

EXCEL GOLD MINING INC.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED APRIL 30, 2010 AND 2009

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CONSOLIDATED FINANCIAL STATEMENTS
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AUDITORS' REPORT

To the Shareholders of
EXCEL GOLD MINING INC.

We have audited the consolidated balance sheets of EXCEL GOLD MINING INC. as at April 30, 2010, and the consolidated statements of earnings and comprehensive loss, deficit and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing+ the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures were audited by another firm of public accountants.

*Guimond Lavallée Inc.*¹

Chartered Accountants

Brossard (Québec)
August 30, 2010

¹ Chartered accountant auditor permit n° 23358


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EXCEL GOLD MINING INC.
CONSOLIDATED BALANCE SHEETS
APRIL 30, 2010 AND 2009

	2010	2009
ASSETS		
CURRENT ASSETS		
Cash	\$ -	\$ 263 892
Sales taxes recoverable	72 257	46 963
Tax credits receivable	45 924	-
Receivable related to issue of shares	160 000	-
Advances to a private company without interest and fixed repayment conditions	-	58 500
Deposit	20 385	4 500
	298 566	373 855
MINING PROPERTIES (note 4)	2 120 250	970 250
DEFERRED EXPLORATION COSTS (note 5)	749 284	6 000
	\$ 3 168 100	\$ 1 350 105
LIABILITIES		
Current liabilities		
Bank overdraft	\$ 67	\$ -
Accounts payable and accrued liabilities	773 486	1 183 715
Note payable (note 6)	125 000	125 000
Due to related parties, without interest, at demand	-	10 000
Due to an employee, without interest, at demand	57 523	-
	956 076	1 318 715
SHAREHOLDERS' EQUITY		
Capital stock (note 7)	20 360 680	18 041 418
Contributed surplus (note 10)	2 894 051	2 878 490
Deficit	(21 042 707)	(20 888 518)
Comprehensive income	-	-
	2 212 024	31 309
	\$ 3 168 100	\$ 1 350 105
COMMITMENT (note 12)		
CONTINGENCIES (note 13)		
SUBSEQUENT EVENTS (note 17)		

ON BEHALF OF THE BOARD :

_____, director

_____, director

EXCEL GOLD MINING INC.
 CONSOLIDATED EARNINGS AND COMPREHENSIVE LOSS
 YEARS ENDED APRIL 30, 2010 AND 2009

	2010	2009
ADMINISTRATIVE AND OTHER EXPENSES		
Consultant fees	\$ 93 025	\$ 90 731
Professional fees	160 246	166 182
General and administrative expenses	127 326	55 901
Registration, listing fees and shareholders' information	156 851	88 357
Write-off of mining properties	-	85 431
Interest on note payable	18 750	18 750
Write down of Guyana equipment	-	46 187
Write-off of Guyana assets	-	23 080
Gain on debt settlement	<u>(402 009)</u>	<u>(158 866)</u>
	<u>154 189</u>	<u>415 763</u>
NET LOSS AND COMPREHENSIVE LOSS	<u>\$ (154 189)</u>	<u>\$ (415 763)</u>
BASIC AND DILUTED NET LOSS PER SHARE	<u>(0,002)</u>	<u>(0,007)</u>
Weighted average number of common shares outstanding, BASIC AND DILUTED	<u>81 897 432</u>	<u>55 586 226</u>

EXCEL GOLD MINING INC.
CONSOLIDATED DEFICIT
YEARS ENDED APRIL 30, 2010 AND 2009

	2010	2009
DEFICIT, BEGINNING OF YEAR	\$(20 888 518)	\$(20 472 755)
NET LOSS	<u>(154 189)</u>	<u>(415 763)</u>
DEFICIT, END OF YEAR	<u>\$(21 042 707)</u>	<u>\$(20 888 518)</u>

