
GOLDEN PEAKS RESOURCES LTD.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
OCTOBER 31, 2010

(Unaudited - Prepared by Management)

**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, 2010, 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)

	October 31, 2010	April 30, 2010
	\$	\$
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	592,986	1,084,517
Amounts receivable	20,400	11,223
Prepays and deposits	<u>51,509</u>	<u>57,633</u>
	664,895	1,153,373
CAPITAL ASSETS	67,353	74,822
RESOURCE INTERESTS (Note 4)	<u>2,423,445</u>	<u>2,410,149</u>
	<u><u>3,155,693</u></u>	<u><u>3,638,344</u></u>

LIABILITIES

CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	<u>826,319</u>	<u>750,258</u>

SHAREHOLDERS' EQUITY

SHARE CAPITAL (Note 6)	32,416,088	32,415,644
CONTRIBUTED SURPLUS (Note 8)	3,712,584	3,712,670
DEFICIT	<u>(33,799,298)</u>	<u>(33,240,228)</u>
	<u>2,329,374</u>	<u>2,888,086</u>
	<u><u>3,155,693</u></u>	<u><u>3,638,344</u></u>

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

SUBSEQUENT EVENT (Note 14)

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)

	Three Months Ended October 31		Six Months Ended October 31	
	2010 \$	2009 \$	2010 \$	2009 \$
MINERAL EXPLORATION COSTS (Note 5)	14,343	163,997	250,173	237,523
EXPENSES				
Accounting and administration	6,700	15,200	28,400	27,800
Advertising	6,250	-	6,250	-
Amortization	1,250	1,751	2,500	3,502
Audit	-	25,000	48,500	48,810
Consulting	2,500	2,500	5,000	11,500
Directors' fees	12,500	12,500	25,000	25,000
Filing and transfer agent fees	2,087	11,820	9,294	13,539
Legal	10,693	21,499	15,857	44,693
Management fees	54,788	42,600	97,763	85,200
Office and general	9,289	18,207	25,765	32,193
Office rent	11,271	11,217	22,543	22,421
Shareholder communications	3,793	3,506	7,667	7,911
Travel and related costs	10,830	2,956	24,730	15,336
	<u>131,951</u>	<u>168,756</u>	<u>319,269</u>	<u>337,905</u>
LOSS BEFORE THE FOLLOWING	(146,294)	(332,753)	(569,442)	(575,428)
INTEREST INCOME	133	124	243	390
FOREIGN EXCHANGE GAIN (LOSS)	<u>3,862</u>	<u>(4,347)</u>	<u>10,129</u>	<u>(11,444)</u>
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	(142,299)	(336,976)	(559,070)	(586,482)
DEFICIT - BEGINNING OF PERIOD	<u>(33,656,999)</u>	<u>(31,359,427)</u>	<u>(33,240,228)</u>	<u>(31,109,921)</u>
DEFICIT - END OF PERIOD	<u><u>(33,799,298)</u></u>	<u><u>(31,696,403)</u></u>	<u><u>(33,799,298)</u></u>	<u><u>(31,696,403)</u></u>
BASIC AND DILUTED LOSS PER COMMON SHARE	<u><u>\$(0.00)</u></u>	<u><u>\$(0.01)</u></u>	<u><u>\$(0.01)</u></u>	<u><u>\$(0.02)</u></u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u><u>43,444,644</u></u>	<u><u>37,234,028</u></u>	<u><u>43,444,593</u></u>	<u><u>36,559,928</u></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)

