INTIGOLD MINES LTD.

(FORMERLY SEANESS CAPITAL CORPORATION)

CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2011 and 2010

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Intigold Mines Ltd. [formerly Seaness Capital Corporation]

We have audited the accompanying consolidated financial statements of **Intigold Mines Ltd. [formerly Seaness Capital Corporation]**, which comprise the consolidated balance sheet as at July 31, 2011, and the consolidated statements of operations, deficit and comprehensive loss and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Intigold Mines Ltd. [formerly Seaness Capital Corporation]** as at July 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other matter

These consolidated financial statements of **Intigold Mines Ltd. [formerly Seaness Capital Corporation]** as at and for the year ended July 31, 2010, were audited by other auditor who expressed an unmodified opinion on those statements on November 23, 2010.

Ernst & Young LLP

Vancouver, Canada,
November 24, 2011.

Chartered Accountants

INTIGOLD MINES LTD. (FORMERLY SEANESS CAPITAL CORPORATION)

CONSOLIDATED BALANCE SHEETS

July 31, 2011 and 2010

	2011	2010
ASSETS		
Current assets:		
Cash	**$ 1,377,627**	$ 124,875
Receivables	**34,270**	11,932
Prepaid expense	**1,328**	-
	1,413,225	136,807
Fixed assets	**1,273**	-
Mineral property interest (note 3)	**1,855,536**	-
	$ 3,270,034	$ 136,807
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 43,475**	$ 25,127
	43,475	25,127
Future Income Tax liability (Note 7)	**433,705**	-
Shareholders' equity:		
Share capital (Note 6)	**3,184,510**	406,081
Warrants (Note 6d)	**380,410**	-
Contributed surplus (Note 6)	**734,262**	65,018
Deficit	**(1,506,328)**	(359,419)
	2,792,854	111,680
	$ 3,270,034	$ 136,807

Basis of presentation (Note 1)
Subsequent events (Note 10)

APPROVED ON BEHALF OF THE BOARD

"Lori McClenahan"
Lori McClenahan, President and Director

"Duncan Bain"
Duncan Bain, Director

The accompanying notes are an integral part of the financial statements.

INTIGOLD MINES LTD. (FORMERLY SEANESS CAPITAL CORPORATION)

CONSOLIDATED STATEMENTS OF OPERATIONS, DEFICIT AND COMPREHENSIVE LOSS

Year ended July 31

	2011	2010
OPERATING EXPENSES		
Consulting	**$ 176,054**	$ -
General exploration	**50,024**	-
Office and general expenses	**134,712**	2,011
Professional fees	**74,274**	26,700
Stock-based compensation	**669,244**	-
Transfer agent, listing and filing fees	**42,622**	12,086
Total operating expenses	**1,146,930**	40,797
NON-OPERATING INCOME AND EXPENSES		
Interest income	**(21)**	-
Write off of deferred acquisition costs	**-**	235,268
Net loss and comprehensive loss for the year	**(1,146,909)**	(276,065)
Deficit, beginning of the year	**(359,419)**	(83,354)
Deficit, ending of the year	**$ (1,506,328)**	$ (359,419)
Loss per share - basic and diluted	**$ (0.08)**	$ (0.06)
Weighted average number of common shares outstanding - basic and diluted	**14,950,742**	4,566,000

The accompanying notes are an integral part of the financial statements.

