AUEX VENTURES, INC.

Quarterly Report
Expressed in U.S. dollars

For the nine months ended
March 31, 2010

Unaudited (prepared by management)

Date

The following discussion is management's assessment and analysis of the results of operations and financial conditions ("MD&A") of AuEx Ventures, Inc. ("AuEx" or the "Company") and should be read in conjunction with the accompanying unaudited interim consolidated financial statements and related notes thereto for the nine months ended March 31, 2010 and with the audited consolidated financial statements for the year ended June 30, 2009 which are available at the SEDAR website at www.sedar.com.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with Canadian generally accepted accounting principles and all dollar amounts are expressed in U.S. dollars unless otherwise indicated.

The effective date of this report is May 14, 2010.

Overview

AuEx Ventures, Inc. is a Toronto Stock Exchange ("TSX") listed precious metals exploration company that has a current portfolio of twenty-one exploration projects in Nevada and Utah, a project in Spain and three projects in Argentina. The Company controls about 167,000 acres of unpatented mining claims and fee land in Nevada. Nine of the projects are in joint venture or exploration earn-in agreements with five companies. The Company applies the extensive Nevada exploration experience and high-end technical skills of its founders to search for and acquire new precious metal exploration projects that are then offered for joint venture.

Operation Highlights for the three months ended March 31, 2010 and up to May 14, 2010

- Strong final results of 2009 Long Canyon drilling demonstrate that mineralization continues to increase along strike and laterally - the 2010 drill program began April 8, 2010
- West Pequop drilling in 2010 will for the first time test new multi-gram gold soil anomalies located along the crest of the range towards the Long Canyon project
- Exploration agreements signed with Christopher James Gold on the Pasco Canyon, Sinter and Hays Canyon projects
- Exploration agreement signed with Liberty Silver Corp. on the Trinity Silver project
- Encouraging results for the 2009 field work and drilling in Argentina has increased the 2010 budget to $1.5 million

In calendar 2010, total exploration expenditures, including funds from the Company and its eight industry partners, are expected to be about $29,000,000 and will include over 200,000 feet of core and reverse circulation drilling. Expected expenditures at Long Canyon are about $20,000,000 (51% provided by Fronteer and 49% by AuEx) which includes significant engineering and related activity in addition to drilling; $3,500,000 at West Pequop; $1,500,000 in Argentina; $1,500,000 in Spain and the balance of approximately $2,500,000 at the Company's other Nevada projects.

Long Canyon Joint Venture

The Company's principal property is a 49% interest in the Long Canyon Joint Venture located in Elko County, Nevada with Fronteer Gold, Inc. ("Fronteer").

The 2009 Long Canyon Venture drilling program was completed on November 22, 2009. The program comprised a total of 238 holes drilled aggregating 108,766 feet including 186 core holes totaling 74,021 feet and 52 reverse circulation drill holes totaling 34,745 feet. The final results were announced by the Company in press releases on January 6, January 15 and February 1, 2010.

The results provide a strong confirmation and growing confidence in the geological model and the 3-dimensional distribution of gold within the Long Canyon gold deposit. This knowledge will be of great value in planning further drilling at Long Canyon especially additional step-out drilling to both the northeast and southwest. In addition, these data will benefit the development and testing of new exploration areas on the large 12,000 acre property.

The Long Canyon gold deposit consists of multiple, sub-parallel north to northeast-directed zones of oxidized Carlin-style gold mineralization aggregating 1,300 feet (400 meters) in width with a current strike length of approximately 1.60 miles (2.6 km) that is still open to extension. Mineralization outcrops in the central portion of the deposit, plunges shallowly to the northeast and is amenable to open pit mining. Metallurgical tests completed to date indicate that mineralization is treatable using conventional gold recovery techniques. In addition, significant untested exploration potential is still apparent within the property based on geological mapping and surface geochemical sampling conducted as part of the 2009 exploration program. Other gold exploration targets will be explored as permitting and budgets allow.

Long Canyon Joint Venture 2010 work program

The calendar 2010 Long Canyon Venture exploration program will address two main objectives: include new technical, engineering and drilling data to update the resource model and conduct step-out drilling to expand the known gold-bearing zones and to discover new deposits. The programs for 2010 will include drilling and related surface exploration work and ongoing engineering studies. This work also will set the stage for preparation of a feasibility study in the future.

The 2010 drill program began on April 8, 2010 beginning with core drilling and to be followed by reverse circulation drilling.

The 2009 drilling served to highlight the strong continuity along strike and significant lateral offsets of a high-grade nature at Long Canyon. These drill results will be included in an updated NI 43-101 resource estimate to be completed during the second quarter of 2010.

