



**2011
THIRD QUARTER REPORT**

Interim Consolidated Financial Statements

June 30, 2011

TOURNIGAN ENERGY LTD. (a development stage company)
2011 THIRD QUARTER REPORT

Consolidated Balance Sheets

(expressed in Canadian dollars)

	<i>Note</i>	June 30, 2011 (unaudited)	September 30, 2010 (audited)
ASSETS			
Current			
Cash and cash equivalents		\$ 12,370,434	\$ 4,316,263
Accounts receivable	7	512,421	270,117
Marketable securities	3	-	1,562,416
Prepaid expenses and deposits		99,480	188,882
		12,982,335	6,337,678
Due from related parties	7	-	751,170
Property and equipment	5	135,053	161,552
		\$ 13,117,388	\$ 7,250,400
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	7	\$ 571,974	\$ 620,479
		571,974	620,479
Shareholders' Equity			
Share capital	6	119,168,757	110,640,598
Contributed surplus	6	13,916,924	11,202,097
Accumulated other comprehensive income		-	177,316
Deficit		(120,540,267)	(115,390,090)
		12,545,414	6,629,921
		\$ 13,117,388	\$ 7,250,400
Nature of operations and going concern	1		
Commitments	9		
Subsequent events	7 & 10		

On behalf of the Board:

/s/ "Rex McLennan"

Rex McLennan, Director

/s/ "Dorian L. Nicol"

Dorian L. Nicol, Director

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN ENERGY LTD. (a development stage company)
2011 THIRD QUARTER REPORT

Consolidated Statements of Operations and Deficit
(expresses in Canadian dollars)

	Note	Three months ended		Nine months ended	
		June 30, 2011 (unaudited)	June 30, 2010 (unaudited)	June 30, 2011 (unaudited)	June 30, 2010 (unaudited)
MINERAL PROPERTY EXPENSE					
Mineral property exploration costs (schedule 1)		\$ 1,069,696	\$ 405,829	\$ 2,873,534	\$ 3,472,672
Property investigations		-	-	8,352	48,758
		1,069,696	405,829	2,881,886	3,521,430
EXPENSES					
Administration		60,658	56,870	210,389	234,958
Amortization		9,241	15,818	35,126	61,225
Audit, legal and other professional fees		-	34,708	91,508	289,932
Employee salaries and fees to directors and contractors	7	330,195	335,572	972,666	984,118
Public, government and investor relations		165,785	106,779	430,180	430,178
Regulatory fees		19,948	13,122	63,911	44,879
Stock-based compensation	6	-	100,269	27,803	898,573
Travel		240,561	140,998	534,586	430,702
		826,388	804,136	2,366,169	3,374,565
OTHER INCOME (EXPENSE)					
Interest income		62,019	3,696	86,379	8,254
Gain on sale of marketable securities		-	-	784,167	1,261
Impairment of due from related parties	7	(578,700)	-	(578,700)	-
Foreign exchange gain (loss)		(22,192)	132,329	(193,968)	477
		(538,873)	136,025	97,878	9,992
LOSS FROM CONTINUING OPERATIONS					
		(2,434,957)	(1,073,940)	(5,150,177)	(6,886,003)
Gain on disposal of discontinued operations	4	-	1,812,285	-	1,812,285
INCOME (LOSS)		\$ (2,434,957)	\$ 738,345	\$ (5,150,177)	\$ (5,073,718)
Deficit, beginning of the period					
		\$ (118,105,310)	\$ (114,141,705)	\$ (115,390,090)	\$ (108,329,642)
Income (Loss) for the period		(2,434,957)	738,345	(5,150,177)	(5,073,718)
Deficit, end of the period		\$ (120,540,267)	\$ (113,403,360)	\$ (120,540,267)	\$ (113,403,360)
Basic and diluted loss from continuing operations per share					
		\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.06)
Basic and diluted gain from discontinued operations per share					
		\$ -	\$ 0.01	\$ -	\$ 0.01
Basic and diluted income (loss) per share					
		\$ (0.01)	\$ 0.01	\$ (0.03)	\$ (0.04)
Weighted average number of outstanding shares					
		193,732,234	122,697,865	180,172,161	122,697,865