INTIGOLD MINES LTD. (FORMERLY SEANESS CAPITAL CORPORATION)

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended July 31

	2011	2010
OPERATING ACTIVITIES		
Net loss for the year	**$ (1,146,909)**	$ (276,065)
Items not involving cash:		
Amortization	**783**	-
Stock-based compensation	**669,244**	-
Write-off of deferred acquisition costs	**-**	235,268
Changes in non-cash working capital:		
Increase in accounts receivables and prepaid expenses	**(20,082)**	(5,925)
Decrease in accounts payable and accrued liabilities	**(161,891)**	(60,837)
Cash used in operating activities	**(658,855)**	(107,559)
INVESTING ACTIVITIES		
Purchase of equipment	**(681)**	-
Cash acquired from acquisition	**205,434**	
Mineral property interest (Note 4)	**(145,321)**	-
Cash generated from investing activities	**59,432**	-
FINANCING ACTIVITIES		
Common Shares and warrants issued for cash, net of cost	**1,720,100**	-
Exercise of warrants for cash	**132,075**	-
Cash used in financing activities	**1,852,175**	-
Decrease in cash and cash equivalents	**1,252,752**	(107,559)
Cash and cash equivalents, beginning of the year	**124,875**	232,434
Cash and cash equivalents, end of the year	**$ 1,377,627**	$ 124,875
Supplemental cash flow information:		
Interest paid	$ -	$ -
Income taxes paid	$ -	$ -

The accompanying notes are an integral part of the financial statements.

1. BASIS OF PRESENTATION AND GOING CONCERN UNCERTAINTY

The Company was incorporated on April 18, 2008 pursuant to the Business Corporations Act of British Columbia and applied to the TSX Venture Exchange (the “Exchange”) to become a Capital Pool Company as that term is defined in Exchange Policy 2.4. On March 2, 2009 the Company completed its initial public offering (“IPO”) of 4,566,000 common shares at $0.10 per share for aggregate gross proceeds of $456,600. On March 4, 2009, the Company’s common shares were listed on the Exchange under the symbol “NSC.P”.

On March 25, 2009, the Company had entered into a Letter of Intent (“LOI”) with respect to a proposed business combination (the “Acquisition”) between the Company and Pan American Palm Oil Corporation (“PAPO”). In December 2009, the Company abandoned its efforts to complete the business combination due to difficulties in raising capital for a concurrent private placement. During the year ended July 31, 2010, the Company wrote-off $235,268 in related deferred acquisition costs.

On March 22, 2010, as amended on September 22, 2010 and completed on November 4, 2010, the Company entered into a Share Exchange Agreement (the “Agreement”) with Intigold Mines Ltd. (“Intigold”), a private mineral exploration company. The transaction, which was completed by way of a share exchange, resulted in the Company acquiring 100% of the outstanding shares of Intigold. Upon completion of the acquisition, Intigold became a wholly-owned subsidiary of the Company. Concurrent with the acquisition, the Company changed its name to Intigold Mines Ltd. See Note 6.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Further discussion of liquidity risk has been disclosed in Notes 8 and 9.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements and accompanying notes have been prepared in conformity with Canadian Generally Accepted Accounting Principles ("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.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Intigold Mines Ltd.

Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates. Significant areas requiring the use of management estimates relate to the expected tax rates for future income tax recoveries, the fair values of financial instruments and management’s assessment of going concern. Where estimates have been used financial results as determined by actual events could differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company places its deposits with financial institutions with high credit standing institutions. As at July 31, 2011, cash equivalents consist of cash of $1,374,127 (2010: $121,375) and cash equivalents of $3,500 (2010: $3,500).

Financial Instruments

The Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855, "Financial Instruments – Recognition and Measurement". Section 3855 prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. Under Section 3855, financial instruments must be classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. All financial instruments, including derivatives, are measured at the balance sheet date at fair value except for loans and receivables, held-to-maturity investments, and other financial liabilities which are measured at amortized cost.

The Company's financial instruments consist of cash, receivables and accounts payable. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The Company has made the following classifications for the financial instruments:

(i) Cash – held-for-trading; measured at fair value;
(ii) Receivables – loans and receivables; measured at amortized cost;
(iii) Accounts payable – other financial liabilities; recorded at amortized cost.

Fair value estimates are made at the balance sheet date, based on relevant market information and other information about financial instruments, and approximate carrying values unless otherwise noted.

The Company has determined that it does not have derivatives or embedded derivatives.