	Three Months Ended October 31		Six Months Ended October 31	
	2010	2009	2010	2009
	\$	\$	\$	\$
CASH PROVIDED FROM (USED FOR)				
OPERATING ACTIVITIES				
Loss for the period	(142,299)	(336,976)	(559,070)	(586,482)
Items not involving cash				
Amortization	3,735	4,236	7,469	8,472
	(138,564)	(332,740)	(551,601)	(578,010)
Decrease (increase) in amounts receivable	(1,952)	(8,426)	(9,177)	1,086
Decrease (increase) in prepaids	(669)	3,792	6,124	11,674
Increase in accounts payable and accrued liabilities	8,446	121,823	76,061	74,848
	(132,739)	(215,551)	(478,593)	(490,402)
INVESTING ACTIVITY				
Expenditures on resource interests	(10,174)	(1,126)	(13,296)	(12,043)
FINANCING ACTIVITIES				
Issuance of common shares	-	266,667	358	528,000
Deferred costs	-	(23,074)	-	(23,074)
	-	243,593	358	504,926
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD	(142,913)	26,916	(491,531)	2,481
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	735,899	383,052	1,084,517	407,487
CASH AND CASH EQUIVALENTS - END OF PERIOD	592,986	409,968	592,986	409,968
CASH AND CASH EQUIVALENTS COMPRISED OF:				
Cash			592,986	344,931
Short-term deposits			-	65,037
			592,986	409,968

SUPPLEMENTAL CASH FLOW INFORMATION - See Note 10.

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, 2010
(Unaudited - Prepared by Management)

1. NATURE OF OPERATIONS AND GOING CONCERN

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, 2010 the Company had working capital deficiency of \$161,424, had not yet achieved profitable operations, had accumulated losses of \$33,799,298 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.

See also Notes 3 and 4.

2. SIGNIFICANT ACCOUNTING POLICIES

These 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 Canadian 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.

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.

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED OCTOBER 31, 2010
(Unaudited - Prepared by Management)

2. 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 International Financial Reporting Standards (“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.

The Company does not anticipate the above new standards to have an impact on the Company’s consolidated financial statements.

3. PROPOSED ACQUISITION

On October 23, 2010 the Company entered into an agreement (the “Reliance LOI”) with Reliance Resources Ltd. (“Reliance”), an Australian private company and its shareholders, whereby the Company proposes to issue 62,700,000 common shares to acquire all of the outstanding securities of Reliance. The proposed acquisition is at arms’ length and completion is subject to Company shareholder and TSX approval and other conditions precedent.

Reliance holds the rights to five gold exploration permits, covering 30,000 hectares, on the islands of Sulawesi and Halmahera in eastern Indonesia.

4. RESOURCE INTERESTS

	Acquisition Costs	
	October 31, 2010	April 30, 2010
	\$	\$
La Fortuna Property(a)	2,413,271	2,410,149
Gypsum Project (b)	5,087	-
Leonid Project (c)	5,087	-
	2,423,445	2,410,149

(a) *La Fortuna Property*

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

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED OCTOBER 31, 2010
(Unaudited - Prepared by Management)

4. RESOURCE INTERESTS (continued)

of US \$5 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 La Fortuna Property. The agreed upon revised option payment schedule will be US \$300,000 (paid), 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. Title to the La Fortuna Property has now been transferred to the Company.

On November 19, 2010 the Company did not make the US \$1,000,000 second anniversary payment required under the amending agreement and initiated negotiations to amend the terms of the option payments with the optionor. In the event that an agreement cannot be reached the Company will have to consider the abandoning of the La Fortuna Property.

(b) *Gypsum Project*

On October 4, 2010 the Company entered into an option agreement whereby the Company can earn a 70% undivided interest in 18 unpatented mining claims (the "Gypsum Project") located in Churchill County, Nevada, by making a cash payment of US \$5,000 (paid), expend a minimum of US \$2,850,000 in exploration and development expenses and to provide a bankable feasibility study by the sixth anniversary as follows:

Due Date	Expenditure US \$
October 4, 2011	25,000
October 4, 2012	100,000
October 4, 2013	250,000
October 4, 2014	500,000
October 4, 2015	750,000
October 4, 2016	<u>1,225,000</u>
	<u><u>2,850,000</u></u>

(c) *Leonid Project*

On September 27, 2010 the Company entered into an option agreement whereby the Company can earn a 70% undivided interest in 144 unpatented mining claims (the "Leonid Project") located in Elko and Lander County, Nevada, by making a cash payment of US \$5,000 (paid), expend a minimum of US \$2,850,000 in exploration and development expenses and to provide a bankable feasibility study by the sixth anniversary, as follows:

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED OCTOBER 31, 2010
(Unaudited - Prepared by Management)

4. RESOURCE INTERESTS (continued)

Due Date	Expenditure US \$
September 27, 2011	50,000
September 27, 2012	100,000
September 27, 2013	350,000
September 27, 2014	600,000
September 27, 2015	750,000
September 27, 2016	<u>1,000,000</u>
	<u><u>2,850,000</u></u>

(d) See also Note 3.

