

LUND GOLD LTD.

Interim Consolidated Financial Statements

Nine months Ended March 31, 2010

(Unaudited – Prepared by Management)

UNAUDITED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the period ended March 31, 2010.

LUND GOLD LTD.
Consolidated Balance Sheets
As at

	March 31, 2010 (unaudited)	June 30, 2009 (audited)
ASSETS		
Current		
Cash	\$ 1,141,401	\$ 2,897,033
Receivables	84,137	29,358
Prepaid expenses and deposits	18,237	6,945
	<u>1,243,775</u>	<u>2,933,336</u>
Mineral properties (Note 5)	1,525,503	629,216
Fixtures and equipment	91,331	112,669
Restricted cash	16,338	16,338
	<u>\$ 2,876,947</u>	<u>\$ 3,691,559</u>
LIABILITIES & SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 54,906	\$ 124,393
Shareholders' equity		
Capital stock (Note 6)	16,696,785	16,692,285
Contributed surplus (Note 6)	1,322,739	1,175,940
Deficit	(15,197,483)	(14,301,059)
	<u>2,822,041</u>	<u>3,567,166</u>
	<u>\$ 2,876,947</u>	<u>\$ 3,691,559</u>

Nature and continuance of operations (Note 1)

LUND GOLD LTD.
Consolidated Statements of Loss and Deficit
For the periods

	Three Months Ended March 31 2010	Three Months Ended March 31 2009	Nine Months Ended March 31 2010	Nine Months Ended March 31 2009
EXPENSES				
Accounting and audit	\$ 11,000	\$ 9,280	\$ 27,947	\$ 25,280
Amortization	7,113	7,113	21,338	21,198
Filing and transfer fees	7,541	7,677	17,568	19,709
Legal fees	466	(3,150)	12,035	13,855
Office and general	23,594	13,719	70,411	48,381
Property examination	2,985	-	258,559	-
Rent	23,159	17,264	69,197	51,195
Salaries and benefits	74,646	51,519	219,588	162,730
Stock-based compensation	-	-	146,799	-
Travel and public relations	14,556	11,844	48,780	46,244
	(165,060)	(115,266)	(892,222)	(388,592)
OTHER INCOME (EXPENSE)				
Interest income	327	6,399	1,518	55,657
Foreign exchange gain (loss)	(64)	45	(126)	20,237
Write-down of mineral property	-	(491,210)	-	(491,210)
Income tax recovery	-	474,602	-	474,602
Part XII.6 tax	-	(3,515)	(5,594)	(3,515)
	263	(13,679)	(4,202)	55,771
Loss and comprehensive loss for the period (Note 4)	(164,797)	(128,945)	(896,424)	(332,821)
Deficit, beginning of period	(15,032,686)	(14,012,370)	(14,301,059)	(13,808,494)
Deficit, end of period	\$ (15,197,483)	\$ (14,141,315)	\$ (15,197,483)	\$ (14,141,315)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding	48,353,033	48,203,033	48,334,967	48,193,250

LUND GOLD LTD.
Consolidated Statements of Cash Flows
For the periods

	Three Months Ended March 31 2010	Three Months Ended March 31 2009	Nine Months Ended March 31 2010	Nine Months Ended March 31 2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	\$ (164,797)	\$ (128,945)	\$ (896,424)	\$ (332,821)
Items not involving cash				
Write-down of resource property	-	491,210	-	491,210
Income tax recovery	-	(474,602)	-	(474,602)
Stock-based compensation	-	-	146,799	-
Amortization	7,113	7,113	21,338	21,198
Part XII.6 tax	-	3,515	5,594	3,515
Change in non-cash working capital items				
Prepaid expenses and deposits	(1,131)	-	(11,292)	(6,250)
Receivables	(4,410)	25,111	(54,779)	52,799
Accounts payable and accrued liabilities	(65,304)	(25,492)	(11,453)	(38,123)
	<u>(228,529)</u>	<u>(102,090)</u>	<u>(800,217)</u>	<u>(283,074)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Expenditures on mineral properties	(80,226)	(101,574)	(955,415)	(549,819)
Purchase of fixtures and equipment	-	(926)	-	(65,802)
	<u>(80,226)</u>	<u>(102,500)</u>	<u>(955,415)</u>	<u>(615,621)</u>
Change in cash	(308,755)	(204,590)	(1,755,632)	(898,695)
Cash, beginning of period	1,450,156	2,588,211	2,897,033	3,282,316
Cash, end of period	\$ 1,141,401	\$ 2,383,621	\$ 1,141,401	\$ 2,383,621

LUND GOLD LTD.

