate, liquidity (*Note 1*), 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 Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2011

Canadian Funds

Unaudited

4. Exploration and Evaluation

a) Exploration and evaluation expenditures:

The Company expenses exploration and evaluation costs relating to its mineral property interests in the period incurred. Details of current and cumulative exploration and evaluation expenditures to March 31 on properties the Company is currently evaluating are as follows:

	Peru					Canada		Total
	Tucumachay	Urupalqui	TotoRoko	Titimina	Other	Blue Ice		
December 31, 2009	\$ 28,051	\$ 1,522,463	\$ 676,933	\$ 114,778	\$ 1,136	\$ -	\$ 2,343,361	
Administration	-	5,191	-	-	-	-	5,191	
Domicile	146	-	-	-	-	-	146	
Environmental and social license	-	483	-	-	-	-	483	
Government taxes	10	944	-	-	-	-	954	
Current expenditures	156	6,618	-	-	-	-	6,774	
March 31, 2010	\$ 28,207	\$ 1,529,081	\$ 676,933	\$ 114,778	\$ 1,136	\$ -	\$ 2,350,135	
December 31, 2010	\$ -	\$ 1,557,186	\$ -	\$ -	\$ -	\$ 44,634	\$ 1,601,820	
Administration	-	3,832	-	-	-	-	3,832	
Government taxes	-	141	-	-	-	-	141	
Current expenditures	-	3,973	-	-	-	-	3,973	
March 31, 2011	\$ -	\$ 1,561,159	\$ -	\$ -	\$ -	\$ 44,634	\$ 1,605,793	

Notes to Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2011

Canadian Funds

Unaudited

4. Exploration and Evaluation - *continued*

b) Title risk

Ownership in mineral interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to the claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its mineral interests and, to the best of its knowledge, ownership of its interests is in good standing.

c) Tucumachay, Peru

The Company held 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. In June 2010, the Company entered into an option agreement with the Peruvian subsidiary of Teck Resources Limited ("Teck"), granting it an option to purchase the Company's 100% interest in the Tucumachay and Titimina projects. The Company received consideration of US\$16,700 for the option, which Teck later exercised by paying the Company a cash purchase price for Tucumachay of US\$175,000. Additionally, Teck will make a payment of US\$1,200,000 if it announces a decision to commence commercial production on either the Tucumachay project or the Titimina project (*Note 4f*).

d) Urumalqui, Peru

The Company owns a 100% interest in the Urumalqui project, which is situated in north-central Peru. The Company has signed a memorandum of understanding with AndeanGold Ltd. ("Andean") whereby the Company granted to Andean the option to earn a 60% interest in the Urumalqui 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 upon signing and 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.

On June 30, 2010, Andean announced a ten-to-one consolidation of its shares. As a result, the number of shares that may be issued to the Company is reduced to 80,000 shares issued in four tranches of 20,000 shares each. The first tranche was received on July 14, 2010.

e) TotoRoko, Peru

The Company abandoned its 100% interest in the TotoRoko property in June 2010.

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2011

Canadian Funds

Unaudited

4. Exploration and Evaluation - continued

f) Titimina, Peru

The Company held a 100% interest in the Titimina property adjacent in part to the Tucumachay property. In June 2010, the Company entered into an option agreement with Teck, granting it an option to purchase the Company's 100% interest in the Tucumachay and Titimina projects. The Company received consideration of US\$7,800 for the option, which Teck later exercised by paying the Company a cash purchase price for Titimina of US\$25,000. Additionally, the purchaser will make a payment of US\$1,200,000 if it announces a decision to commence commercial production on either the Titimina project or the Tucumachay project (Note 4c).

g) Blue Ice, Canada

In June 2010, the Company acquired an option to earn a 100% interest in a property located in Quebec. Terms of the option agreement require committed and optional exploration expenditures totalling \$400,000, making property payments totalling \$110,000, and issuing 200,000 common shares. The term of the option is 36 months. The Company has committed to spend \$25,000 within 12 months of signing, and has made a property payment of \$25,000 and issued the first tranche of 50,000 shares to the vendors. The vendors will be entitled to retain a 2% NSR, one-half of which may be purchased by the Company at anytime for \$1,000,000.