In the nine months ended March 31, 2010 the Company expended $4,780,838 in exploration expenditures and funded its $2,119,330 share of mineral property acquisition costs.

West Pequop

The Company has a 49% interest in the West Pequop, Elko County Project. Agnico Eagle USA, Inc. ("Agnico") holds a 51% interest and is the operator. Agnico has elected to earn an additional 19% interest in the West Pequop Venture by completing all subsequent expenditures through completion of a bankable feasibility study within five years of June 19, 2008. The agreement also includes a financing provision whereby Agnico may arrange overall project construction financing and provide a loan option to the Company for its share of required equity.

Exploration drilling during 2009 at the West Pequop Venture was conducted mainly in the Section 34, Mountain Top, Acrobat/Juggler and Range Front target areas. The 2009 drill program at West Pequop consisted of 57 core and reverse circulation drill holes totaling 51,359 feet. The results of the 2009 drilling program has provided better definition of mineralization in the Acrobat/Juggler, Section 34 and Mountain Top deposits and more data on the Range Front Target and on a new target named Trapeze. In addition to drilling, trenching across the structure at the Mountain Top deposit included 85 feet at 0.141 opt gold. The trenching will constrain the geometry of grade shells being developed for the first resource estimate.

By 2009, a soil survey of over 9,800 samples over an area of four by eight miles on a variable grid of 800 by 200 feet down to 200 by 100 feet and reconnaissance mapping in select areas with more than 1,300 new rock chip samples was completed. The findings of this work lead to the recognition of significant anomalism along the range front, more mineralization between previously drilled areas, and anomalies associated with faults and karst features in a north-south-trending graben that comprises the crest of the Pequop Mountains between the Mountain Top Zone and Long Canyon. The graben preserves favorable calcareous host rocks of Ordovician Pogonip Group and the

Cambrian sequence beneath the Eureka Quartzite, which has been relatively impermeable to ascending hydrothermal fluids. The soil analyses (ranging from below the detection limit of 1 ppb to up to 6.2 grams per ton gold) outline considerable leakage around and within the graben structure. This ground between Long Canyon and West Pequop is highly prospective and has received only preliminary surficial exploration to date.

Drilling in 2010 will for the first time, begin to step out from the known drilled mineralization and start to evaluate the numerous other targets that include multi-gram gold surface samples. Systematic exploration in this new gold district and exciting new results highlight the promise of further discovery and resource expansion for years to come. Importantly, the secondary and tertiary targets defined by anomalous gold, trace elements, geophysics, structural and lithologic extrapolation have yet to be tested.

The 2010 drill program began in May 2010. An initial resource estimate is currently underway for the three deposits at West Pequop comprising the Section 34, Mountain Top, Acrobat/Juggle deposits that should be released during the second quarter of 2010.

Pasco Canyon, Sinter and Hays Canyon projects

On February 11, February 18 and February 19, 2010 the Company signed three separate exploration earn-in agreements with Christopher James Gold Corp. ("CJGC") on each of the Company's Pasco Canyon, Sinter project and Hays Canyon projects.

Pasco Canyon is located in northern Nye County, Nevada on the east side of the Toquima Range near the Round Mountain, Gold Hill and Northumberland gold deposits which are reported by the owners of those projects to have past production plus current resources of about 20 million ounces of total gold.

Pasco Canyon contains a low-sulfidation epithermal system defined at the surface by a 400 meter by 600 meter zone of boiling related breccias and quartz/adularia vein swarms. The prospect was a grass roots discovery by AuEx staff using proprietary processing of satellite imagery. This gold bearing system is located on what is believed to be the eastern edge of the Mount Jefferson Caldera with the new Gold Hill Deposit located on the western edge of the same feature.

The **Sinter** project is located approximately 13 miles northwest of Lovelock in Pershing County, Nevada.

The Sinter project area contains a volcanic hosted, low-sulfidation, epithermal gold system defined at the surface by hot spring sinter, replacement silicification, argillic alteration and local quartz veining. A series of structural zones are present on the property and are believed to be the principle exploration targets.

The **Hays Canyon** project is located approximately 60 miles northwest of Gerlach in northern Washoe County, Nevada. In December 2009, Eldorado Gold Corp. released the Hays Canyon project from a September 15, 2008 option earn-in agreement with the Company.

The Hays Canyon project area contains a volcanic hosted, epithermal gold system localized by a series of felsic flow domes and associated silicification and argillic alteration. The property contains a series of northwest trending structural zones which are anomalous in gold and pathfinder elements based on rock chip sampling. Prior exploration on the property consists of a series of shallow rotary holes completed in the mid-1980's and, more recently, 2 deeper reverse circulation drill holes.