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN ENERGY LTD. (a development stage company)
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Consolidated Statements of Comprehensive Loss

(expressed in Canadian dollars)

	Three months ended		Nine months ended	
	June 30, 2011 (unaudited)	June 30, 2010 (unaudited)	June 30, 2011 (unaudited)	June 30, 2010 (unaudited)
INCOME (LOSS)	\$ (2,434,957)	\$ 738,345	\$ (5,150,177)	\$ (5,073,718)
Other comprehensive income:				
Reclassification adjustment for realized (gain) loss	-	-	(177,316)	-
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	\$ (2,434,957)	\$ 738,345	\$ (5,327,493)	\$ (5,073,718)

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN ENERGY LTD. (a development stage company)
2011 THIRD QUARTER REPORT

Consolidated Statements of Cash Flows

(expressed in Canadian dollars)

	Note	Three months ended		Nine months ended	
		June 30, 2011 (unaudited)	June 30, 2010 (unaudited)	June 30, 2011 (unaudited)	June 30, 2010 (unaudited)
CASH PROVIDED FROM (USED FOR):					
OPERATING ACTIVITIES:					
Income (loss) for the period		\$ (2,434,957)	\$ 738,345	\$ (5,150,177)	\$ (5,073,718)
Less:					
Gain on disposal of discontinued operations	4	-	(1,812,285)	-	(1,812,285)
Loss from continuing operations		(2,434,957)	(1,073,940)	(5,150,177)	(6,886,003)
Items not affecting cash:					
Stock-based compensation		-	100,373	27,833	911,333
Impairment of due from related parties	7	578,700	-	578,700	-
Foreign exchange loss on due from related parties		40,195	-	40,195	-
Unrealized foreign exchange gain		(37,135)	(150,549)	-	(107,837)
Gain on sale of marketable securities		-	-	(784,167)	(1,261)
Amortization of property and equipment		21,558	28,865	67,436	95,311
		(1,831,639)	(1,095,251)	(5,220,180)	(5,988,457)
Net changes in operating balances:					
Accounts receivable		(122,751)	60,599	(110,029)	5,500,010
Prepaid expenses and deposits		74,813	16,776	89,402	(37,883)
Accounts payable and accrued liabilities		82,090	(300,654)	(48,505)	(176,526)
		(1,797,487)	(1,318,530)	(5,289,312)	(702,856)
INVESTING ACTIVITIES:					
Purchase of property and equipment		(37,209)	(10,174)	(40,937)	(11,947)
Proceeds on sale of marketable securities		-	-	2,169,267	17,983
Proceeds on sale of discontinued operations		-	100,550	-	100,550
		(37,209)	90,376	2,128,330	106,586
FINANCING ACTIVITIES:					
Shares issued		-	-	12,208,750	-
Share subscriptions		-	7,000	-	7,000
Share issue costs		-	(3,785)	(993,597)	(3,785)
		-	3,215	11,215,153	3,215
Cash and cash equivalents used for discontinued operating activities		-	515	-	(9,331)
Change in cash and cash equivalents for the period		(1,834,696)	(1,224,424)	8,054,171	(602,386)
Cash and cash equivalents, beginning of the period		14,205,130	3,364,483	4,316,263	2,742,445
Cash and cash equivalents, end of the period		\$ 12,370,434	\$ 2,140,059	\$ 12,370,434	\$ 2,140,059
Non-cash investing and financing activities:					
Sale of mineral property for note receivable	4 & 7	\$ -	\$ 2,022,740	\$ -	\$ 2,022,740
Fair value of warrants exercised		-	-	38,411	-
Fair value of warrants issued as finders' fees		-	-	379,145	-
Supplemental cash flow information:					
Cash paid during the period for interest		\$ -	\$ -	\$ -	\$ -
Cash paid during the period for income taxes		-	-	-	-

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN ENERGY LTD. (a development stage company)
2011 THIRD QUARTER REPORT

SCHEDULE 1

Mineral Property Exploration Costs

(expressed in Canadian dollars)
(unaudited)