The Company does not use any hedging instruments.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA approved EIC 173, "Credit Risk and the Fair Value of Financial Assets and Liabilities". This guidance clarified that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. The implementation of the recommendations of this new section did not have an impact on the Company's financial statements.

Mineral properties

The Company is in the development stage and capitalizes all expenditures related to acquisition cost, net of recoveries received, until such time as the properties are put into commercial production, sold or abandoned. Under this method the amounts shown as mineral properties do not necessarily represent present or future values.

If the properties are put into commercial production, the expenditures will be depleted based upon the proven reserves available. If the properties are sold or abandoned, the expenditures will be charged to operations. The Company does not accrue the estimated future costs of maintaining in good standing its mineral properties.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Mineral properties (continued)

The carrying values of mineral interests, on a property by property basis, are reviewed by management at least annually to determine if they have become impaired. If impairment is deemed to exist, the mineral property will be written down to its net recoverable value. The ultimate recoverability of the amounts capitalized for the mineral properties is dependent upon the identification of economically recoverable ore reserves, the Company's ability to obtain the necessary financing to complete its development and to realize profitable production or proceeds from the disposition thereof. Management's estimates of recoverability of the Company's investment in various projects are based on current conditions. However, it is possible that changes could occur in the near term, which could adversely affect management's estimates and may result in future write downs of capitalized property carrying values.

All exploration expenses are expensed in the period incurred.

Property option agreements

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as resource property costs or recoveries when the payments are made or received. Payments received in excess of the original cost capitalized are taken to the statement of operations.

Fixed Assets

The Company provides for depreciation on its fixed assets on the following basis:

Asset	Basis	Rate
Furniture and equipment	Declining balance	20% to 30%
Computer hardware	Straight-line method	33%

Future Income Taxes

Future income taxes are recorded using the asset and liability method whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Loss per Share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the period presented, dilutive loss per share is equal to basic loss per share as the conversion of stock options and warrants is anti-dilutive. Basic and diluted loss per common share is calculated using the weighted-average number of common shares outstanding during the year.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Stock-based Compensation

The Company has a stock-based compensation plan which is described in note 6e. The Company follows the Canadian Institute of Chartered Accountants Handbook ["CICA"], Section 3870, Stock-based compensation and other stock-based payments, which establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. Under the recommendation, direct awards of stock granted to employees and directors are recorded at fair value on the date of grant and the associated expense is amortized over the vesting period.

Compensation costs attributable to non-employees are measured at the fair value of the consideration received, or the fair value of the equity instruments issued, or liabilities incurred, whichever is more reliably measurable. The fair value of stock-based payments to non-employees is periodically re-measured until counterparty performance is complete, and any change therein is recognized over the vesting period of the award and in the same manner as if the Company had paid cash instead of paying with or using equity instruments. The cost of stock-based payments to non-employees that are fully vested and non-forfeitable at the grant date is measured and recognized at that date.

Comprehensive Income

The Company adopted CICA Handbook Section 1530, "Comprehensive Income". Section 1530 establishes standards for the reporting and presenting of comprehensive income which is defined as the change in equity from transaction and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net loss. At July 31, 2011 and 2010, the Company had no items that caused other comprehensive loss to be different from net loss.

Recent Accounting Pronouncements

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 standards will be effective for the fiscal years beginning on or after January 1, 2011 (the Company's 2012 fiscal year). Early adoption of these standards is permitted. The Company is in the process of evaluating the potential effects of the requirements of these new standards.

Section 1582 replaces Section 1581 and establishes standards for the accounting for a business combination and essentially provides the Canadian equivalent of International Financial Reporting Standards IFRS 3 – Business Combinations.

Sections 1601 and 1602 together replace Section 1600 – Consolidated financial statements. Section 1601 establishes the standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary within consolidated financial statements subsequent to a business combination and is substantially equivalent to the corresponding provisions of International Financial Reporting Standard IAS 27 – Consolidated and separate financial statements.