The earn-in terms of each agreement are slightly different. In all agreements CJGC must spend a fixed amount to earn an undivided 51% interest in each project within a defined period of time. Pasco Canyon and the Sinter project agreements require CJGC to expend $3 million on each project within four years and the Hays project agreement requires CJGC to expend $3 million within five years. Once CJGC earns a 51% interest in each project CJGC will have an option to earn an additional 19% for 70% by expending an additional $3 million on the Sinter project within 3 years and $2 million on each of the Pasco Canyon and Hays projects within two years. Work commitments escalate over the five year earn in period on the Hays Canyon project and over the six year earn in periods on the Pasco Canyon and Sinter projects.

Trinity Silver Project

On March 29, 2010 the Company signed an exploration earn-in agreement with Liberty Silver Corp. ("LBSC") regarding the Company's Trinity Silver project.

The Trinity Silver project is located approximately 18 miles northwest of Lovelock in Pershing County, Nevada. The Trinity Silver project consists of a leasehold interest in 59 unpatented mining claims and approximately 5,040 acres of fee land.

Historical records show that silver mineralization was discovered at Trinity Silver by U.S. Borax in 1981 and was subsequently explored under a joint venture between U.S. Borax and Santa Fe Pacific Gold Corp. from 1982 until 1986. The result of these efforts was the development of the Trinity open pit mine that was in production for just over two years. During this time, five million ounces of silver were produced by heap leaching from one million tons of ore. Only the oxide portion of the deposit was mined at that time leaving the partially drilled out sulfide portion of the deposit in place. The property was subsequently explored further by Santa Fe Pacific Gold in the period 1990 to 1992. AuEx drilled 10 core holes in 2006 and 15 reverse circulation holes in 2007. This drilling confirmed the presence of additional silver mineralization in the sulfide zone below and adjacent to the old Trinity mine.

Under the terms of the agreement, LBSV paid the Company $25,000 on signing and is required to expend a minimum of $5,000,000 within a 6 year period and complete a bankable feasibility study to earn an undivided 70% interest in the property. LBSV committed to fund the first year $500,000 work program.

Santa Cruz Province – Argentina

On February 25, 2010 the Company announced the results from the first drill program conducted in Argentina and an update of its overall exploration activities in Santa Cruz Province conducted with funding partner Agnico. Agnico has thus far selected four projects, Meridiano, La Rosita, Gertrudis and Covadonga on which it is funding the first $1 million to earn an initial 60% interest.

The first drill program was conducted in January 2010 at the **Meridiano** project where the 15 reverse circulation drill holes identified broad zones of gold mineralization over multiple square kilometers that appear to be high in the epithermal mineral system.

Geophysics will be carried out in March at the **La Rosita Project** near the Mina Martha Mine to help define the first drilling program planned for April. La Rosita has undergone extensive mapping, surface sampling and reinterpretation. The project contains multiple gold and silver targets, some with elevated copper values that will be the targets for exploration.

The **Gertrudis Project**, located in the eastern portion of the province, contains multiple veins in structural corridors within an andesitic dike complex. The prospect was initially identified using Thematic Mapper satellite imagery that was processed by the Company. Detailed surface sampling and geologic mapping have been conducted to define drill targets that are planned to be tested later in 2010 once appropriate permits have been granted.

Continued surface mapping and sampling have located a gold anomalous area within an extensive, but generally barren, vein field at the **Covadonga Project** located in the central part of the province. Recent reconnaissance work has identified an area of the vein field that has returned up to 7 g/t gold and 145 g/t silver in grab samples. These results have led Agnico to formally accept Covadonga as a project. Depending on the results of continuing field work, this project may also have initial drilling completed before the end of the year.

Encouraging results from 2009 field work and drilling resulted in a significant budget increase for 2010 to over $1.5 million for Santa Cruz Province. The Company as operator will continue generative exploration to define new prospects, develop the current land package up to the project level, and do detailed work and drilling on the four projects that are being funded by Agnico at the 100% level pursuant to an exploration agreement with Agnico. Under the agreement, Agnico and the Company share 70:30 respectively in generative exploration expenditures with

work activity conducted by the Company. Agnico has the option to take on projects identified by the generative program and has exercised the option on four projects (Meridiano, La Rosita, Gertrudis and Covadonga). Agnico is required, but not committed, to expend $1,000,000 within 4 years on each project to vest an initial 60% interest. Agnico then has the option to earn an additional 10% interest by carrying all further costs through feasibility capped at $10,000,000. The exploration venture now controls exploration rights to 14 parcels that total almost 90,000 hectares within Santa Cruz Province.