EXCEL GOLD MINING INC.
CONSOLIDATED CASH FLOWS
YEARS ENDED APRIL 30, 2010 AND 2009

	2010	2009
OPERATING ACTIVITIES		
Net loss	\$(154 189)	\$(415 763)
Items not involving cash :		
Consultant and professional fees paid with shares	151 243	-
Write-off of mining properties	-	85 431
Write down of Guyana equipment	-	46 187
Loss on write-off of Guyana assets	-	23 080
Gain on debt settlement	<u>(402 009)</u>	<u>(158 866)</u>
	(404 955)	(419 931)
Net changes in non-cash working capital items (note 11)	<u>(55 043)</u>	<u>190 840</u>
	<u>(459 998)</u>	<u>(229 091)</u>
INVESTING ACTIVITIES		
Acquisition of mining properties	(150 000)	(7 800)
Deferred exploration expenses	<u>(743 284)</u>	<u>(6 000)</u>
	<u>(893 284)</u>	<u>(13 800)</u>
FINANCING ACTIVITIES		
Due to an employee	57 523	-
Due to related parties	-	(340 596)
Cash inflows relating to the issue of capital stock and warrants	<u>1 031 800</u>	<u>837 500</u>
	<u>1 089 323</u>	<u>496 904</u>
CASH AND CASH EQUIVALENTS (DECREASE) INCREASE	(263 959)	254 013
CASH, BEGINNING OF YEAR	<u>263 892</u>	<u>9 879</u>
CASH, END OF YEAR (DEFICIENCY)	<u>\$(67)</u>	<u>\$ 263 892</u>

Cash and cash equivalents consist of cash hand and the bank overdraft.

EXCEL GOLD MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED APRIL 30, 2010 AND 2009

1. STATUTE OF INCORPORATION AND NATURE OF ACTIVITIES

Excel Gold Mining Inc. ("EGM", or the "Company") is incorporated under Part 1A of the companies Act (Québec).

The Company is still in the process of exploring and evaluating its mineral properties and projects and has not yet determined whether its properties and projects contain ore reserves that are economically recoverable. The Company is considered to be in the development stage.

The Company ended its operations in Guyana to concentrate on projects in Quebec. All the assets of the Guyanese subsidiary were written-off or written down.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will, in the ordinary course of business, be able to realize its assets and discharge its liabilities. The recoverability of the accumulated costs shown for mining properties and related deferred costs is dependent upon the existence of economically recoverable reserves, future profitable production, and on the Company's ability to obtain the necessary financing to fund its operations.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

The consolidated financial statements include the accounts of the Company and its subsidiaries, all 100% owned by EGM, Guyana. All inter-company transactions and balances have been eliminated.

b) Use of Estimates

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. The estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Significant estimates include the value of mining properties, calculation of stock-based compensation expenses and value of warrants. Actual results may differ from those estimates.

c) Foreign exchange

Monetary assets and liabilities in foreign currency of integrated foreign operation are translated at the exchange rate in effect at the balance sheet date, whereas other assets and liabilities are translated at exchange rates in effect at transaction dates. Expenses in foreign currency are translated at the average rate in effect during the year, with the exception of amortization, which is translated at the historical rate. Gains and losses are included in the earnings for the year.

EXCEL GOLD MINING INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED APRIL 30, 2010 AND 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Cash and cash equivalents

The Company's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and temporary investments with a maturity period of three (3) months or less from the date of acquisition.

e) Mining Properties, and Deferred Exploration Costs

The amounts recorded as mining properties and deferred exploration costs represent exploration, development and associated operating costs incurred to date and are not intended to reflect present or future values. These costs are deferred until the discovery of economically exploitable reserves and the start-up of the production phase on a property-by-property basis or until the property is abandoned. Mining properties are abandoned when management allows property interests to lapse or when they determine that properties are not economically viable. Costs accumulated relating to projects that are abandoned are written-off in the year in which a decision to discontinue the project is made.

When it has been determined that a mining property can be economically developed as a result of establishing proven and probable reserves, costs incurred prospectively to develop the property are capitalized as incurred and are amortized using the units-of-production method over the estimated life of the ore body based upon recoverable ounces to be mined from estimated proven and probable reserves.

The Company is in the development stage and by definition commercial production has not yet commenced. Commercial production occurs when an asset or property is substantially complete, is fully permitted and ready for its intended use. No amortization of mining properties has been charged in these financial statements.