5. Equipment

	Computer Equipment	Furniture and Fixtures	Equipment	Total
Cost				
Balance – January 1, 2010	\$ 97,446	\$ 74,182	\$ 59,823	\$ 231,451
Disposals	-	-	(59,823)	(59,823)
Balance – December 31, 2010	97,446	74,182	-	171,628
Additions	1,039	-	-	1,039
Balance – March 31, 2011	98,485	74,182	-	172,667
Accumulated amortization				
Balance – January 1, 2010	81,016	63,177	33,508	177,701
Additions	3,286	2,201	2,217	7,704
Disposals	-	-	(35,725)	(35,725)
Balance – December 31, 2010	84,302	65,378	-	149,680
Additions	709	441	-	1,150
Balance – March 31, 2011	85,011	65,819	-	150,830
Net book value				
As at January 1, 2010	\$ 16,430	\$ 11,005	\$ 26,315	\$ 53,750
As at December 31, 2010	\$ 13,144	\$ 8,804	\$ -	\$ 21,948
As at March 31, 2011	\$ 13,474	\$ 8,363	\$ -	\$ 21,837

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2011

Canadian Funds

Unaudited

6. Share Capital

The authorized share capital of the company consists of an unlimited number of common shares without par value.

a) Issued and outstanding:

	Shares	Amount
Balance – January 1, 2010 and March 31, 2010	51,860,495	\$ 31,182,886
Private placement (i)	2,330,000	163,100
Private placement (ii)	4,000,000	280,000
Share issuance costs	-	(23,124)
Shares issued for property (Note 4g)	50,000	3,500
Balance – December 31, 2010	58,240,495	31,606,362
Shares issued on exercise of warrants	2,446,428	293,572
Balance – March 31, 2011	60,686,923	\$ 31,899,934

- (i) In April and June of 2010, the Company completed a private placement consisting of 2,330,000 units at a price of \$0.07 per unit for gross proceeds of \$163,100. Each unit consisted of one common share and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of \$0.12 per share for a period of twelve months. The placement was completed in two tranches: 1,750,000 units were issued on April 19, 2010, and 580,000 units were issued on June 14, 2010. The Company paid finders' fees of \$6,720 and issued 96,000 compensation warrants having the same terms and conditions as the warrants issued under the private placement. The value of the compensation warrants was estimated at \$1,374 using the Black-Scholes Option-Pricing Model with the following assumptions: risk-free interest rate of 1.07%, expected dividend yield of 0.00%, estimated stock price volatility of 85.34%, and expected option life of 1.00 year.
- (ii) In December 2010, the Company completed a private placement consisting of 4,000,000 units at a price of \$0.07 per unit for gross proceeds of \$280,000. Each unit consisted of one common share and one share purchase warrant with each warrant entitling the holder to purchase one additional common share at a price of \$0.10 per share until December 23, 2011 increasing to a price of \$0.20 per share until June 25, 2012. The Company paid finder's fees of \$9,041 and paid legal costs of \$5,989 in respect of the placement.

b) Contributed Surplus

Details are as follows:

Balance – January 1, 2010	\$ 1,023,742
Stock-based compensation	156,136
Fair value of finders' fee warrants issued (Note 6a)	1,374
Balance – December 31, 2010 and March 31, 2011	\$ 1,181,252

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2011

Canadian Funds

Unaudited

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. Details of stock option activities are as follows:

	Number	Weighted Average Exercise Price
Balance – January 1, 2010	3,220,000	\$ 0.27
Granted	1,900,000	\$ 0.12
Expired	(420,000)	\$ 0.45
Balance – December 31, 2010	4,700,000	\$ 0.19
Expired	(400,000)	\$ 0.40
Balance – March 31, 2011	4,300,000	\$ 0.17

As at March 31, 2011, the Company had stock options outstanding entitling the holders to purchase common shares of the Company as follows:

Number	Exercise Price	Expiry Date
35,000	\$ 0.41	August 30, 2012
200,000	\$ 0.47	March 18, 2015
515,000	\$ 0.26	June 5, 2017
1,650,000	\$ 0.17	August 7, 2018
1,900,000	\$ 0.12	December 21, 2015
4,300,000		

The outstanding options have a weighted-average remaining life of 5.85 years. As at March 31, 2011, all outstanding options had vested and were exercisable.

d) Share-Based Compensation

There were no stock options granted during the periods ended March 31 and no share-based compensation recognized in the accounts.

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2011

Canadian Funds

Unaudited

6. Share Capital – *continued*

e) Warrants

Details of share purchase warrant activities are as follows:

	Number	Weighted Average Exercise Price
Balance – January 1, 2010	2,179,130	\$ 0.12
Granted	6,426,000	\$ 0.11
Balance – December 31, 2010	8,605,130	\$ 0.11
Exercised	(2,446,428)	\$ 0.12
Expired	(732,702)	\$ 0.12
Balance – March 31, 2011	5,426,000	\$ 0.11

As at March 31, 2011, the Company had share purchase warrants outstanding entitling the holders to purchase common shares of the Company as follows:

	Exercise Price	Expiry Date
750,000	\$ 0.12	April 19, 2011
96,000	\$ 0.12	April 19, 2011
580,000	\$ 0.12	June 14, 2011
4,000,000	\$ 0.10	June 25, 2012 (i)
5,426,000		