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("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 generally accepted accounting principles ("GAAP") and 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. The Company's fiscal 2012 year end will require the

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

restatement of comparative information presented. The Company has provided details of its transition plan in the management discussion and analysis for the year ended July 31, 2011.

3. Fixed Assets

	2011			2010
	Cost	**Accumulated amortization**	**Net book value**	Net book value
	$	**$**	**$**	$
Computer hardware	**2,751**	**(2,057)**	**694**	-
Furniture and equipment	**681**	**(102)**	**579**	-
	3,432	**(2,159)**	**1,273**	-

4 MINERAL PROPERTY INTEREST

As at July 31, 2011, the Company's mineral property interests and mineral properties include the following acquisition costs:

	July 31, 2011	**July 31, 2010**
Beaverdell, Canada	$1,781,286	-
Scandie, Canada	31,500	-
Evening Star, Canada	25,000	-
Donnamore, Canada	5,000	-
Cueva Blanca, Peru	12,750	-
	$1,855,536	-

(a) Beaverdell Property

On August 15, 2007, as amended August 20, 2007, and January 15, 2010, the Company entered into a Property Purchase Agreement (collectively the "Property Agreement") with St. Elias (the "Optionor"), a company listed on the Exchange. Under the terms of the Property Agreement, the Company holds the right to acquire a 100% interest (subject to a 1.5% net smelter royalty) in certain mineral claims referred to as the Beaverdell Property. Pursuant to the terms of the Property Agreement, the Company can acquire a 100% interest in the Beaverdell Property by paying $250,000 to the Optionor, issuing 400,000 common shares of the Company to the Optionor and by incurring $1 million in exploration expenditures on the Beaverdell Property to be paid to the Optionor and to be incurred by the Company as follows:

4. MINERAL PROPERTY INTEREST (continued)

Year	Cash		Shares	Value	Expenditures	
On January 15, 2010	$ 5,000	(paid)	-	$ -		
Within 12 months of January 15, 2010					$ 100,000	(Incurred)
Within 10 days of listing date	$ 10,000			-		
Within 10 business days of the listing date			100,000			
Within 12 months from listing date	$ 15,000			-	$ 400,000	cumulative
Within 10 business days of receipt of consent of Exchange for the issuance based on Phase II results			100,000			
Within 24 months from listing date	$ 70,000		-	-	$ 600,000	cumulative
Within 10 business days of receipt of consent of Exchange for the issuance based on Phase III results			200,000			
Within 36 months from listing date	$ 150,000		-	-	$ 1,000,000	cumulative
Totals	**$ 250,000**		**400,000**	**$ -**	**N/A**	

Upon completion of the above described option, title of the subject mineral claims constituting the Beaverdell Property will be transferred from the Optionor to the Company.

Pursuant to the terms of the Property Agreement, the Company may terminate the Property Purchase Agreement at any time if the Company pays $15,000 to the Optionor, issues 100,000 shares to the Optionor, and incurs exploration expenditures of at least $100,000 on the Beaverdell Property. As at July 31, 2011, the Company was not in compliance with the terms of the Agreement, however, the Optioner has provided an extension to January 31, 2012 for the Company to become compliant with the Agreement.

The Share Exchange Agreement between the Company and Intigold Mines Ltd. resulted in the excess of the amount paid to net assets acquired to the Beaverdell Property (note 6b). As a result of the transaction, a future income tax liability of $433,705 was recorded (note 7).

(b) **Scandie Property, British Columbia, Canada**

On February 22, 2011, the Company entered into an agreement to acquire a 100% interest in certain mining claims located in the Greenwood Mining Division, British Columbia for total consideration of $31,500.

(c) Evening Star Property, British Columbia, Canada

On February 22, 2011, the Company entered into an agreement to acquire a 100% interest in certain mining claims located in the Slocan Mining Division, British Columbia for total consideration of $25,000.