	Three months ended June 30, 2011			Nine months ended June 30, 2011		
	Slovakia	Slovakia	Slovakia	Slovakia	Slovakia	Slovakia
	Kuriskova	Other	Total	Kuriskova	Other	Total
Amortization	\$ 12,317	\$ -	\$ 12,317	\$ 32,310	\$ -	\$ 32,310
Drilling and assays	58,274	216,775	275,049	933,712	492,523	1,426,235
Licenses and permits	13,329	17,423	30,752	13,931	33,153	47,084
Personnel, administration, and travel	110,348	31,064	141,412	347,269	73,382	420,651
Stock-based compensation	-	-	-	30	-	30
Socio-environmental studies	8,353	-	8,353	20,291	-	20,291
Studies and evaluations	595,089	6,724	601,813	920,209	6,724	926,933
	\$ 797,710	\$ 271,986	\$ 1,069,696	\$ 2,267,752	\$ 605,782	\$ 2,873,534

	Three months ended June 30, 2010			Nine months ended June 30, 2010		
	Slovakia	Slovakia	Slovakia	Slovakia	Slovakia	Slovakia
	Kuriskova	Other	Total	Kuriskova	Other	Total
Amortization	\$ 13,047	\$ -	\$ 13,047	\$ 34,086	\$ -	\$ 34,086
Drilling and assays	43,262	42,608	85,870	2,607,221	58,509	2,665,730
Licenses and permits	9,306	18,570	27,876	9,320	24,017	33,337
Personnel, administration, and travel	107,156	10,511	117,667	350,950	36,132	387,082
Stock-based compensation	104	-	104	12,760	-	12,760
Socio-environmental studies	2,735	-	2,735	19,152	-	19,152
Studies and evaluations	158,530	-	158,530	320,525	-	320,525
	\$ 334,140	\$ 71,689	\$ 405,829	\$ 3,354,014	\$ 118,658	\$ 3,472,672

See accompanying notes to the unaudited interim consolidated financial statements.

TOURNIGAN ENERGY LTD. (a development stage company) **2011 THIRD QUARTER REPORT**

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine months ended June 30, 2011 and 2010
(expressed in Canadian dollars) (unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Tournigan Energy Ltd. (the "Company") is a public company listed on the TSX Venture Exchange in Canada and the Frankfurt Stock Exchange in Germany. The Company's principal business activity is the sourcing, exploration, and development of mineral properties.

The Company has not generated revenues from operations. These interim consolidated financial statements are prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. Management believes that the Company's cash on hand at June 30, 2011, provides the Company with sufficient financial resources to carry out its exploration and operations through the next twelve months. The Company's ability to continue on a going concern basis depends on its ability to successfully raise additional financing for the substantial capital expenditures required to achieve planned principal operations. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and accordingly do not include all disclosures required for annual financial statements.

These unaudited interim consolidated financial statements follow the same significant accounting policies and methods of application as the Company's consolidated financial statements for the year ended September 30, 2010, and should be read in conjunction with the September 30, 2010, annual financial statements.

In the opinion of management, all adjustments (including normal recurring accruals) considered necessary for fair presentation have been included. Operating results for these interim periods are not necessarily indicative of the results that may be expected for the full fiscal year ending September 30, 2011.

Certain of the prior period's figures have been reclassified to conform to the current period's presentation. Amortization in mineral property exploration costs is now disclosed as a separate line item on Schedule 1, whereas on prior schedules, it had been combined with personnel, administration, and travel.

Future Canadian accounting standards

- a) **Business combinations, non-controlling interest and consolidated financial statements** - In January 2009, the CICA issued Handbook Sections 1582, *Business Combinations*, 1601, *Consolidated Financial Statements*, and 1602, *Non-controlling Interests*, which replace CICA Handbook Sections 1581, *Business Combinations*, and 1600, *Consolidated Financial Statements*. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 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.

TOURNIGAN ENERGY LTD. (a development stage company) 2011 THIRD QUARTER REPORT

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine months ended June 30, 2011 and 2010

(expressed in Canadian dollars) (unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (continued)

Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1602 provides guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning October 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently. The adoption of this standard is not expected to have a material impact on the Company's financial statements.