(i) Exercise price increases to \$0.20 on December 24, 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 it is required to pay operating expenses or exploration and evaluation expenditures. 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 Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2011

Canadian Funds

Unaudited

8. Related Party Transactions

The aggregate value of transactions and outstanding balances relating to directors and key management personnel and entities over which they have control or significant influence are as follows:

- a) incurred \$nil (2010 - \$27,589) in legal fees and disbursements with Beach Hepburn LLP, a law firm in which a director of the Company is a partner. Accounts payable and accrued liabilities include \$nil (2010 - \$60,709) payable to this firm;
- b) incurred \$30,000 (2010 - \$15,000) in geological and administrative consulting fees with the president of the Company, who is also a director. Accounts payable and accrued liabilities include \$94,500 (2010 - \$33,350) payable to this director;
- c) incurred \$7,500 (2010 - \$7,500) in financial consulting fees with the chief financial officer of the Company. Accounts payable and accrued liabilities includes \$14,000 (2010 - \$2,625) payable to this officer;
- d) received rent and office recoveries of \$1,500 (2010 - \$1,500) from Highwood Advisory Services Ltd., a company controlled by a director of the Company and \$3,000 (2010 - \$nil) from Invenio Resources Inc., a company with directors in common with the Company. Accounts receivable includes \$2,240 (2010 - \$1,123) due from these companies;
- e) during fiscal 2010, the Company received advances totalling \$65,000, from directors and officers, for working capital. The advances carried an interest rate of 8% per annum and were due on demand. The Company repaid principal and interest of \$30,000 during 2010. The balance of principal and interest totalling \$36,718 was repaid during the current period. A total of \$1,718 in interest was paid to the directors and officers over the term of the loan.

The terms and conditions of the transactions with directors and key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available for similar services, to management personnel on an arm's length basis.

9. Marketable Securities

At March 31, 2011, the Company held 20,000 (2010 – nil) common shares of AndeanGold Ltd., which were acquired under a property option agreement (*Note 4d*) with an original value of \$3,600. The market value of these shares at March 31, 2011 was \$4,400 (December 31, 2010 - \$7,000). The Company has recorded an unrealized loss of \$2,600 due to the change in fair value during the period.

10. Commitment

The Company has signed an office occupancy lease that calls for monthly payments of \$4,943 and expires on October 31, 2012.

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2011

Canadian Funds

Unaudited

11. Transition to International Financial Reporting Standards

The accounting policies in Note 2 have been applied in preparing the interim consolidated financial statements for the three months ended March 31, 2011, the comparative information for the three months ended March 31, 2010, the balance sheet as December 31, 2010, and the opening balance sheet upon transition as at January 1, 2010.

In preparing the opening IFRS balance sheet, the comparative information for the three months ended March 31, 2010, and the financial statements for the year ended December 31, 2010, the Company has adjusted amounts previously reported in financial statements prepared in accordance with Canadian GAAP.

IFRS 1 provides certain mandatory exceptions and optional exemptions to full retrospective application for first time adopters of IFRS. In preparing these financial statements, the Company has elected as follows:

Business combinations – IFRS 1 provides the option to apply IFRS 3R, *Business Combinations*, retrospectively or prospectively from the Transition Date. The retrospective basis would require the restatement of prior acquisitions that meet the definition of a business combination under IFRS 3R. The Company elected to adopt IFRS 3R prospectively effective January 1, 2010.

Share-based payments – IFRS 1 provides an exemption to the application of IFRS 2, *Share-based Payments*, to equity instruments granted after November 7, 2002, that had vested by the Transition Date. The Company elected to apply this exemption such that it has not applied IFRS 2 to equity instruments granted after November 7, 2002 that had vested by the Transition Date.

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. While adoption of IFRS has not changed the Company's actual cash flows, it has resulted in changes to the Company's reported financial position and results of operations. Upon transition to IFRS, the only change to the Company's Canadian GAAP financial results and position relates to the retrospective expensing of exploration and evaluation assets.

In order to allow the users of the financial statements to better understand these changes, a reconciliation of the assets, liabilities, shareholders' equity, comprehensive loss, and cash flows of the Company from those reported under Canadian GAAP to IFRS is provided below:

ASSETS	December 31, 2010	March 31, 2010	January 1, 2010
Total assets under Canadian GAAP	\$ 1,938,147	\$ 2,443,304	\$ 2,512,034
Effect of transition to IFRS:			
Retrospective expensing of exploration and evaluation costs (i)	(1,601,820)	(2,350,135)	(2,343,361)
Total assets under IFRS	\$ 336,327	\$ 93,169	\$ 168,673

LIABILITIES The adoption of IFRS had no impact on the liabilities of the Company.

