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**GOLDEN PEAKS RESOURCES LTD.**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED  
OCTOBER 31, 2009

*(Unaudited - Prepared by Management)*

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**MANAGEMENT'S COMMENTS ON  
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited interim consolidated financial statements of Golden Peaks Resources Ltd. for the six months ended October 31, 2009, have been prepared by and are the responsibility of the Company's management. These statements have not been reviewed by the Company's external auditors.

**GOLDEN PEAKS RESOURCES LTD.**  
**INTERIM CONSOLIDATED BALANCE SHEETS**  
*(Unaudited - Prepared by Management)*

	<b>October 31, 2009</b>	<b>April 30, 2009</b>
	\$	\$
<b>A S S E T S</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	409,968	407,487
Amounts receivable	19,009	20,095
Prepays	<u>15,222</u>	<u>26,896</u>
	444,199	454,478
<b>PLANT AND EQUIPMENT</b>		
	80,334	88,806
<b>RESOURCE INTERESTS (Note 4)</b>		
	2,061,963	2,049,920
<b>DEFERRED COSTS (Note 12)</b>		
	<u>23,074</u>	<u>-</u>
	<u><u>2,609,570</u></u>	<u><u>2,593,204</u></u>

**L I A B I L I T I E S**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 9)	<u>750,275</u>	<u>675,427</u>

**S H A R E H O L D E R S ' E Q U I T Y**

<b>SHARE CAPITAL (Note 6)</b>	30,390,855	29,862,855
<b>CONTRIBUTED SURPLUS (Note 8)</b>	3,164,843	3,164,843
<b>DEFICIT</b>	<u>(31,696,403)</u>	<u>(31,109,921)</u>
	<u>1,859,295</u>	<u>1,917,777</u>
	<u><u>2,609,570</u></u>	<u><u>2,593,204</u></u>

**NATURE OF OPERATIONS (Note 1)**

**SUBSEQUENT EVENTS (Note 12)**

APPROVED BY THE BOARD

"Kieran Downes" , Director

"Nick DeMare" , Director

*The accompanying notes form an integral part of these interim consolidated financial statements.*

**GOLDEN PEAKS RESOURCES LTD.**  
**INTERIM CONSOLIDATED STATEMENTS OF LOSS AND**  
**COMPREHENSIVE LOSS AND DEFICIT**  
*(Unaudited - Prepared by Management)*

	<u>Three Months Ended</u> <u>October 31</u>		<u>Six Months Ended</u> <u>October 31</u>	
	<u>2009</u> \$	<u>2008</u> \$ <i>(Restated</i> <i>Note 2)</i>	<u>2009</u> \$	<u>2008</u> \$ <i>(Restated</i> <i>Note 2)</i>
<b>MINERAL EXPLORATION COSTS</b> (Note 5)	<u>163,997</u>	<u>483,258</u>	<u>237,523</u>	<u>1,336,752</u>
<b>EXPENSES</b>				
Accounting and administration	15,200	8,850	27,800	28,850
Amortization	1,751	3,880	3,502	9,754
Audit	25,000	-	48,810	49,000
Capital tax	-	16,182	-	200,690
Consulting	2,500	4,502	11,500	7,882
Directors' fees	12,500	12,500	25,000	25,000
Filing and transfer agent fees	11,820	4,460	13,539	12,862
General exploration	-	-	-	1,071
Investment conferences	-	8,071	-	8,071
Legal	21,499	54,478	44,693	107,909
Management fees	29,100	29,100	58,200	54,263
Office and general	18,155	20,315	31,167	43,976
Office rent	11,217	11,049	22,421	16,433
Salaries and benefits	13,552	24,884	28,026	50,985
Shareholder communications	3,506	5,068	7,911	10,769
Travel and related costs	<u>2,956</u>	<u>36,498</u>	<u>15,336</u>	<u>50,685</u>
	<u>168,756</u>	<u>239,837</u>	<u>337,905</u>	<u>678,200</u>
<b>LOSS BEFORE THE FOLLOWING</b>	(332,753)	(723,095)	(575,428)	(2,014,952)
<b>INTEREST INCOME</b>	124	8,555	390	25,188
<b>FOREIGN EXCHANGE LOSS</b>	(4,347)	(42,982)	(11,444)	(6,854)
<b>WRITE-OFF OF MINERAL PROPERTIES AND DEFERRED EXPLORATION COSTS</b>	<u>-</u>	<u>(441,922)</u>	<u>-</u>	<u>(441,922)</u>
<b>NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	(336,976)	(1,199,444)	(586,482)	(2,438,540)
<b>DEFICIT - BEGINNING OF PERIOD</b>	<u>(31,359,427)</u>	<u>(21,507,969)</u>	<u>(31,109,921)</u>	<u>(20,268,873)</u>
<b>DEFICIT - END OF PERIOD</b>	<u>(31,696,403)</u>	<u>(22,707,413)</u>	<u>(31,696,403)</u>	<u>(22,707,413)</u>
<b>BASIC AND DILUTED LOSS PER COMMON SHARE</b>	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>	<u>\$ (0.02)</u>	<u>\$ (0.08)</u>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>	<u>37,234,028</u>	<u>31,563,594</u>	<u>36,559,928</u>	<u>31,563,594</u>