- b) **International Financial Reporting Standards ("IFRS")** – The Canadian Accounting Standards Board 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. The transition date of October 1, 2010, for the Company will require the restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2011. Under IFRS, there is significantly more disclosure required. Further, while IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in accounting policies that must be addressed. The Company is currently assessing the impact of the adoption of IFRS on its financial statements.

3. MARKETABLE SECURITIES

	June 30, 2011	September 30, 2010
Ortac Resources Limited ("Ortac")	\$ -	\$ 1,562,416
	\$ -	\$ 1,562,416

During the nine months ended June 30, 2011, the Company sold all of its 87,668,530 common shares of Ortac for proceeds of \$2,169,267 realizing a gain of \$784,167.

At September 30, 2010, the Company recorded \$177,316 in other comprehensive income as an unrealized gain during the year then ended, for the 87,668,530 common shares of Ortac owned at September 30, 2010.

4. DISCONTINUED OPERATIONS

Disposal of Kremnica Gold s.r.o. and Kremnica Gold Mining s.r.o. ("Kremnica Shares") – On January 27, 2010, the Company and Ortac Resources plc ("Ortac") executed a share purchase agreement ("SPA") which superseded a June 7, 2009, option agreement pursuant to which Ortac had earned 20% of the Kremnica Shares by completion of the first milestone pursuant to the option agreement. Pursuant to the SPA, Ortac purchased and took possession of 80% of the Kremnica Shares on closing the amendment agreement for consideration of US\$2,000,000 which was paid in a combination of US\$100,000 cash on the transfer of the Kremnica Shares to Ortac and delivery of a US\$1,900,000 non-interest bearing promissory note (the "Promissory Note"), secured by all the assets of Ortac, which was settled upon Ortac completing a public listing in September 2010. The Promissory Note was received in fiscal 2010 as US\$550,000 in cash and US\$1,350,000 in Ortac shares to the equivalent cash value. The Ortac shares were sold during the period ended December 31, 2010 (note 3).

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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine months ended June 30, 2011 and 2010

(expressed in Canadian dollars) (unaudited)

5. PROPERTY AND EQUIPMENT

	June 30, 2011			September 30, 2010		
	Cost	Accumulated amortization	Net Book Value	Cost	Accumulated amortization	Net Book Value
Canada:						
Computer and electronic equipment	\$ 93,446	\$ 93,446	\$ -	\$ 93,446	\$ 86,045	\$ 7,401
Office and field equipment	180,224	134,137	46,087	180,224	107,105	73,119
Software	118,410	118,410	-	118,410	118,410	-
	<u>392,080</u>	<u>345,993</u>	<u>46,087</u>	<u>392,080</u>	<u>311,560</u>	<u>80,520</u>
United States:						
Computer and electronic equipment	4,808	1,096	3,712	1,080	405	675
Slovakia:						
Computer and electronic equipment	11,994	9,410	2,584	11,994	7,664	4,330
Vehicles	104,426	63,953	40,473	67,217	48,880	18,337
Office and field equipment	106,699	64,502	42,197	106,699	49,009	57,690
Software	21,285	21,285	-	21,285	21,285	-
	<u>244,404</u>	<u>159,150</u>	<u>85,254</u>	<u>207,195</u>	<u>126,838</u>	<u>80,357</u>
	<u>\$ 641,292</u>	<u>\$ 506,239</u>	<u>\$ 135,053</u>	<u>\$ 600,355</u>	<u>\$ 438,803</u>	<u>\$ 161,552</u>

6. SHARE CAPITAL

The Company has an unlimited number of common shares without par value authorized for issuance.