(d) Donnamore Property, British Columbia, Canada

On February 24, 2011, the Company entered into an agreement to acquire a 100% interest in certain mining claims located in the Kamloops Mining Division, British Columbia for total consideration of $5,000.

(e) Cueva Blanca Gold Property, Lambayeque Department, Northern Peru

On June 1, 2011, the Company entered into a letter agreement with St. Elias Mines Ltd. ("St. Elias") whereby the St. Elias has granted and option to the Company to earn a 60-percent carried interest, subject to a 1.5-per-cent net smelter return royalty (NSR), in the property, located in northern Peru by paying the sum of $200,000 in cash, by issuing 1,000,000 common shares in the capital of the Company to St. Elias, and by incurring for $1,500,000 in exploration expenditures, to be paid and issued as follows:

4. MINERAL PROPERTY INTEREST (continued)

Year		Cash		Shares		Expenditures
On June 1, 2011	$	10,000	(paid)	-	$	-
Formal Agreement	$	40,000		-	$	-
Within 10 business days of regulatory approvalof agreement				1,000,000		
Within 12 months from Formal Agreement	$	50,000		-	$	300,000
Within 24 months from Formal Agreement	$	100,000		-	$	500,000
Within 36 months from Formal Agreement	$	-		-	$	700,000
Totals	**$**	**200,000**		**1,000,000**	**$**	**1,500,000**

In addition, the Company shall have the right to purchase one-half of the 1.5-per-cent NSR from St. Elias for the sum of $1,500,000 thereby reducing the NSR payable to from 1.5-per-cent to 0.75-per-cent. As at July 31, 2011, the Company was not in compliance with the terms of the Agreement, however, the Optioner has provided an extension to January 31, 2012 for the Company to become compliant with the Agreement. As at July 31, 2011, the Company has paid $12,750.

5. RELATED PARTY TRANSACTIONS

The expenditures charged by related parties to the Company and not disclosed elsewhere in these consolidated financial statements consist of the following:

(a) paid or accrued $60,000 (2010 - $nil) as the consulting fee to the President and CEO of the Company.

(b) paid or accrued $43,000 (2010 - $nil) as the consulting fee to the Directors of the Company.

(c) paid or accrued $39,354 (2010 - $nil) as the consulting and accounting fee to the CFO of the Company.

(d) paid or accrued $18,000 (2010 - $nil) as the consulting fee to the officer of the Company.

Related party transactions 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.

There are common directors and officers for the Company and St. Elias Mines Ltd. Refer to Note 4 – Mineral Properties for the description of the transactions.

6. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

6. SHARE CAPITAL (continued)

(b) Issued and Fully Paid

	Number of Shares	Share Capital	Contributed Surplus	Warrants
Balance, July 31, 2010 and 2009	6,566,000	406,081	65,018	-
Share issued for cash pursuant to:				
Private placements	7,000,532	1,800,160	-	-
Exercise of warrants	478,300	132,075	-	-
Transfer share capital on exercise warrants	-	19,985	-	(19,985)
Share issued for acquisition of investment	6,533,332	1,306,665	-	-
Share issued for finder's fee	16,800	5,040	-	-
Issuance of warrants	-	(420,870)	-	420,870
Option granted	-	-	669,245	-
Share issue costs and finder's fee	-	(64,626)	-	(20,476)
Balance, July 31, 2011	**20,594,964**	**$ 3,184,510**	**$ 734,263**	**380,409**

On March 2, 2009, the Company completed its IPO of 4,566,000 common shares at $0.10 per share for gross proceeds of $456,600. The Company had entered into an agency agreement in relation to the IPO. The agent received a cash commission of 10% of the gross proceeds and a corporate finance fee of $10,000 which are both included in share issuance costs of $143,603. At July 31, 2008, the Company had recorded $16,000 in deferred financing costs which has been reclassified to share issuance costs at July 31, 2009. The Company also issued 228,300 share purchase warrants (the “agent’s warrants”) which are exercisable at $0.20 for a period of two years and were recorded at a fair value of $6,916.