*The accompanying notes form an integral part of these interim consolidated financial statements.*

**GOLDEN PEAKS RESOURCES LTD.**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(Unaudited - Prepared by Management)*

	<u>Three Months Ended</u> <u>October 31</u>		<u>Six Months Ended</u> <u>October 31</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	\$	\$	\$	\$
		<i>(Restated Note 2)</i>		<i>(Restated Note 2)</i>
<b>CASH PROVIDED FROM (USED FOR)</b>				
<b>OPERATING ACTIVITIES</b>				
Loss for the period	(336,976)	(1,199,444)	(586,482)	(2,438,540)
Items not involving cash				
Amortization	4,236	10,036	8,472	15,910
Write-off of resource interests	-	441,922	-	441,922
	<u>(332,740)</u>	<u>(747,486)</u>	<u>(578,010)</u>	<u>(1,980,708)</u>
Decrease (increase) in amounts receivable	(8,426)	(1,947)	1,086	22,116
Decrease (increase) in prepaids	3,792	(13,390)	11,674	(6,126)
Increase (decrease) in accounts payable and accrued liabilities	<u>121,823</u>	<u>(13,976)</u>	<u>74,848</u>	<u>(208,959)</u>
	<u>(215,551)</u>	<u>(776,799)</u>	<u>(490,402)</u>	<u>(2,173,677)</u>
<b>INVESTING ACTIVITIES</b>				
Expenditures on resource interests	(1,126)	(27,934)	(12,043)	(50,153)
Plant and equipment purchases	-	(1,026)	-	(24,156)
	<u>(1,126)</u>	<u>(28,960)</u>	<u>(12,043)</u>	<u>(74,309)</u>
<b>FINANCING ACTIVITIES</b>				
Issuance of common shares	266,667	-	528,000	-
Deferred costs	<u>(23,074)</u>	<u>-</u>	<u>(23,074)</u>	<u>-</u>
	<u>243,593</u>	<u>-</u>	<u>504,926</u>	<u>-</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD</b>	26,916	(805,759)	2,481	(2,247,986)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD</b>	<u>383,052</u>	<u>1,950,422</u>	<u>407,487</u>	<u>3,392,649</u>
<b>CASH AND CASH EQUIVALENTS - END OF PERIOD</b>	<u><u>409,968</u></u>	<u><u>1,144,663</u></u>	<u><u>409,968</u></u>	<u><u>1,144,663</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISED OF:</b>				
Cash			344,931	397,281
Short-term deposits			<u>65,037</u>	<u>747,382</u>
			<u><u>409,968</u></u>	<u><u>1,144,663</u></u>

*The accompanying notes form an integral part of these interim consolidated financial statements.*

**GOLDEN PEAKS RESOURCES LTD.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED OCTOBER 31, 2009**  
*(Unaudited - Prepared by Management)*

**1. NATURE OF OPERATIONS**

Golden Peaks Resources Ltd. (the “Company”) is a junior mineral exploration company currently engaged in the acquisition and exploration of precious metals on mineral properties located in Argentina. On the basis of information to date, it has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the resource interests is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. The amounts shown as resource interests represent net costs to date, less amounts recovered or written off, and do not necessarily represent present or future values.

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”) applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At October 31, 2009 the Company had a working capital deficiency of \$306,076, had not yet achieved profitable operations, had accumulated losses of \$31,696,403 and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as going concern is dependent upon its ability to generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

Subsequent to October 31, 2009 the Company completed a private placement financing for \$2,041,690. See also Note 12.