In January 2010 Richard Bedell, Executive Vice President presented a full day course in spectroscopy and remote sensing in Rio Gallegos, the capital of Santa Cruz Province. This was held at the offices of Formicruz, the Provincial mineral company and was attended by various mining and exploration companies working in the Province in addition to Formicruz staff.

Generative activity is continuing to develop new prospects and to bring other existing properties to a project stage for presentation to Agnico. Properties not accepted by Agnico remain the property of the Company with no further obligations to Agnico.

Qualified Person

All data, as disclosed in this MD&A have been verified by the Company's qualified persons Ronald L. Parratt, M.Sc., and Certified Professional Geologist, Richard L. Bedell, M.Sc., and Certified Professional Geologist and Eric M. Struhsacker, M.Sc., and Certified Professional Geologist.

Measurements

Imperial units of measure have been used in this MD&A. To convert Imperial measurements to metric equivalents divide by:

Short tons to tonnes	1.10231
Ounces (troy) to kilograms	32.150
Ounces (troy) to grams	0.03215
Ounces (troy) / short ton to grams/tonne	0.02917
Acres to hectares	2.47105
Miles to kilometers (km)	0.62137
Feet to meters	3.28084

Critical Accounting Estimates

Critical accounting estimates used in the preparation of the financial statements include the Company's estimate of recoverable value on its property, plant and equipment, site reclamation and rehabilitation, estimates of future income taxes as well as the value assigned to stock-based compensation expense. These estimates involve considerable judgment and are, or could be, affected by significant factors that are out of the Company's control.

The factors affecting stock-based compensation include estimates of when stock options might be exercised and the stock price volatility. The timing for exercise of options will depend, among other things, upon a variety of factors including the market value of AuEx shares and financial objectives of the holders of the options. AuEx used historical data to determine volatility in accordance with Black-Scholes modeling, however the future volatility is inherently uncertain and the model has its limitations. While these estimates can have a material impact on the stock-based compensation expense and hence results of operations, there is no impact on the Company's financial condition.

AuEx's recoverability evaluation of its mineral properties and equipment is based on market conditions for minerals, underlying mineral resources associated with the assets and future costs that may be required for ultimate realization through mining operations or by sale. AuEx is in an industry that is exposed to a number of risks and uncertainties, including exploration risk, development risk, commodity price risk, operating risk, ownership and political risk, funding and currency risk, as well as environmental risk. Certain of AuEx's mineral properties have a defined

mineral resource yet, there is always the potential for a material adjustment to the value assigned to mineral properties and equipment.

AuEx has an obligation to reclaim its properties after the surface has been disturbed by exploration methods at the site. As a result AuEx has recorded a liability for the fair value of the reclamation costs it expects to incur. The Company estimated applicable inflation and credit-adjusted risk-free rates as well as expected reclamation time frames. To the extent that the estimated reclamation costs change, such changes will impact future reclamation expense recorded.

New accounting standards:

Effective July 1, 2009, the Company adopted a new accounting standard, Section 3064 "Goodwill and Intangible Assets" which replaced the existing Section 3062 "Goodwill and Other Intangible Assets" and Section 3450 "Research and Development Costs". The new pronouncement establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of this standard did not have a material impact on the Company's financial statements.

Recent accounting pronouncements:

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 July 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 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 impact of these new standards on the Company's financial statements is currently being evaluated by management.

Due to the size of the Company, the convergence to IFRS is being led by the Company's Chief Financial Officer, a Certified General Accountant, who along with other members of the Company's management group will design and execute the conversion project and will report to the Audit Committee on the progress accomplished.

Item 1 - Accounting policies, including choices among policies permitted under IFRS, and implementation decisions such as whether certain changes will be applied on a retrospective or a prospective basis

The significant differences identified to date between Canadian GAAP and IFRS that affect the Company and the impacts on the Company's financial statements has been completed on a high-level basis and is discussed below.

The Company must investigate accounting and reporting for foreign exchange treatment under IFRS to determine if there is a difference between Canadian GAAP and IFRS.

The Company will next complete an assessment of the IFRS estimates of the quantified effects of the anticipated changes to the Company's IFRS opening balance sheet if any, and identifying business processes and resources that may require modification as a result of these changes.

Property, Plant and Equipment ("PP&E")

Canadian GAAP does not permit the revaluation of PP&E. Historical cost is used. IFRS permits the revaluation of PP&E but does not require it. Depreciation is calculated by individual asset for IFRS and this is the method currently used by the Company so there is no difference between Canadian GAAP and IFRS.