On a periodic basis, senior management reviews the carrying values of mining properties and deferred exploration expenditures with a view to assessing whether there has been any impairment in value. In the event that it is determined there is an impairment in the carrying value of any property, the carrying value will be written down or written off, as appropriate.

f) Income and Mining Taxes

The Company uses the liability method to account for income taxes. Under this method of Section 3465, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured by using enacted or substantively enacted tax rates expected to apply to taxable income in the years during which those temporary differences are expected to be recovered or settled. Under Section 3465, the effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

EXCEL GOLD MINING INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED APRIL 30, 2010 AND 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g) Refundable Tax Credit for Resources

The Company is also eligible for a refundable tax credit for resources for petroleum and natural gas industry companies in relation to eligible expenses incurred. The refundable tax credit for resources represents up to 35% of the amount of eligible expenses incurred. This tax credit is recognized as a credit under deferred expenditures.

h) Asset retirement obligations

The Company records the present value of its legal obligations associated with the asset retirement when the liability is incurred. The corresponding amount is capitalized as part of the related mining property's carrying value. While the associated mining property is in the pre-production stage, the liability is accreted over time through periodic charges to mining property costs. In each subsequent period, the carrying amounts of the asset and the liability are adjusted for changes to the Company's estimate of future cash flows associated with the retirement obligations.

i) Basic and Diluted Loss per Share

The basic loss per share is calculated using the weighted average number of shares outstanding during the period. We follow the treasury stock method in calculating diluted earnings per share. Under this method, the weighted average number of shares includes the potentially dilutive effects of the conversion of in-the-money stock options and warrants into common shares. The effect of potential issuances of shares under options and warrants would be anti-dilutive when a loss is reported, and therefore basic and diluted losses per share are the same.

j) Stock-based compensation

Stock options granted to employees and non-employees are accounted for using the fair value method. Under this method, the compensation cost is measured as at the date of the grant by applying the Black-Scholes option pricing model. The determined fair value is recognized as a cost over the vesting period with a corresponding increase to contributed surplus. On the exercise of stock options, consideration paid and the associated contributed surplus is credited to common shares.

k) Financial Instruments

All financial assets and financial liabilities are classified as either: held-for-trading, available-for-sale, held-to-maturity, loans-and-receivables or other liabilities. Financial assets classified as held-for-trading or available-for-sale, are measured at fair value. Held-to-maturity, and loans-and-receivables are measured initially at fair value then at amortized cost over their term. Financial liabilities are measured at their fair value when they are classified as held-for-trading otherwise they are measured at amortized cost over their term. Initial differences between fair value and maturity value are amortized using the effective interest method.

EXCEL GOLD MINING INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED APRIL 30, 2010 AND 2009

3. ADOPTION NEW ACCOUNTING POLICIES

On May 1st, 2009, in accordance with the applicable transitional provisions, the Company applied the following new recommendations of the Canadian Institute of Chartered Accountants:

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. On May 1, 2009 the Company adopted these changes, with no impact on its 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. The Company is in the process of evaluating the requirements of the new standards.

Section 1582 replaces Section 158 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

The AcSB has announced that Canadian publicly accountable enterprises will be required to adopt IFRS effective January 1, 2011. Although IFRS employs a conceptual framework that is similar to Canadian GAAP, there are significant differences in recognition, measurement and disclosure. The Company has undertaken a project to assess the potential impacts of the transition to IFRS and has developed a detailed project plan to ensure compliance with the new standards. The Company has completed the initial phase of the implementation project including the detailed diagnostic analysis which included a high-level impact assessment to identify key areas that may be impacted by the adoption of IFRS. This analysis resulted in the prioritization of areas to be evaluated in the next phase of the project plan, component evaluation. This phase, which is currently in progress, includes the analysis of accounting policy alternatives available under IFRS as well as the determination of changes required to existing information systems and business processes. The Company is currently assessing the impact of the adoption of IFRS on our results of operations, financial position and financial statement disclosures.

EXCEL GOLD MINING INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. MINING PROPERTIES

	Balance as at April 30, 2009	Addition	Write-off	Balance as at April 30, 2010
Canada	\$	\$	\$	\$
Montauban Mine ⁽ⁱ⁾	-	150 000	-	150 000
Batiscan I ⁽ⁱⁱ⁾	722 300	-	-	722 300
Batiscan II ⁽ⁱⁱ⁾	-	460 000	-	460 000
Evezza ⁽ⁱⁱⁱ⁾	247 950	-	-	247 950
Castellane ^(iv) (Batiscan)	-	540 000	-	540 000
	970 250	1 150 000	-	2 120 250

(i) Montauban Mine

The Montauban Mine consists in a mining lease joined to a mining concession both covering approximate areas of 76.84 hectares to which are added 2 mining claims. The mine is located 3 km south of the town of Notre-Dame-de-Montauban. The acquisition was concluded in July 2009 for a total consideration of \$ 150,000 in cash and Net Smelter Return (NSR) of 1%. This percentage is redeemable at any time for an amount of \$ 500,000.