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2011

Canadian Funds

Unaudited

11. Transition to International Financial Reporting Standards - continued

SHAREHOLDERS' EQUITY	December 31, 2010	March 31, 2010	January 1, 2010
Total equity under Canadian GAAP	\$ 1,717,842	\$ 2,258,624	\$ 2,400,324
Effect of transition to IFRS:			
Deficit: Retrospective expensing of exploration and evaluation costs (i)	(1,601,820)	(2,350,135)	(2,343,361)
Total equity under IFRS	\$ 116,022	\$ (91,511)	\$ 56,963

COMPREHENSIVE LOSS	Three Months Ended March 31, 2010	Year Ended December 31, 2010
Comprehensive loss under Canadian GAAP	\$ 141,700	\$ 1,263,468
Effect of transition to IFRS:		
Retrospective expensing of exploration and evaluation costs (i)	6,774	(741,541)
Comprehensive loss under IFRS	\$ 148,474	\$ 521,927

The adoption of IFRS had no impact on the net cash flows of the Company. Expensing exploration and evaluation assets under IFRS resulted in reclassifications of cash flow items from investing activities to operating activities, details of which are as follows:

CASH FLOWS	Three Months Ended March 31, 2010	Year Ended December 31, 2010
Cash flows from operating activities under Canadian GAAP	\$ (61,190)	\$ (451,193)
Effect of transition to IFRS:		
Retrospective expensing of exploration and evaluation costs (i)	(6,774)	120,043
Cash flows from operating activities under IFRS	\$ (67,964)	\$ (331,150)
Cash flows from investing activities under Canadian GAAP	\$ (6,774)	\$ 175,924
Effect of transition to IFRS:		
Retrospective expensing of exploration and evaluation costs (i)	6,774	(120,043)
Cash flows from investing activities under IFRS	\$ -	\$ 55,881

(i) - Exploration and evaluation assets – where IFRS permits the capitalization of certain exploration and evaluation expenditures under IFRS 6, *Exploration and Evaluation of Mineral Properties*, the Company has elected to expense its exploration and evaluation costs in the period incurred. Consequently, the Company has retrospectively expensed such costs previously capitalized under Canadian GAAP on the Transition Date with an adjustment to its opening deficit.

Gitennes Exploration Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the Three Months Ended March 31, 2011

Canadian Funds

Unaudited

12. Segmented Information

The company currently operates in only one operating segment, that being the mineral exploration industry. The Company operates in the following geographical locations:

2011	Canada		Peru		Total
Equipment	\$	21,837	\$	-	21,837

2010	Canada		Peru		Total
Equipment	\$	24,999	\$	26,063	51,062

13. Subsequent Events

Subsequent to March 31, 2011, the Company:

- a) completed a private placement of 1,090,000 units at a price of \$0.15 per unit for gross proceeds of \$163,500. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of \$0.18 per share until April 20, 2012, then at a price of \$0.25 per share until expiry on October 22, 2012. The Company paid a total of \$4,320 in finders' fees in connection with the placement;
 - b) granted an aggregate of 1,750,000 five-year incentive stock options with an exercise price of \$0.20 per share to directors, officers and consultants. The option grant is subject to regulatory approval;
 - c) acquired the right to earn a 100% interest in the Silver King property located in Nevada, U.S.A. by meeting yearly lease payments starting at US\$21,000 and increasing to US\$36,000 until the Company exercises its option to buy the property with a single payment of US\$350,000. If the option to purchase the property is exercised, then the lease payments cease and will be replaced by advance NSR royalty payments of US\$50,000 per annum. The vendors will retain a 2% NSR royalty payable if the property is placed into commercial production. The Company can purchase a portion of the royalty (0.5%) at any time for US\$1,000,000;
 - d) acquired the right to earn a 100% interest in the Cross property located in Nevada, U.S.A. by meeting yearly lease payments starting at US\$15,000 and increasing to US\$30,000 until the Company exercises its option to buy the property with a single payment of US\$350,000. If the option to purchase the property is exercised, then the lease payments cease and will be replaced by advance NSR royalty payments of US\$50,000 per annum. The vendors will retain a 3% NSR royalty payable if the property is placed into commercial production. The Company can purchase a portion of the royalty (1%) at any time for US\$1,000,000;
 - e) acquired the rights to earn 100% interests in the Riddle and Keg properties, both located in British Columbia. The term of each of the agreements is four years with payments totalling \$100,000 for each property as follows: \$10,000 initial payment on signing the option agreement (paid), followed by a second \$10,000 payment after six months, then payments of \$20,000 each on or before the first, second, third, and fourth anniversaries. The properties are subject to a 1% NSR royalty.
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