Mineral interests

Canadian GAAP requires acquisition costs to be capitalized and allows exploration costs to be expensed as incurred or capitalized. IFRS allows the same treatment as Canada however the exploration costs must be classified as either tangible or intangible assets, according to their nature.

The Company's policy is to capitalize acquisition costs and to expense exploration costs so there is no difference between Canadian GAAP and IFRS.

Stock based compensation

Canadian GAAP allows graded or straight-line recognition of the fair value of stock option grants as the options vest. IFRS requires that graded vesting be used with each instalment accounted for as a separate arrangement. Under IFRS, forfeitures that occur during the vesting period adjust the stock-based compensation whereas under Canadian GAAP forfeitures are recorded as they occur.

The Company's stock option grants have had vesting terms and, while the Company has followed graded vesting, it has not calculated fair values at each vesting tranche separately, therefore, there will likely be a difference between Canadian GAAP and IFRS.

Item 2 - Information technology and data systems

The accounting processes of the Company are relatively simple and no major challenges are expected at this point to operate the accounting system under IFRS.

The Company generated its accounting under Canadian GAAP in 2010, and it has tentatively determined that there are no significant difference for the accounting under IFRS and the comparative financial statements under Canadian GAAP.

Item 3 - Internal control over financial reporting

Since the Company trades on the Toronto Stock Exchange, management makes representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting as defined in National Instrument 52-109.

Management is responsible for ensuring that processes are in place to provide them with sufficient knowledge to support their certification of the financial statements and MD&A, more specifically assessing that the filings are exempt from misrepresentations and are presenting fairly the results of the Company. Management will ensure that once the convergence is completed it will be in a position to continue to certify the Company's filings.

The audit committee of the Company reviews the financial reporting and control matters and recommends approval of the annual financial statements and MD&A to the board of directors who are then responsible for approving the filings.

Item 4 - Disclosure controls and procedures, including investor relations and external communications plans

The Company will update its disclosure controls and procedures to ensure they are appropriate for reporting under IFRS. At this time no changes have been discovered as being necessary.

The Company will continue to maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed in filings made pursuant to National Instrument 52-109 is recorded, processed, summarized and reported in the manner specified by the relevant securities laws applicable to the Company.

Item 5 - Financial reporting expertise, including training requirements

The Chief Financial Officer and the Controller of the Company have participated in ongoing training sessions provided by external advisors. The Controller attended a two day workshop sponsored by PriceWaterhouse Coopers that compared Canadian GAAP to IFRS for a mineral exploration company. Training and research are ongoing and the development of standards issued by the International Accounting Standards Boards are monitored and evaluated for any impact on the Company.

Item 6 - Business activities, such as foreign currency and hedging activities, as well as matters that may be influenced by GAAP measures such as debt covenants, capital requirements and compensation arrangements

The Company does not expect the convergence to IFRS will have a significant impact on its risk management or other business activities.

Currently there are no matters that would be influenced by GAAP measures, such as debt covenants, capital requirements and compensation arrangements that would be impacted by the convergence to IFRS.

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 IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of financial statements. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning July 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

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

In January 2009, the CICA issued EIC 173, "*Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*". The EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities. EIC 173 will be applicable for the Company's interim and annual financial statement for its fiscal year beginning July 1, 2010 and management is currently assessing its impact on the Company's interim and annual financial statements for fiscal 2010.

Results of Operations

Results of Operations for the nine months ended March 31, 2010

The consolidated net loss for the nine months ended March 31, 2010 was $5,855,266 (2009 - $5,187,985).

The significant changes between the current period and the comparative period are discussed below.

Consulting fees were $166,755 (2009 - $104,827), an increase of $61,928 due primarily to fees paid for investor relations services. On February 28, 2010, the Company engaged a financial advisory firm to provide it with advice regarding the Company's ongoing business strategy including exploration, potential development, communications, shareholder relations and marketing as well as its financial strategy for a minimum period of six months at a monthly fee of C$25,000.

Insurance expense was $15,511 (2009 - $38,707) a reduction of $23,196 as a result of lower premiums achieved in the current period.

For some of the projects the Company performs the exploration work pursuant to a service contract for the operator for which it earns a management fee. Exploration expenditures paid for directly by funding partners are not included in the Company's financial statements.

Mineral property exploration expenditures of $5,594,815, net of $1,245,569 recovered from funding partners, was $6,840,384 (2009 - $2,937,175 net). The gross increase of $2,708,190 is almost entirely attributable to maintaining the Company's 49% interest in the Long Canyon Venture.