(ii) Batiscan I is located in the Montauban region, Portneuf County. The property totalizes 119 mining titles.

In June 2009, the Company acquired another property in the Montauban mining camp, the « Batiscan II » in exchange of 5,750,000 units consisting of 5,750,000 common shares and 2,875,000 share purchase warrants at an issue price of \$ 0.08 per unit. Each share purchase warrant entitles the holder to purchase one common share of the Company for \$ 0.12 until June 9, 2011. The gross proceeds of the units were assigned \$ 442,980 to common shares and \$ 17,020 to warrants. The fair value of the warrants was estimated on the issue date based on the Black-Scholes option pricing model using the following assumptions: risk-free interest rate 14%, expected life 24 months, expected volatility 96%, and no expected dividend yield. The property totalizes an approximate surface of 6,435 hectares comprised in 140 mining titles and located in the Montauban and Chavigny Townships near Grondines-West, in the Portneuf County, Québec. With this acquisition, Excel now owns 257 claims in the Montauban mining camp. The property is located in the Montauban and Chavigny townships, 120 kilometers west of Quebec City and 50 kilometers north east of Trois-Rivières, Québec.

EXCEL GOLD MINING INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. MINING PROPERTIES (CONT'D)

(iii) The Evezza property is approximately 25km from the town of Matagami, Quebec. The project is located in the Comporte, Razilly and Vezza townships approximately 250 Km north of the town of Val d'Or, Quebec.

The property represents an area of 6,551 hectares covered by 117 mining titles divided into two groups the first block comprising 40 designated cells, located in the Comporte Townships and covering 2,232 hectares; the second block consisting of 77 designated cells, located in the Razilly and Vezza townships and covering 4,319 hectares.

(iv) In December 2009, the Company acquired another property in the Montauban mining camp, the « Castellane (Bastiscan)» in exchange of 6,750,000 common shares at a price of \$ 0.08 per common share. The "Castellane (Bastiscan)" property claims consist in the mining rights relating to a property called Castellane which is composed of 40 mining titles covering 1,379 hectares. The properties are located in the Montauban, Chavigny and Seigneurie de Grondines-Ouest County at 120 km west of the City of Quebec and 50 km north east of the City of Trois-Rivieres, Quebec.

	Balance as at April 30, 2008	Addition	Write-off	Balance as at April 30, 2009
	\$	\$	\$	\$
Canada				
Batiscan	-	722 300	-	722 300
Evezza	-	247 950	-	247 950
	-	970 250	-	970 250
Guyana/Guyana	85 431	-	85 431	-
	85 431	970 250	85 431	970 250

5. DEFERRED EXPLORATION COSTS

	Balance as at April 30, 2009	Addition	Write-off	Balance as at April 30, 2010
	\$	\$	\$	\$
Batiscan I	6 000	60 608	-	66 608
Evezza	-	413 730	-	413 730
Montauban Mine	-	268 946	-	268 946
	6 000	743 284	-	749 284

	Balance as at April 30, 2008	Addition	Write-off	Balance as at April 30, 2009
	\$	\$	\$	\$
Batiscan I	-	6 000	-	6 000

EXCEL GOLD MINING INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. NOTE PAYABLE

Note payable, bearing interest at a rate of 15%, due since December, 2006.

7. CAPITAL STOCK

Authorized

Unlimited number of common shares without par value

Issued :

	2010		2009	
	Number	Amount \$	Number	Amount \$
Balance, beginning of year	65 858 692	18 041 418	44 908 692	16 645 910
Issued during the year for cash				
Private placements ^{(i), (ii), (iii)}	16 211 428	1 166 282	9 250 000	685 200
Exercise of options	1 500 000	120 000	-	-
Issued for the purchase of mining claims ^(note 4)	12 500 000	982 520	11 450 000	658 094
Issued for the conversion of warrants	-	-	250 000	52 214
Issued on settlement of debt ^(iv)	1 000 000	50 000	-	-
Balance, end of year	97 070 120	20 360 680	65 858 692	18 041 418