5. MINERAL EXPLORATION COSTS

Mineral exploration costs incurred on the La Fortuna Property during the six months ended October 31, 2010 and 2009, are detailed below:

	2010 \$	2009 \$
Accounting	5,906	12,803
Amortization	4,969	4,970
Assays	28,392	1,669
Camp costs	1,915	80,918
Communications	388	1,006
Drilling	132,814	-
Field personnel and supervision	35,438	42,085
Foreign value added tax	11,510	29,357
Geological	18,129	37,130
Imaging / mapping	-	428
Professional fees	-	11,071
Travel and transportation	<u>10,712</u>	<u>16,086</u>
Total	<u><u>250,173</u></u>	<u><u>237,523</u></u>

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED OCTOBER 31, 2010
(Unaudited - Prepared by Management)

6. SHARE CAPITAL

Authorized - unlimited common shares without par value

Issued -	Six Months ended October 31, 2010		Year Ended April 30, 2010	
	Shares	\$	Shares	\$
Balance, beginning of period	43,444,094	32,415,644	35,463,594	29,862,855
Issued during the period				
For cash				
Private placement	-	-	4,000,000	2,041,690
Exercise of warrants	550	358	3,905,500	783,575
For finder's fees	-	-	75,000	26,568
Reallocation from contributed surplus on exercise of warrants	-	86	-	856
	550	444	7,980,500	2,852,689
Less: Share issue costs	-	-	-	(299,900)
	550	444	7,980,500	2,552,789
Balance, end of period	43,444,644	32,416,088	43,444,094	32,415,644

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at October 31, 2010 and 2009 and the changes for the six months ended on those dates is as follows:

	2010		2009	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of period	4,337,670	0.64	3,900,000	0.20
Exercised	(550)	0.65	(2,640,000)	0.20
Balance, end of period	4,337,120	0.64	1,260,000	0.20

The following table summarizes information about the number of common shares reserved pursuant to warrants outstanding at October 31, 2010:

Number	Exercise Price \$	Expiry Date
3,831,000	0.64	May 19, 2011
506,120	0.65	May 19, 2011
4,337,120		

See also Note 14.

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED OCTOBER 31, 2010
(Unaudited - Prepared by Management)

7. STOCK OPTIONS AND STOCK-BASED COMPENSATION

The Company has established a rolling stock option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The options have a maximum term of ten years.

No stock options were granted during the six months ended October 31, 2010 or 2009.

A summary of the Company's outstanding stock options at October 31, 2010 and 2009 and the changes for the six months ended on those dates is presented below:

	<u>2010</u>		<u>2009</u>	
	Options Outstanding	Weighted Average Exercise Price \$	Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of period	1,650,000	0.97	1,705,000	1.55
Expired / cancelled	<u>(350,000)</u>	1.86	<u>(145,000)</u>	1.85
Balance, end of period	<u><u>1,300,000</u></u>	0.73	<u><u>1,560,000</u></u>	1.53

The following table summarizes information about the stock options outstanding and exercisable at October 31, 2010:

Exercise Price \$	Number Outstanding	Expiry Date
0.73	<u><u>1,300,000</u></u>	January 14, 2012

8. CONTRIBUTED SURPLUS

The Company's contributed surplus as October 31, 2010 and 2009, and the changes for the six months ended on those dates are comprised of the following:

	<u>2010</u>	<u>2009</u>
	\$	\$
Balance, beginning of period	3,712,670	3,164,843
Reallocation to share capital on exercise of warrants	<u>(86)</u>	<u>-</u>
Balance, end of period	<u><u>3,712,584</u></u>	<u><u>3,164,843</u></u>