**2. COMPARATIVE FIGURES**

During the year ended April 30, 2009 (“fiscal 2009”) the Company commenced its review of the impact of International Financial Reporting Standards (“IFRS”) on its current accounting policies. Part of this initial review included an examination of the Company’s current accounting policies. In light of this review at the end of fiscal 2009, the Company determined that it was appropriate to change its accounting policy for resource interests whereby exploration and development costs are to be expensed until such time as either reserves are proven or permits to operate a mineral resource property are received and financing to complete development has been obtained. Previously, the Company capitalized its exploration and development expenditures as incurred, which is permitted under Canadian GAAP.

Management believes that this revised accounting policy will provide a more relevant and reliable basis of accounting. Among other benefits, the revised accounting policy aligns the accounting treatment of resource interest expenditures with standards used by producing mining companies in the resource sector and with global accounting standards. The change in accounting policy has been applied retrospectively, and the comparative statements have been restated.

The effect of the change was to increase the accumulated deficit at April 30, 2008 by \$12,068,475. Further impacts of the restatement are noted in the table below:

**GOLDEN PEAKS RESOURCES LTD.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED OCTOBER 31, 2009**  
*(Unaudited - Prepared by Management)*

**2. COMPARATIVE FIGURES** (continued)

	As Previously Reported \$	Adjustment \$	Restated \$
Statement of Loss and Comprehensive Loss and Deficit for the six months ended October 31, 2008			
Mineral exploration costs	-	1,336,752	1,336,752
Net loss and comprehensive loss for the period	(1,101,788)	(1,336,542)	(2,438,540)
Basic and diluted loss per share	(0.03)	(0.05)	(0.08)
Statement of Cash Flows for the six months ended October 31, 2008			
Operating activities	(406,284)	(1,767,393)	(2,173,677)
Investing activities	(1,841,702)	1,767,393	(74,309)

**3. SIGNIFICANT ACCOUNTING POLICIES**

The interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian GAAP. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the interim consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The interim consolidated financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality. These interim consolidated financial statements should be read in conjunction with the most recent annual consolidated financial statements. The significant accounting policies follow that of the most recently reported annual consolidated financial statements, except as noted below.

***Adoption of New Accounting Standards***

*Goodwill and Intangible Assets*

The Accounting Standards Board ("AcSB") issued Section 3064, *Goodwill and Intangible Assets*, which replaces Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. This new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. Effective May 1, 2009, the Company adopted Section 3062, which did not have an impact on the Company's financial position and results of operations under current operating conditions but could have an impact on the future accounting treatment of expenditures on mineral property development once mineral reserves have been proved or an operating permit received and financing for development obtained.

***Future Accounting Policies***

*Business Combinations, Consolidated Financial Statements and Non-Controlling Interests*

The CICA issued three new accounting standards in January 2009: Section 1582, *Business Combinations*, Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-Controlling Interests*. These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Company is in the process of evaluating the requirements of the new standards.

**GOLDEN PEAKS RESOURCES LTD.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Section 1582 replaces Section 1581, *Business Combinations*, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3, *Business Combinations*. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace Section 1600, *Consolidated Financial Statements*. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, *Consolidated and Separate Financial Statements*, and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

*International Financial Reporting Standards*

In 2006 the AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide comparative IFRS information for the previous fiscal year. While the Company has begun assessing the adoption of IFRS for 2011 the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

**4. RESOURCE INTERESTS**

In December 2003 the Company entered into an option agreement to earn a 100% interest in the La Fortuna Property located in the province of Chubut, Argentina, under which the Company paid a total of US \$350,000 in option payments. The Company was also required to pay US \$1 per ounce of all proven and economically recoverable gold or gold-silver equivalent to the optionor, to a maximum of US \$4 million, of which an initial payment of US \$1 million was paid on June 19, 2007. The Company was also required to pay for all additional proven and economically recoverable ounces of gold or gold-silver equivalent discovered in excess of 1 million ounces, if such ounces exist, to a maximum of 4 million ounces, at US \$1 per ounce. In December 2008 the Company delivered an independent report to the vendor and no additional payments were required of the Company.