The Company acquired 100% of the issued and outstanding shares of Intigold in exchange for the issuance of 6,533,332 common shares of the Company at a fair value of $0.20 per common share (note 1).

Concurrent with the acquisition, the Company completed a private placement of 3,000,000 units at $0.20 per unit for proceeds of $600,000. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one additional common share of the Company for period of 2 years at a price of $0.30 per common share in the first year and $0.45 per common share in the second year. The Company paid share issue costs of $58,260 in respect to the private placement.

During March 2011, the Company issued 228,300 common shares for an exercise of warrants at $0.25 and 250,000 common shares for an exercise of warrants at $0.30.

On April 28, 2011, the Company completed a private placement of 4,000,532 units at a price of $0.30 per unit resulting in gross proceeds of $1,200,160. Each unit consists of one common share and one warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of $0.45 per common share for a period of 12 months expiring on April 28, 2012. The Company paid share issue costs of $21,802 and issued 16,800 shares at $0.30 per share.

6. SHARE CAPITAL (continued)

(c) Escrow Shares

Of the issued and outstanding common shares, 2,000,000 are held in escrow and deposited with a trustee under an escrow agreement. Under the escrow agreement, 10% of the escrowed common shares will be released from escrow on the issuance of the final Exchange bulletin approving a Qualifying Transaction and an additional 15% will be released every six months following the initial release over a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. If the Company does not receive final acceptance of a Qualifying Transaction within 24 months from the date of listing and is delisted, the shares may be cancelled.

(d) Warrants

At October 31, 2010, the Company had 228,300 share purchase warrants outstanding, at an exercise price of $0.25 until March 2, 2011. Each warrant entitles the holder to purchase one common share of the Company.

The Company completed a private placement of 3,000,000 units at $0.20 per unit. Each unit consists of one common share and one warrant. The 3,000,000 warrants had a period of 2 years at a price of $0.30 per common share in the first year and $0.45 per common share in the second year. The warrants had a fair value of $162,630 after deducting related issuance costs.

The Company completed a private placement of 4,000,532 units at $0.30 per unit. Each unit consists of one common share and one warrant. The 4,000,532 warrants had a period of 1 year at a price of $0.45 per common share. The warrants had a fair value of $237,764 after deducting related issuance costs.

(e) Share Purchase Options

The following table reflects the continuity of stock options for the year ended July 31, 2011:

	Number of Stock Options	Weighted average exercise price
Balance, July 31, 2010	600,000	
Cancelled	(600,000)	
Granted	2,730,000	$0.20
Granted	400,000	$0.33
Balance, July 31, 2011	3,130,000	$0.22
Exercisable	3,130,000	$0.22

The Company has adopted a stock option plan (“the Plan”) whereby it can grant options to directors, officers, employees, and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time.

6. SHARE CAPITAL (continued)

(e) Share Purchase Options (continued)

On March 3, 2009, the Company granted 600,000 stock options exercisable at a price of $0.10 per share until March 3, 2013. The options had a fair value of $58,102 which has been recognized as stock-based compensation during the year ended July 31, 2009. Subsequent to July 31, 2010, these stock options were cancelled.

The Company cancelled its 600,000 outstanding stock options that were issued prior to the qualifying transaction. Subsequently, the Company issued 2,730,000 stock options to new officers and directors of Intigold Mines Ltd (formerly Seaness Capital Corporation), exercisable at $0.20 per share until November 4, 2012. The options had a fair value of $587,549 which has been recognized as stock-based compensation during the year ended July 31, 2011.

On December 1, 2010 the Company issued 400,000 stock options, exercisable at $0.33 per share until December 1, 2012. The options had a fair value of $81,696 which has been recognized as stock-based compensation during the year ended July 31, 2011.