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED OCTOBER 31, 2010
(Unaudited - Prepared by Management)

9. RELATED PARTY TRANSACTIONS

During the six months ended October 31, 2010 and 2009 the Company was charged for various services provided by companies controlled by directors and officers of the Company, as follows:

	2010 \$	2009 \$
Accounting and administration	28,400	27,800
Management fees	100,200	100,200
Consulting and professional	5,000	5,000
Directors fees	25,000	25,000
	<u>158,600</u>	<u>158,000</u>

As at October 31, 2010 accounts payable and accrued liabilities include \$78,950 (2009 - \$118,634) 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. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash activities conducted by the Company during the six months ended October 31, 2010 and 2009 are as follows:

	2010 \$	2009 \$
Financing activities		
Reallocation from contributed surplus on exercise of warrants	(86)	-
Contributed surplus	86	-
	<u>-</u>	<u>-</u>

11. SEGMENTED INFORMATION

Substantially all of the Company's operations are in one industry, the exploration for gold. Management reviews the financial results according to expenditures by property. The Company's current mineral properties are located in Argentina and USA and its corporate assets are located in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results.

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED OCTOBER 31, 2010
(Unaudited - Prepared by Management)

11. SEGMENTED INFORMATION (continued)

The Company's total assets are segmented geographically as follows:

	October 31, 2010			Total
	Canada	Argentina	USA	
	\$	\$	\$	\$
Identifiable assets				
Current assets	472,780	192,115	-	664,895
Capital assets	8,722	58,631	-	67,353
Resource interests	-	2,413,271	10,174	2,423,445
	<u>481,502</u>	<u>2,664,017</u>	<u>10,174</u>	<u>3,155,693</u>
	April 30, 2010			
	Canada	Argentina		
	\$	\$	\$	
Identifiable assets				
Current assets		840,063	313,310	1,153,373
Capital assets		11,222	63,600	74,822
Resource interests		-	2,410,149	2,410,149
		<u>851,285</u>	<u>2,787,059</u>	<u>3,638,344</u>

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of Financial Assets and Financial Liabilities

Under Canadian GAAP financial instruments are classified into one of the following five categories: held for trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets and other financial liabilities. The carrying values of the Company's financial instruments, which are the same as their fair values, are classified into the following categories:

Financial Instrument	Category	October 31,	April 30,
		2010	2010
		\$	\$
Cash and cash equivalents	Designated held for trading	592,986	1,084,517
Amounts receivable	Loans and receivables	20,400	11,223
Prepays and deposits	Loans and receivables	51,509	57,633
Accounts payable and accrued liabilities	Other liabilities	(826,319)	(750,258)

The recorded amounts for cash and cash equivalents, other receivables, accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's carrying value and fair value of cash and cash equivalents under the fair value hierarchy is measured using Level 1 inputs.

Investment income consists of interest earned on cash and cash equivalents of \$243.

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED OCTOBER 31, 2010
(Unaudited - Prepared by Management)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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 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.

(b) Foreign Currency Risk

The Company has operations in Canada, USA 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, 2010, 1 Canadian dollar was equal to 0.9815 U.S. dollar and 3.877 Argentinean pesos.

Balances are as follows:

	U.S. \$	Argentinean Pesos	CDN \$ Equivalent
Cash and cash equivalents	303,233	12,135	312,064
Amounts receivable	-	17,153	4,424
Accounts payable and accrued liabilities	<u>(90,317)</u>	<u>(1,719,910)</u>	<u>(535,607)</u>
	<u>212,916</u>	<u>(1,690,622)</u>	<u>(219,119)</u>

GOLDEN PEAKS RESOURCES LTD.
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED OCTOBER 31, 2010
(Unaudited - Prepared by Management)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Based on the net exposures as of October 31, 2010 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 \$2,191 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.

13. 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 resource interests. 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, stock options, warrants 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.

14. SUBSEQUENT EVENT

Subsequent to October 31, 2010 the Company issued 10,000 common shares for gross proceeds of \$6,400 on the exercise of 10,000 warrants.