	Number of Shares	Share Capital	Contributed Surplus
Issued as at September 30, 2010	152,688,484	\$ 110,640,598	\$ 11,202,097
Stock based compensation	-	-	27,833
Shares issued pursuant to a public offering	40,000,000	9,653,740	2,346,260
Share issue costs	-	(993,597)	-
Warrants issued as agent fees	-	(379,145)	379,145
Exercise of finders' fee warrants	1,043,750	247,161	(38,411)
Issued as at June 30, 2011	<u>193,732,234</u>	<u>\$ 119,168,757</u>	<u>\$ 13,916,924</u>

Share issuance – On December 30, 2010, the Company completed a public offering of 40,000,000 units (“Unit”) at a price of \$0.30 per unit, for gross proceeds of \$12,000,000. Each Unit consisted of one common share (a “Share”) and one-half of one non-transferable share purchase warrant (a “Warrant”). Each full Warrant is exercisable to purchase an additional Share of the Company at \$0.40 each until December 30, 2012. The proceeds of the financing of \$12,000,000 were allocated on a relative fair value basis as \$9,653,740 to Shares and \$2,346,260 as to Warrants. The Company paid \$720,000 cash and issued an additional 2,400,000 share purchase warrants (“Agents’ Warrants”) at a fair value of \$379,145 as agent finder’s fees pursuant to the public offering. Cash share issue costs pursuant to this public offering were an additional \$273,597.

The assumptions used in the Black-Scholes option pricing model for the relative fair value allocation and the fair value of the Agents’ Warrants were: a risk free interest rate of 1.7%; an expected volatility of 101.6%; an expected life of 2 years; and an expected dividend of zero.

TOURNIGAN ENERGY LTD. (a development stage company)

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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine months ended June 30, 2011 and 2010

(expressed in Canadian dollars) (unaudited)

6. SHARE CAPITAL (continued)

Warrants – The continuity for share purchase warrants is as follows:

Expiry date	Exercise price	Balance, September 30, 2010	Issued	Exercised	Expired	Balance, June 30, 2011
July 14, 2012	\$ 0.20	15,000,000	-	(1,000,000)	-	14,000,000
July 14, 2012 (Finders)	\$ 0.20	1,029,000	-	(43,750)	-	985,250
December 30, 2012	\$ 0.40	-	20,000,000	-	-	20,000,000
December 30, 2012 (Agents)	\$ 0.40	-	2,400,000	-	-	2,400,000
		16,029,000	22,400,000	(1,043,750)	-	37,385,250
Weighted average exercise price	\$	0.20	\$ 0.40	\$ 0.20	\$ -	\$ 0.32

Options – On March 30, 2010, the Company's shareholders approved the renewal of an amended rolling stock option plan applicable to directors, employees and consultants, under which the total outstanding stock options are limited to 5% of the outstanding common shares of the Company at any one time. The exercise price of an option shall not be less than the discounted market price at the time of granting as prescribed by the policies of the TSX Venture Exchange. The maximum term of stock options is ten years from the grant date. Vesting terms are at the discretion of the directors.

The continuity for stock options is as follows:

Expiry date	Exercise price	Balance, September 30, 2010	Granted	Exercised	Expired	Balance, June 30, 2011
November 10, 2013	\$ 0.22	250,000	-	-	-	250,000
January 26, 2014	\$ 0.24	300,000	-	-	-	300,000
April 27, 2014	\$ 0.44	2,025,000	-	-	-	2,025,000
March 26, 2015	\$ 0.30	3,000,000	-	-	-	3,000,000
		5,575,000	-	-	-	5,575,000
Weighted average exercise price	\$	0.34	\$ -	\$ -	\$ -	\$ 0.34

At June 30, 2011, all of the outstanding options were exercisable.

Fair Value of Stock-Based Compensation

The Company uses the Black-Scholes option pricing model to estimate the fair value of stock options granted. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

During the nine months ended June 30, 2011, the Company recorded \$27,803 in stock based compensation in general expenses and \$30 in mineral property exploration for options vesting during the period from stock options granted in 2009 and 2010.

During the nine months ended June 30, 2010, the Company recorded \$898,573 in stock based compensation in general expenses and \$12,760 in mineral property exploration for options vesting during the period from stock options granted in 2008, 2009, and 2010.