The fair value of warrants and stock options has been estimated using the Black-Scholes option pricing model. Assumptions used in the pricing model were as follows:

	2011	2010
Risk-free interest rate	1.29% - 1. 70%	-
Annual dividends	-	-
Expected stock price volatility	76% - 131%	-
Expected life of stock options	2 years	-
Expected life of warrants	1-2 years	-

7. INCOME TAXES

As at July 31, 2011, the Company has non-capital losses of approximately $625,000 which may be available to offset future income for income tax purpose which commence expiring in 2027.

Due to the uncertainty of realization of these loss carryforwards, the benefit is not reflected in the financial statements as the Company has provided a full valuation allowance for the potential future tax assets resulting from these losses.

The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial income tax rates to the Company's loss before income taxes. The components of these differences are as follows:

		2011		2010
Loss before income taxes	$	(1,146,909)	$	(276,065)
Corporate tax rate		26.33%		29.5%
Income taxes at statutory rates		(301,981)		(81,439)
Change in valuation allowance		53,500		62,500
Impact of tax rate changes		(6,369)		27,376
Share issuance costs		-		(8,437)
Non-temporary differences		176,235		-
Change in estimate		21,672		-
Other		56,943		-
Future income tax recovery	$	-	$	-

7. INCOME TAXES (continued)

The significant components of the Company's future income tax assets are as follows:

	2011	2010
Non-capital losses	$ 156,000	$ 90,000
Unused cumulative mineral costs	(424,705)	-
Share issuance costs	25,000	21,500
	(243,705)	111,500
Valuation allowance	(190,000)	(111,500)
Net future tax liabilities	$ (433,705)	$ -

8. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to maintain sufficient resources and raise funding to support current and long term operating needs. The ability to continue as a going concern is essential to the Company's goal of providing returns for shareholders and other stakeholders. The capital of the Company consists of share capital and cash. The Company manages its capital and makes adjustments to it, based on the level of funds available to the Company to manage its operations. The Company balances its overall capital through new share issuances or by undertaking other activities as deemed appropriate in the circumstances. The Company is not subject to internally imposed capital requirements. There have been no significant changes in the Company's approach to capital management during the year ended July 31, 2011. The non-compliance of property option agreements may require the Company to raise additional capital through the issuance of new shares.

9. RISK MANAGEMENT

Management of Financial Risk
The Company's financial instruments are exposed to certain financial risks, which include credit risk, interest rate risk, liquidity risk and market risk.

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to fulfill an obligation causing the other party to incur a financial loss. The Company is exposed to credit risks arising from its cash holdings and receivables. The Company manages credit risk by placing cash with major Canadian financial institutions. Receivables are due from the Government of Canada and for reimbursements. Management believes that credit risk related to these amounts is low.

Interest Rate Risk
The Company is not subject to interest rate risk.

Liquidity Risk
Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. To manage liquidity risk, the Company reviews additional sources of capital to continue its operations and discharge its commitments as they become due.

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk. The Company is not affected by market risk.

10. SUBSEQUENT EVENTS

On August 31, 2011 the Company and St. Elias Mines Ltd. entered into an option agreement with whereby Intigold can earn a 60-per-cent interest in the Chance E mineral concession which adjoins St. Elias's wholly owned Tesoro gold project located in south western Peru.

Under the terms of the option agreement, the Company can acquire a 60-per-cent interest in the Chance E claim (subject to a 1.5-per-cent net smelter returns royalty (NSR)) in consideration of making cash payments of $500,000 to St. Elias, issuing one million common shares in the capital of Intigold to St. Elias and incurring $1-million in exploration expenditures on the property over a three-year period.

The Company’s first year commitment under the option agreement is to pay $25,000 to St. Elias and incur $200,000 in exploration expenditures on the property.

In October 2011, the Company issued 1,000,000 common shares to St. Elias Mines Ltd., as per the option agreement for the Cueva Blanca property disclosed on Note 4(e) above.

On November 16, 2011, the Company appointed Tina Whyte as director of the Company and accepted the resignation of Isabel Alves.