- (i) On August 2009, the Company issued 10,000,000 private placement units consisting of 10,000,000 flow-through common shares and 10,000,000 share purchase warrants at an issue price of \$ 0.08 per unit. Each share purchase warrant entitles the holder to purchase one non flow-through common share of the Company for \$ 0.135 until February 20, 2011. In connection with the issuance of these common shares, 500,000 options to purchase units (the "Compensation Units"), each Compensation Unit exercisable at a price of \$ 0.08 no later than eighteen (18) months following the date of issuance and each Compensation Unit comprised of one (1) non-flow-through common share and one (1) non-flow-through common share purchase warrant, exercisable at a price of \$ 0.135 per share no later than eighteen (18) months following the date of issuance were issued as a finder's fee. The gross proceeds of the units were assigned \$ 784,000 to common shares and \$ 16,000 to warrants. The fair value of the warrants was estimated on the issued date based on the Black-Scholes option pricing model using the following assumptions: risk-free interest rate 14%, expected life 18 months, expected volatility 96%, and expected dividend yield 0%.

EXCEL GOLD MINING INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7. CAPITAL STOCK (CONT'D)

- (ii) On January 2010, the Company issued 1,911,428 private placement units consisting of 1,911,428 flow-through common shares and 1,911,428 share purchase warrants at an issue price of \$ 0.07 per unit. Each share purchase warrant entitles the holder to purchase one non flow-through common share of the Company for \$ 0.10 until July 11, 2012. The gross proceeds of the units were assigned \$ 130,990 to common shares and \$ 2,810 to warrants. The faire value of the warrants was estimated on the issued date based on the Black-Scholes option pricing model using the following assumptions: risk-free interest rate 14%, expected life 18 months, expected volatility 96%, and expected dividend yield 0%.
- (iii) On February 2010, the Company issued 86 private placement units consisting of 16,667 flow-through common shares at a price of \$ 0.06 per share; 33,333 non flow-through common shares; and (iii) 33,333 share purchase warrants at an issue price of \$ 3,000 per unit. Each share purchase warrant entitles the holder to purchase one non flow-through common share of the Company for \$ 0.10 until February 16, 2012. The gross proceeds of the units were assigned \$ 251,292 to common shares and \$ 6,708 to warrants. The faire value of the warrants was estimated on the issued date based on the Black-Scholes option pricing model using the following assumptions: risk-free interest rate 14%, expected life 24 months, expected volatility 96%, and expected dividend yield 0%.
- (iv) In December 2009, the Company issued 1,000,000 common shares at a price of \$ 0.05 per share in settlement of a debt of \$ 180,000.

8. STOCK OPTIONS

During 2008, the shareholders of the Company approved a new stock option plan (the "plan") whereby the Board of Directors may grant to employees, officers, directors and suppliers of the Company, share purchase options to acquire shares in such numbers, for such terms and at such exercise prices as may be determined by the Board of Directors and may not be lower than the market price of the common shares at the date of grant.

The plan provides that the maximum number of shares in the capital of the Company that may be reserved for issuance under the plan shall be equal to 10% of the shares issued and outstanding and that the maximum number of shares which may be reserved for issuance to any optionee may not exceed 5% of the outstanding shares at the time of grant and the maximum number of shares which be reserved for issuance to investors relation representative may not exceed 2% of the outstanding shares at the time of grant. According to the new plan, these options will expire no later than five years after being granted. The share purchase options are vested at granting date except for the ones granted to an investor relation representative who are vested gradually at the rate of 25% per quarter.

During the year, the Company did not grant stock options.

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8. STOCK OPTIONS (CONT'D)

The fair value of stock options related to 2008 issuance was estimated at the grant date based on the Black-Scholes options pricing model using the following weighted average assumptions:

Risk-free interest rate:	3.2%
Expected life (year):	4.8
Expected volatility:	116%
Expected dividend yield:	nil

Options pricing models including the Black-Scholes model require the input of highly subjective assumptions that can materially affect the fair value estimate and therefore do not necessarily provide a reliable measure of the fair value of the Company's stock options.