Notes to Interim Unaudited Consolidated Financial Statements For the nine months ended March 31, 2010

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company is in the business of exploring resource properties. Current mineral exploration activities are at a sufficiently early phase that the Company classifies itself as exploration stage. The recoverability of the Company's investments in resource properties is dependent upon its ability to obtain necessary financing to complete exploration leading to the discovery of economically recoverable reserves and attaining future profitable commercial production or other sale proceeds. Based upon its working capital, the Company has prepared these financial statements on a going-concern basis.

2. INTERIM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

These interim unaudited consolidated financial statements do not contain all the information required for annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended June 30, 2009.

3. SIGNIFICANT ACCOUNTING POLICIES

With the exception of the adoption of one new accounting standard described in Note 4, these interim unaudited consolidated financial statements follow the same accounting policies and methods of their application as the most recent annual consolidated financial statements of the Company. The adoption of this standard has not had a significant impact on the Company's consolidated financial statements.

4. CHANGES IN ACCOUNTING POLICIES

New accounting policies

Effective with the new fiscal year beginning July 1, 2009, the Company adopted or faces the future adoption of certain new accounting standards issued by the CICA which may impact the Company as follows:

Goodwill and intangible assets

Effective July 1, 2009, the Company adopted CICA Handbook Section 3064 *Goodwill and Intangible Assets* which establishes revised standards for recognition, measurement, presentation and disclosure of goodwill and intangible assets. The adoption of this standard has not had a significant impact on the Company's consolidated financial statements.

Business combinations

In January 2009, the CICA issued a new Handbook Section 1582 *Business Combinations*, effective for fiscal years beginning on or after January 1, 2011. This pronouncement further aligns Canadian GAAP with US GAAP and IFRS and changes the accounting for business combinations in a number of areas. It establishes principles and requirements governing how an acquiring company recognizes and measures in its financial statements identifiable assets acquired, liabilities assumed, any non-controlling interest in the acquiree, and goodwill acquired. The section also establishes disclosure requirements that will enable users of the acquiring company's financial statements to evaluate the nature and financial effects of its business combinations. This standard is not expected to have any effect on the Company's financial statements unless and until one or more business combination transactions occur.

LUND GOLD LTD.

Notes to Interim Unaudited Consolidated Financial Statements For the nine months ended March 31, 2010

4. CHANGES IN ACCOUNTING POLICIES (continued)

International Financial Reporting Standards ("IFRS")

In February 2009 the Canadian Accounting Standards Board ("AcSB") announced that publicly-listed companies are to adopt IFRS, replacing Canadian GAAP, for interim and annual financial statements relating to fiscal periods beginning on or after January 1, 2011. Accordingly, the Company will commence reporting under IFRS for its fiscal year commencing July 1, 2011, and will present its first IFRS-based financial statements for its fiscal quarter ending September 30, 2011. These statements will require comparative amounts determined under IFRS for the prior fiscal year period, which in turn will require the restatement to conform to IFRS of the Company's balance sheet at June 30, 2010. While the Company has begun assessing the adoption of IFRS in 2011, the complete financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time. The Company has to date determined that it expects to be able to carry forward its accounting policies in respect of mineral properties unchanged under IFRS, which are among its most significant accounting policies.

5. MINERAL PROPERTIES

	Black Fox Ontario	Don-Don British Columbia	Total
Balance, June 30, 2009	\$ 629,216	\$ -	\$ 629,216
Acquisition costs – for cash	-	28,000	28,000
Acquisition costs – for shares	-	4,500	4,500
Assays	14,967	-	14,967
Camp	1,287	88,125	89,412
Drilling	-	240,813	240,813
Geology, geochemistry, geophysics	117,492	373,883	491,375
Land and legal	-	13,897	13,897
Reclamation bond	-	3,555	3,555
Travel and accommodation	2,608	7,160	9,768
Additions in period	136,354	759,933	896,287
Balance, March 31, 2010	\$ 765,570	\$ 759,933	\$ 1,525,503

LUND GOLD LTD.