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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine months ended June 30, 2011 and 2010

(expressed in Canadian dollars) (unaudited)

6. SHARE CAPITAL (continued)

Shareholders' rights plan

The directors of the Company approved the adoption of a renewal shareholder rights plan, dated March 2, 2009, (the "Rights Plan") which was ratified by the Company's shareholders on April 6, 2009. The Rights Plan is intended to ensure that all shareholders of the Company are treated fairly in any transaction involving a potential change of control of the Company. The rights become exercisable only when a person or party acquires or announces its intention to acquire 20% or more of the outstanding shares of the Company without complying with certain provisions of the Rights Plan. Each right would entitle each holder of common shares (other than the acquiring person or party) to purchase additional common shares of the Company at a 50% discount to the market price at the time. Unless otherwise terminated, the Rights Plan will expire on the date immediately after the Company's annual meeting of shareholders to be held in 2012.

7. RELATED PARTY TRANSACTIONS AND BALANCES

a) Transactions

	Nine months ended June 30, 2011	Nine months ended June 30, 2010
Legal fees to a law firm in which a director is a partner	\$ 5,666	\$ 61,696
Share issue costs to a law firm in which a director is a partner	108,535	3,785
Consulting fees to a company controlled by an officer	91,167	76,500

Consulting fees were based on rates commensurate with the costs of obtaining employee or director services. Legal fees were billed at standard industry rates.

b) Balances

Accounts receivable, due from related parties and accounts payable and accrued liabilities balances include the following related party balances. Due from related parties are unsecured and without interest.

	June 30, 2011	September 30, 2010
Accounts receivable from directors and officers	\$ 57,870	\$ -
Accounts receivable from Ortac	-	32,627
	\$ 57,870	\$ 32,627
Due from Fischer-Watt	\$ -	\$ 751,170
Accounts payable and accrued liabilities - due to related parties	\$ 23,835	\$ 9,617

Accounts receivable from Ortac: The balance of this receivable was collected in the nine month period ended June 30, 2011. Dorian Nicol, the President and Chief Executive Officer of the Company became a director of Ortac after executing the Share Purchase Agreement discussed in note 4.

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NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine months ended June 30, 2011 and 2010
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7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

b) Balances (continued)

Due from Fischer-Watt Gold Company, Inc.: As at September 30, 2010, Fischer-Watt owed the Company \$751,170 (US\$730,000). In December 2010, the Company collected \$132,275 (US\$130,000) of this receivable.

On July 13, 2011, the Company and Fischer-Watt amended the November 27, 2008, agreement so that the Company cancelled the remaining US\$600,000 receivable, thus impairing it to \$nil, in exchange for a conversion of the Company's 30% carried interest in the properties Fischer-Watt acquired from the Company to a 2% net smelter return royalty ("NSR") over any of Fischer-Watt's uranium properties in the Wyoming counties of Carbon, Sublette, Sweetwater, and Ferromont and the Fall River County of South Dakota, to a cap of US\$10,000,000. The NSR applies to any properties currently held by Fischer-Watt as well as any properties that they may acquire in the future.

Fischer-Watt may re-purchase half of the NSR any time before July 13, 2016, for US\$3,000,000. This US\$3,000,000 buyout would reduce the US\$10,000,000 cap to US\$5,000,000.

The TSX Venture Exchange accepted this related party agreement for filing. The Chairman, President and CEO of Fischer-Watt is Peter Bojtos, who is a director of the Company.

8. SEGMENTED INFORMATION

The Company operates in one business segment being the acquisition and exploration of uranium mineral properties in Slovakia and has three geographical segments: Canada, the USA and Slovakia. The total assets attributable to the geographical locations relate primarily to property and equipment and have been disclosed in note 5.

9. COMMITMENTS

Drilling contract - A subsidiary of the Company had entered into a drilling contract with a Slovakian drilling company whereby the Company was committed to drill 4,190 metres by December 31, 2010 at an estimated equivalent cost of \$221 per metre (€166 per metre). The Company negotiated terms for early termination and paid \$55,000 (€41,283) in full settlement and release of this contract in November 2010.

Mineral properties – the required license fees and minimum work commitments on the Company's mineral property agreements are discussed in note 12 to the audited financial statements as at September 30, 2010.

10. SUBSEQUENT EVENT

On July 15, 2011, the board of directors granted 3,675,000 stock options pursuant to the Company's stock option plan, at an exercise price of \$0.11 and a term of five years.