On November 19, 2009 the Company concluded an amending agreement which establishes dates for further option payments and title to the property. The agreed upon revised option payment schedule will be US \$300,000, US \$1,000,000 on the first anniversary, US \$1,000,000 on the second anniversary, US \$1,000,000 on the third anniversary, US \$1,350,000 on the fourth anniversary and US \$1,350,000 on the fifth anniversary, for a total of US \$6 million dollars. There will be no other further payments or royalties; title to the property is being transferred immediately.

The La Fortuna Property represents the Company's sole significant mineral property interest.

**GOLDEN PEAKS RESOURCES LTD.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**5. MINERAL EXPLORATION COSTS**

Mineral exploration costs incurred during the six months ended October 31, 2009 and 2008 are detailed below:

	<u>2009</u>
	<b>La Fortuna</b>
	<b>\$</b>
Accounting	12,803
Amortization	4,970
Assays	1,669
Camp costs	80,918
Communications	1,006
Field personnel and supervision	42,085
Foreign value added tax	29,357
Geological	37,130
Professional fees	11,071
Satellite imagery	428
Travel and transportation	16,086
	<u>16,086</u>
Total	<u><u>237,523</u></u>

	<u>2008</u>				
	<b>La Fortuna</b>	<b>Lonco</b>	<b>Oro</b>	<b>Cerro Delta</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Accounting	14,017	-	-	-	14,017
Assaying	196,709	-	-	-	196,709
Communications	10,612	-	-	41	10,653
Drilling	269,289	-	-	-	269,289
Excavation	130,127	-	-	-	130,127
Field personnel and supervision	127,069	219	219	10,500	138,007
Geological	102,079	-	-	6,408	108,487
Satellite imagery	5,007	-	-	573	5,580
Technical report	66,828	-	-	-	66,828
Travel and transportation	208,411	1,356	-	3,183	212,950
	<u>208,411</u>	<u>1,356</u>	<u>-</u>	<u>3,183</u>	<u>212,950</u>
	<u><u>1,130,148</u></u>	<u><u>1,575</u></u>	<u><u>219</u></u>	<u><u>20,705</u></u>	1,152,647
Amortization					6,155
Foreign value added tax					177,950
Total					<u><u>1,336,752</u></u>

**GOLDEN PEAKS RESOURCES LTD.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED OCTOBER 31, 2009**  
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**6. SHARE CAPITAL**

Authorized - unlimited common shares without par value

Issued -	Six Months Ended October 31, 2009		Year Ended April 30, 2009	
	Shares	\$	Shares	\$
Balance, beginning of period	<u>35,463,594</u>	<u>29,862,855</u>	<u>31,563,594</u>	<u>29,300,113</u>
Issued during the period				
For cash				
Private placement	-	-	3,900,000	585,000
Exercise of warrants	<u>2,640,000</u>	<u>528,000</u>	<u>-</u>	<u>-</u>
	2,640,000	528,000	3,900,000	585,000
Less: Share issue costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,258)</u>
	<u>2,640,000</u>	<u>528,000</u>	<u>3,900,000</u>	<u>562,742</u>
Balance, end of period	<u><u>38,103,594</u></u>	<u><u>30,390,855</u></u>	<u><u>35,463,594</u></u>	<u><u>29,862,855</u></u>

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at October 31, 2009 and 2008 and the changes for the six months ending on those dates is as follows:

	2009		2008	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	3,900,000	0.20	-	-
Exercised	<u>(2,640,000)</u>	0.20	<u>-</u>	<u>-</u>
Balance, end of period	<u><u>1,260,000</u></u>	0.20	<u><u>-</u></u>	<u><u>-</u></u>

As at October 31, 2009 the Company had warrants outstanding to purchase 1,260,000 common shares, at an exercise price of \$0.20 per share, expiring January 14, 2010.

**GOLDEN PEAKS RESOURCES LTD.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED OCTOBER 31, 2009**  
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**7. STOCK OPTIONS AND STOCK-BASED COMPENSATION**

A summary of the Company's outstanding stock options at October 31, 2009 and 2008 and the changes for the six months ending on those dates is presented below:

	<u>2009</u>		<u>2008</u>	
	Options Outstanding	Weighted Average Exercise Price \$	Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	1,705,000	1.55	2,733,000	1.76
Expired	<u>(145,000)</u>	1.85	<u>(633,000)</u>	2.15
Balance, end of period	<u><u>1,560,000</u></u>	1.53	<u><u>2,100,000</u></u>	1.64

The following table summarizes information about the stock options outstanding and exercisable at October 31, 2009:

Exercise Price \$	Number Outstanding	Expiry Date
1.40	1,260,000	April 8, 2010
2.05	<u>300,000</u>	May 10, 2010
	<u><u>1,560,000</u></u>	

See also Note 12.