Changes during the year in common stock options issued are as follows:

	2010		2009	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Options outstanding, beginning of year	2 477 050	0.07	2 749 750	0.11
Granted	-	-	-	-
Exercised	(1 500 000)	0.07	-	0.00
Expired / Forfeited	(902 050)	0.08	(272 700)	0.44
Options outstanding, end of year	75 000	0.07	2 477 050	0.07
Options exercisable, end of year	75 000	0.07	2 477 050	0.07

The following table summarizes information about the common stock options outstanding and exercisable at April 30, 2010:

Expiry Date	Exercise price	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life (years)
		\$		\$
April, 2013	0.07	75 000	75 000	3

EXCEL GOLD MINING INC.
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9. WARRANTS

Changes during the year in share purchase warrants issued are as follows:

	2010		2009	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Balance, beginning of year	12 267 910	0.15	4 292 910	0.16
Granted	18 153 066	0.12	8 650 000	0.15
Exercised	-	-	(250 000)	0.15
Expired	(2 267 910)	0.16	(425 000)	0.22
Balance, end of year	28 153 066	0.13	12 267 910	0.15

The Company had the following share purchase warrants outstanding at April 30, 2010:

Expiry Date	Exercise price	Number of warrants outstanding	Number of warrants exercisable	Weighted average remaining contractual life (years)
	\$			\$
May, 2010	0.12	3 125 000	3 125 000	0.10
June, 2010	0.22	2 600 000	2 600 000	0.20
February, 2011	0.12	2 925 000	2 925 000	0.80
February, 2011	0.14	10 500 000	10 500 000	0.80
June, 2011	0.12	2 875 000	2 875 000	1.20
January, 2012	0.15	1 350 000	1 350 000	1.80
February, 2012	0.10	2 866 638	2 866 638	1.80
July, 2012	0.10	1 911 428	1 911 428	2.30
	0.13	28 153 066	28 153 066	1.00

EXCEL GOLD MINING INC.
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10. CONTRIBUTED SURPLUS

	2010	2009
	\$	\$
Balance, beginning of year	2 878 490	2 060 767
Stock-based compensation	-	-
Warrants issued in private placements (note 7)	25 518	456 500
Warrants issued in purchase of mining claims (note 4)	17 020	-
Transfer to share capital, exercised warrants or/and stock options	(26 977)	(14 714)
Gain on debt settlement of related parties	-	375 937
Balance, end of year	2 894 051	2 878 490

11. NET CHANGE IN NON-CASH WORKING CAPITAL

	2010
	\$
Sales taxes recoverable	(25 294)
Tax credits receivable	(45 924)
Receivable related to issue of shares	-
Advances to a private company	58 500
Prepaid expenses	-
Deposit	(15 885)
Accounts payable and accrued liabilities	(26 440)
Balance, end of year	(55 043)

12. COMMITMENT

Since January 2010, the Company has committed to a lease expiring December 31, 2010. The total lease payment for the next eight (8) months: \$ 32,000.

EXCEL GOLD MINING INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED APRIL 30, 2010 AND 2009

13. CONTINGENCIES

- (i) The Company is partly financed by the issuance of flow-through shares. However, there are no guarantees that the funds spent by the Company will qualify as Canadian Exploration Expenses, even if the Company has taken all the necessary measures for this purpose. The refusal of some expenses could have a negative fiscal impact on investors and the Company.
- (ii) The Company entered into agreements with subscribers whereby the Company had to incur \$ 904,101 of Canadian Exploration Expenses by December 31, 2006 and \$ 435,092 by December 31, 2007, regarding exploration expenses renounced to the investors. These amounts were not engaged and have been used for other purposes than exploration expenses. As December 31st, 2006 and 2007 were the deadline to engage the exploration expenses, it is not possible to determine the impact for the Company of the negative tax consequences for the investors.

Litigations

An exploration company filed a lawsuit against the Company for unpaid fees for a total amount of \$ 201,356 and the issuance of 315,000 shares of the Company. Certain agreements authorised by the former president of the Company were never authorised by the Company's board of directors. As a consequence an introduction of third party has been filed against the former president based on actions made outside the scope of his mandate.

A former public relations consultant filed a lawsuit against the Company for unpaid fees and indemnity for termination of contract for a total amount of \$ 152,703. Then the Company filed a counterclaim for damages relating to the contract for a total amount of \$ 400,000.

While we cannot predict the final outcome of the litigations described above, based on the information currently available and management's assessment of the merits of such litigation, management believes that the resolution of these claims and litigation will not have a material and negative effect on our financial position.

EXCEL GOLD MINING INC.
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14. INCOME TAXES

The Company has accumulated non-capital losses for income tax purposes totalling approximately \$ 5,113,318 to federal and approximately \$ 4,749,971 to provincial.