During the period, the Company received a total of $185,000 in mineral property option recoveries of which $109,625 recovered deferred acquisition costs and $75,375 reduced the net loss for the period : (a) $20,000 was received from Golden Dory, of which $9,262 recovered the acquisition cost of the Pequop South project and the remaining $10,738 reduced the net loss for the period, (b) $20,000 was received from NuLegacy which reduced the acquisition costs of the Wood Hills South project and (c) $100,000 was received from WUC, of which $70,363 recovered the acquisition costs of the Baza project and the remaining $29,637 reduced the net loss for the period, (d) $10,000 was received from CJGC on the Sinter project agreement which reduced the acquisition costs of the Sinter project, (e) $10,000 was received from CJGC on the Pasco Canyon project agreement, which reduced the net loss for the period, (f) $25,000 was received from LBSC on the Trinity Silver project agreement, which reduced the net loss for the period.

Professional fees were $95,286 (2009 - $60,790), an increase of $34,496 in the current period due to auditor fees of $11,175 for the interim review of the Company's quarter one and quarter two financial statements and with the remaining balance due to legal fees incurred in the negotiations and finalizing several agreements.

Regulatory and transfer agent fees were $46,232 (2009 - $127,539), a decrease of $81,307 due primarily to the original listing fees incurred in the prior period for graduation onto the Toronto Stock Exchange.

Shareholder relation costs were $215,382 (2009 - $170,852) an increase of $44,530. The Company continues to expand its market awareness programs in the investment community by attendance at more investment conferences and travelling and conducting more one-on-one meetings with potential investors. This type of activity is expected to increase from past levels.

Salaries and benefits charged to administration totaled $610,215 (2009 - $556,603) which amount includes $95,101of directors fees (2009 - $91,904). The Company now has six full time geologists employed, and six part time consultants based in the exploration office in Reno, Nevada as well as one full time geologist and one consultant based in Argentina.

The non-cash stock-based compensation expense of $913,890 (2009 - $1,049,934) is the recognition of the fair value of stock options over their vesting periods. Another $44,580 (2009 - $105,932) of stock-based compensation expense is included in the Argentina mineral property exploration expenditure.

The Company's $1,785,554 unrealized gain on foreign exchange in the nine months ended March 31, 2010 (2009 - $19,770 loss) was attributed to the Company's increased cash treasury balance and the fluctuation in the Canadian to US dollar exchange rates. The Company holds the majority of its cash treasury in Canadian dollars and converts to US dollars as needed. The exchange rate at June 30, 2009 was C$1.163 = US$1.00. At June 30, 2009, the Company had net monetary assets of C$19.3 million the equivalent at that time of $16.6 million. The exchange rate at March 31, 2010 was C$1.0158 = US$1.00. At March 31, 2010 the Company had net monetary assets of C$12.5 million the equivalent of $12.3 million. At March 31, 2010 a 1% change in the exchange rate will have an impact of $125,000.

Interest income was $85,071 (2009 - $39,704) an increase of $45,367 a reflection of the Company's increased average cash balances over the periods.

Summary of Quarterly Results

	3 Months ended March 31, 2010	3 Months ended December 31, 2009	3 months ended September 30, 2009	3 months ended June 30, 2009	3 months ended March 31, 2009	3 Month ended December 31, 2008	3 months ended September 30, 2008	3 months ended June 30, 2008
Total revenues	$-	$-	$-	$-	$-	$-	$-	$-
Net loss	(742,071)	(2,775,122)	(2,338,073)	(2,420,460)	(1,350,330)	(2,483,647)	(1,354,008)	(1,049,123)
Net loss per share, basic and diluted	(0.02)	(0.07)	(0.06)	(0.08)	(0.04)	(0.09)	(0.05)	(0.04)

As the Company's exploration and administrative activities increase the Company's costs and net loss can be expected to continue to rise. The Company has generated no revenue to date.

Liquidity

The Company has funded its operations to date from the sale of its equity securities and by project option payments and work programs funded by third parties.

As at March 31, 2010 the Company had working capital of $14,969,437 compared to working capital at June 30, 2009 of $18,137,636.

The Company intends to continue to fund its 49% participating interest in the Long Canyon Joint Venture and it may, as market conditions and the need arises, attempt to raise additional funds through additional equity financings that may be on terms that are dilutive, or potentially dilutive, to its shareholders. It is expected that the Long Canyon resource update to be completed in the second quarter 2010 will increase the size of this gold resource and will support the continued exploration and potential development of this deposit.

Capital Resources

The Company has 2,505,000 common share purchase warrants and 3,967,800 stock options outstanding, that if exercised will raise additional capital for the Company.