**8. CONTRIBUTED SURPLUS**

The Company's contributed surplus as October 31, 2009 and 2008 and the changes for the six months ending on those dates are comprised of the following:

	<u>2009</u> \$	<u>2008</u> \$
Balance, beginning and end of period	<u><u>3,164,843</u></u>	<u><u>3,164,843</u></u>

**9. RELATED PARTY TRANSACTIONS**

During the six months ended October 31, 2009 and 2008 the Company was charged for various services provided by companies controlled by directors and officers of the Company, as follows:

	<u>2009</u> \$	<u>2008</u> \$
Accounting and administration	27,800	28,850
Management fees	100,200	100,200
Consulting and professional	5,000	5,000
Directors fees	<u>25,000</u>	<u>25,000</u>
	<u><u>158,000</u></u>	<u><u>159,050</u></u>

**GOLDEN PEAKS RESOURCES LTD.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**9. RELATED PARTY TRANSACTIONS** (continued)

As at October 31, 2009 accounts payable and accrued liabilities include \$118,634 (2008 - \$38,352) due to these related parties.

These transactions were measured at the exchange amount, which was the amount of consideration established and agreed to by related parties.

**10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

***Financial Risk Factors***

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

***Credit Risk***

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

***Liquidity Risk***

All of the Company's liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from future financings.

***Market risk***

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) **Interest Rate Risk**

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents are maintained at the financial institutions is subject to floating rate of interest. The interest rate risks on cash and cash equivalents and on the Company's obligations are not considered significant.

**GOLDEN PEAKS RESOURCES LTD.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT** (continued)

(b) Foreign Currency Risk

The Company has operations in Canada and Argentina subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian dollars, United States dollars ("US dollars") and Argentinean pesos, and the fluctuation of the Canadian dollar in relation to these other currencies will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks.

At October 31, 2009, 1 Canadian dollar was equal to 0.9282 U.S. dollar and 3.519 Argentinean pesos.

Balances are as follows:

	U.S. \$	Argentinean Pesos	CDN \$ Equivalent
Cash and cash equivalents	55,990	342,114	157,543
Amounts receivable	-	17,769	5,049
Accounts payable and accrued liabilities	<u>(69,259)</u>	<u>(1,650,295)</u>	<u>(607,883)</u>
	<u>(13,276)</u>	<u>(1,290,412)</u>	<u>(445,291)</u>

Based on the net exposures as of October 31, 2009, and assuming that all other variables remain constant, a 1% fluctuation on the Canadian dollar against the U.S. dollar and Argentinean peso would result in the Company's net loss to be \$4,453 higher (or lower).

(c) Price Risk

None of the Company's future cash flows of financial instruments are subject to change from other price risks.

**11. CAPITAL MANAGEMENT**

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital, and cash and cash equivalents. The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

**GOLDEN PEAKS RESOURCES LTD.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED OCTOBER 31, 2009**  
*(Unaudited - Prepared by Management)*

**12. SUBSEQUENT EVENTS**

Subsequent to October 31, 2009, the Company:

- i) completed a brokered private placement of 4,000,000 units for gross proceeds of \$2,041,690. An aggregate of 3,831,000 units were sold to arm's length investors at a purchase price of \$0.51 per unit and an aggregate of 169,000 units were sold to non-arm's length investors at a purchase price of \$0.52 per unit. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share on or before May 19, 2011. Warrants issued to arm's length investors are exercisable at a purchase price of \$0.64 per share and warrants issued to non-arm's length investors are exercisable at a purchase price of \$0.65 per share.

The Company issued to the agent 75,000 corporate finance units. Each corporate finance unit consisted of one common share and one non-transferable common share purchase warrant exercisable at a price of \$0.65 per share until May 19, 2011. The agent also received non-transferable warrants to purchase up to 268,710 common shares exercisable at a price of \$0.65 per share until May 19, 2011. The Company also paid the agent a cash commission of \$136,767 and incurred legal and other costs totalling \$109,880. As at October 31, 2009, the Company had incurred \$23,074 of costs; and

- ii) issued 600,000 common shares on the exercise of warrants for \$120,000 proceeds.

See also Note 4.