Those losses will expire as follows :

	Federal \$	Provincial \$
2014	662 203	606 073
2015	585 791	532 332
2026	1 230 820	1 083 181
2027	1 121 586	1 017 191
2028	961 058	959 334
2029	473 020	473 020
2030	78 840	78 840

Capital losses available to reduce future capital gains amount to approximately \$ 2,040,575.

The potential tax benefit in relation with those losses is not recorded.

These financial statements do not take into account the tax benefit arising from loss carry forwards which are available to the Company to reduce its income for tax purposes in future periods.

15. RELATED PARTY TRANSACTIONS

Transactions with related parties are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

a) Transactions in the normal course of operations

	<u>Year</u>	<u>Administrative charges</u> \$	<u>Due</u> \$
Companies controlled by directors	2009	-	10 000
	2010	-	-
Directors	2009	71 437	-
	2010	-	-

EXCEL GOLD MINING INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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16. LOSS PER SHARE

The computations of basic and diluted loss per share are as follows:

	2010	2009
	\$	\$
Loss for the year	154 189	415 763
Basic weighted average number of common shares	81 897 432	55 586 226
Dilutive potential from options, warrants and convertible debentures	-	-
Dilutive weighted average number of common shares	81 897 432	55 586 226
Loss per share, basic and diluted	0.002	0.007

17. SUBSEQUENT EVENTS

- (i) On June 8, 2010, the Company completed a non-brokered private placement of \$ 230,000, consisting of 4,600,000 common shares at a price of \$ 0.05 per share, each share including a warrant at a price of \$ 0.10 for a period of twenty-four (24) months. The proceeds will be used towards the working capital of EGM and its exploration programs in Quebec.

In addition, Allyson Taylor Partners Inc. shall receive a commission of 10 % of the amount of the private placement and 460,000 warrants, entitling its holder to subscribe for one common share of EGM at a price of \$ 0.10 for a period of twenty-four (24) months from the closing.

- (ii) On June 24, 2010 the Company announced it had granted incentive stock options to consultants to purchase an aggregate of 6,650,000 common shares in the capital of the Company, exercisable at a price of \$ 0.11 per share for a period of five (5) years, subject to regulatory approval. The options are subject to a four months hold period and are granted in accordance with the terms of the Company's Stock Option Plan and the policies of the TSX Venture Exchange.
- (iii) On July 23, 2010 the Company completed a non-brokered private placement of \$ 1,050,000, consisting of 10,500,000 common shares at a price of \$ 0.10 per share and of 10,500,000 one-half (1/2) of one (1) warrant, each whole warrant entitling its holder to purchase one (1) common share of EGM at a price of \$ 0.15 for a period of twenty-four (24) months. The proceeds will be used towards the working capital of EGM and its exploration programs in the Montauban mining camp, in Province of Quebec.

In connection with the placement, EGM paid a commission to Allyson Taylor Partners Inc., RWS Capital Services Inc. and to Caldwell Securities Ltd. totalling 10% of the gross proceeds of the financing and issued, as additional consideration, a total of 1,050,000 non-transferable warrants, entitling its holder to subscribe for one common share of EGM at a price of \$ 0.10 for a period of twenty-four (24) months from the closing.

EXCEL GOLD MINING INC.

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18. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, sales taxes recoverable, tax credits receivable, advances to private company, deposit accounts payable and accrued liabilities, note payable, due to related parties and due to employee. Cash and cash equivalents are recognized at their fair value and the fair value of all other financial instruments approximate their carrying values, either due to their short-term maturity or capacity of prompt liquidation or, in the case of long-term debt because the market rate of interest is paid. Cash and cash equivalents are held with large financial institutions and, as at April 30, 2010 did not include any investments in asset-backed commercial paper.

19. MANAGEMENT OF CAPITAL

The Company's objectives in managing its capital resources are to ensure the entity's ability to continue as a going concern. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing credit facilities or issuing equity, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risks characteristics of the related assets.

Based on current plans and estimates management believes that its operations can be funded through working capital and potential future credit facilities. As discussed note 1, the Company is dependent on its ability to raise the necessary capital to fund its operations and management can not provide assurance that it will ultimately be able to complete the required funding transactions. Furthermore, since we do not have proven and probable reserves we can not predict with confidence the level of cash flows that will be generated. Management can provide no guarantee that the Company will be successful in these transactions should they be required.

The Company is not subject to any externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the year.

20. COMPARATIVE FIGURES FOR THE PRIOR YEAR

Certain figures for 2009 have been reclassified to make their presentation identical to that adopted in 2010.