Transactions with Related Parties

Unless disclosed elsewhere, related party transactions for the nine months ended March 31, 2010 are as follows:

(a) Paid or accrued $67,714 (2009 - $59,606) for consulting fees to Golden Oak Corporate Services Ltd., a company controlled by Doris Meyer, the Chief Financial Officer of the Company for financial and corporate compliance services.
(b) Paid or accrued $40,356 (2009 - $20,980) for consulting fees for investor relations services to Connie Parratt, the spouse of Ron Parratt, Chief Executive Officer of the Company.
(c) Paid half of the annual lease payments for the Green Monster ($10,000) (2009 - $7,500) and the Rose Mine ($5,000) (2009 - $5,000) projects to a company controlled by Richard Bedell, a director of the Company.

An amount of $32,759 for expenses and director fees owed to officers and directors are included in accounts payable and accrued liabilities (June 30, 2009 - $33,584). These amounts were paid subsequently.

The related party transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Outstanding Share Data as at May 14, 2010

The authorized share capital of AuEx consists of an unlimited number of common shares, 10,000,000 preferred shares and one special voting share (the "Special Voting share"). The holder of the Special Voting share, Computershare Trust Company of Canada, is entitled to the number of votes equal to the number of Class B non-voting common shares, the Exchangeable Shares, outstanding subject to reduction in certain circumstances.

	Common Shares issued and outstanding	Exchangeable shares issued and outstanding	Total common and exchangeable shares outstanding	Common Share Purchase Warrants	Common Share Purchase Options
Balance March 31, 2010	37,230,571	4,514,370	41,744,941	2,530,000	4,000,000
Warrants exercised	25,000	-	25,000	(25,000)	-
Stock options exercised	32,200	-	32,200	-	(32,200)
Balance May 14, 2010	**37,287,771**	**4,514,370**	**41,802,141**	**2,505,000**	**3,967,800**

Financial Instruments and related risks

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. 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 fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash. The Company places its cash with high quality financial institutions, thereby minimizing exposure for deposits in excess of federally insured amounts. The Company believes that credit risk associated with cash is remote.

In conducting business, the principal risks and uncertainties faced by the Company centre on exploration and development, resource and commodity prices and market sentiment.

The prices of resource and commodity markets fluctuate significantly and are affected by many factors outside of the Company's control. The relative prices of metals and minerals and future expectations for such prices have a significant impact on the market sentiment for investment in mining and resource exploration companies. The Company relies on equity financing for its working capital requirements and to fund its exploration programs. There is no assurance that such financing will be available to the Company, or that it will be available on acceptable terms.

Forward looking statements

This discussion includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address future exploration activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploration successes, the maintenance and continuation of exploration funding agreements and continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Risks and Uncertainties

Mineral exploration is subject to a high degree of risk, which a combination of experience, knowledge, and careful evaluation may fail to overcome. Exploration activities seldom result in the discovery of a commercially viable mineral resource. Exploration activities require significant cash expenditures. The Company will therefore require additional financing to carry on its business and such financing may not be available when it is needed.

Disclosure and Internal Controls and Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures for the Company. Based on an evaluation of the Company's disclosure controls and procedures as of the end of the period covered by this MD&A, management believes such controls and procedures are effective in providing reasonable assurance that material items requiring disclosure are identified and reported in a timely manner.

The Chief Executive Officer and Chief Financial Officer have designed the internal controls over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

During the nine months ending March 31, 2010, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Corporate Governance

Management of the Company is responsible for the preparation and presentation of the annual financial statements and notes thereto, MD&A and other information contained in the annual report. Additionally, it is Management's responsibility to ensure the Company complies with the laws and regulations applicable to its activities.

The Company's management is held accountable to the Board of Directors ("Directors"), each member of which is elected annually by the shareholders of the Company. The Directors are responsible for reviewing and approving the annual audited financial statements and MD&A. Responsibility for the review and approval of the Company's quarterly unaudited interim financial statements and MD&A is delegated by the Directors to the Audit Committee, which is comprised of three directors who are independent of management. Additionally, the Audit Committee pre-approves audit and non-audit services provided by the Company's auditors.

The auditors are appointed annually by the shareholders to conduct an audit of the financial statements in accordance with generally accepted auditing standards. The external auditors have complete access to the Audit Committee to discuss the audit, financial reporting and related matters resulting from the annual audit as well as to assist the members of the Audit Committee in discharging their corporate governance responsibilities.