Notes to Interim Unaudited Consolidated Financial Statements For the nine months ended March 31, 2010

5. MINERAL PROPERTY (continued)

Black Fox Property, Ontario

By agreement dated May 15, 2008 which became effective July 18, 2008 upon regulatory acceptance, the Company obtained an option to acquire a 100 per cent interest in nine claim blocks located in the Thunder Bay Mining Division of northern Ontario. First year consideration was the issue by the Company of 100,000 of its common shares recorded as \$19,000 (issued) together with a cash payment of \$25,000 (paid). To maintain the option, additional cash payments became or will become due to the optionors, as to \$10,000 on or before July 25, 2009 (paid), as to \$20,000 on or before July 25, 2010 and as to \$30,000 on or before July 25, 2011. An additional 100,000 shares became issuable to the optionors on or before July 25, 2009 (issued) and a final 100,000 shares will become issuable to the optionors upon the completion of a positive feasibility study. The optionors retain a 2.5 per cent net smelter royalty interest, of which 40 per cent can be purchased by the Company at any time for \$1,000,000.

Don-Don Property, British Columbia

On September 17, 2009 the Company entered into an option agreement to acquire a 100 per cent interest in 16 claims located in the Omineca Mining Division of the Province of British Columbia. To exercise the option, the Company has agreed to pay the optionors \$203,000 over four years, issue a total of 650,000 of its common shares over five years, and incur exploration expenditures totaling \$575,000 over four years (incurred). The optionors retain a royalty equal to three per cent of net smelter returns, of which the Company may acquire one-third at any time by making a cash payment to the optionors of \$2,000,000.

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Share Capital amount	Contributed surplus amount
Authorized:			
An unlimited number of shares without par value			
Issued – June 30, 2009	48,303,033	\$ 16,692,285	\$ 1,175,940
Issued for mineral property	50,000	4,500	-
Stock-based compensation		-	146,799
			<hr/>
Issued – March 31, 2010	48,353,033	\$ 16,696,785	\$ 1,322,739

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7. STOCK OPTIONS

At March 31, 2010, the following stock options were outstanding and exercisable:

Number of Shares	Exercise Price	Expiry Date
896,500	\$ 0.10	November 9, 2010
1,690,000	0.31	April 20, 2012
10,000	0.37	May 18, 2012
2,100,000	0.12	November 16, 2014
4,696,500		

The options with expiry date November 2014 were granted and fully vested in the period. Stock-based compensation of \$146,799 was recognized, based on a fair value estimated using the Black-Scholes Option Pricing Model of \$0.07 per option (rounded). Pricing model inputs included an estimated life of five years, volatility of 112 per cent, a risk-free interest rate of 2.7 per cent and zero dividends. During the period, 59,000 options exercisable at \$0.25 expired.

8. WARRANTS

At March 31, 2010, the following share purchase warrants were outstanding and exercisable:

Number of Shares	Exercise Price	Expiry Date
4,487,852	\$ 0.40	April 16, 2010
804,500	0.24	April 16, 2010
5,292,352		

Subsequent to the end of the period, all the warrants scheduled above expired unexercised.

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9. RELATED PARTY TRANSACTIONS

- a) The Company incurred the following costs with a director and senior officer and with a law firm controlled by a director and senior officer:

	2010	2009
Legal fees	\$ 19,400	\$ 10,400
Salaries and benefits	98,322	61,400
	\$ 117,722	\$ 71,800

Legal fees and salary costs have been expensed to operations, capitalized to mineral properties or recorded as share issue costs, based on the nature of the expenditure.

- b) Included in accounts payable at March 31, 2010 is \$nil (June 30, 2009 – \$5,992) due to related parties.

These transactions were in the normal course of operations and were measured at the exchange value which represented the amount of consideration established and agreed to by the related parties.

10. CAPITAL MANAGEMENT

The capital of the Company consists of the items included in shareholders' equity. The Company's objective when managing capital is to maintain its capacity to continue as a going concern in order to provide returns to shareholders, while minimizing dilution to existing shareholders. As an exploration stage company, the Company is unable to self-finance its operations; therefore, its ability to continue as a going concern is dependent on its ability, when required, to raise additional funds through equity issuances.

11. SEGMENTED INFORMATION

The Company has one business segment, the exploration of mineral properties. The Company's mineral properties and equipment are currently all located in Canada.