Other Information

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Expressed in U.S. dollars

For the nine months ended
March 31, 2010

Unaudited (prepared by management)

Notice to Reader

These interim consolidated financial statements of AuEx Ventures Inc. have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these interim consolidated financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

AUEX VENTURES, INC.
INTERIM CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. dollars)

		March 31, 2010 (unaudited)		June 30, 2009
ASSETS				
Current				
Cash	$	**13,455,216**	$	17,093,191
Exploration advances		**1,745,802**		995,379
Receivables		**199,314**		401,638
Prepaid expense		**139,775**		996
		15,540,107		18,491,204
Equipment (Note 5)		**105,865**		141,085
Mineral properties (Note 6)		**2,983,873**		840,872
Restricted cash (Note 7)		**668,256**		364,352
	$	**19,298,101**	$	19,837,513
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	**570,670**	$	353,568
Asset retirement obligation (Note 7)		**344,842**		329,572
		915,512		683,140
Shareholders' Equity				
Capital stock (Note 9)		**35,580,494**		31,389,217
Contributed surplus (Note 9)		**4,584,497**		3,692,292
Deficit		**(21,782,402)**		(15,927,136)
		18,382,589		19,154,373
	$	**19,298,101**	$	19,837,513

Nature of operations (Note 1)
Subsequent events (Note 12)

Approved by the Board of Directors

/s/ "Ronald L. Parratt"
Ronald L. Parratt, Director

/s/ "Robert Boaz"
Robert Boaz, Director

The accompanying notes are an integral part of these interim consolidated financial statements.

AUEX VENTURES, INC.
INTERIM CONSOLIDATED STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND DEFICIT
(Expressed in U.S. dollars)
For the nine months ended March 31
(unaudited – prepared by management)

	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				
Amortization	**$ 9,030**	$ 9,592	**$ 29,523**	$ **29,000**
Consulting	**78,831**	31,222	**166,755**	**104,827**
Foreign exchange (gain) loss	**(393,383)**	18,008	**(1,785,554)**	**19,770**
Insurance	**(8,709)**	9,828	**15,511**	**38,707**
Management fees	**(39)**	(109)	**(4,929)**	**(6,303)**
Mineral property exploration expenditures (Schedule)	**567,178**	518,185	**5,594,815**	**2,937,175**
Mineral property recoveries	**(58,479)**	-	**(75,375)**	**(15,913)**
Office and miscellaneous	**6,055**	21,877	**43,647**	**59,387**
Professional fees	**18,905**	19,657	**95,286**	**60,790**
Regulatory and transfer agent fees	**28,200**	23,484	**46,232**	**127,539**
Rent	**14,944**	11,871	**39,653**	**36,098**
Salaries and benefits	**219,249**	209,962	**610,215**	**556,603**
Shareholder relations	**89,159**	78,846	**215,382**	**170,852**
Stock-based compensation (Note 9)	**182,254**	384,782	**913,890**	**1,049,934**
Travel and related	**6,271**	981	**35,286**	**27,844**
Loss before other items	**(759,466)**	(1,338,186)	**(5,940,337)**	(5,196,310)
OTHER ITEMS				
Interest income	**17,395**	19,435	**85,071**	39,704
Gain on sale of equipment	**-**	-	**-**	200
Write off of mineral property	**-**	(31,579)	**-**	(31,579)
	17,395	(12,144)	**85,071**	8,325
Loss and comprehensive loss for the period	**(742,071)**	(1,350,330)	**(5,855,266)**	(5,187,985)
Deficit, beginning of period	**(21,040,331)**	(12,156,346)	**(15,927,136)**	(8,318,691)
Deficit, end of period	**$ (21,782,402)**	$ (13,506,676)	**$ (21,782,402)**	$ (13,506,676)
Basic and diluted loss per common share	**$ (0.02)**	$ (0.04)	**$ (0.15)**	$ (0.19)
Weighted average number of common shares outstanding	**40,701,405**	30,899,081	**40,288,381**	27,158,653

The accompanying notes are an integral part of these interim consolidated financial statements.

AUEX VENTURES, INC.
CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in U.S. dollars)
For the nine months ended March 31
(unaudited – prepared by management)

	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 TO OPERATING ACTIVITIES				
Loss for the period	**$ (742,071)**	$ (1,350,330)	**$ (5,855,266)**	$ (5,187,985)
Items not affecting cash:				
Amortization - equipment	**9,030**	9,592	**29,523**	29,000
Amortization - mineral property exploration	**6,942**	3,572	**20,826**	8,153
Asset retirement obligation	**-**	-	**15,270**	-
Stock-based compensation - administration	**182,254**	384,782	**913,890**	1,049,934
Stock-based compensation - mineral property exploratio	**8,595**	(21,626)	**44,580**	105,932
Write off of mineral property	**-**	31,579	**-**	31,579
Changes in non-cash working capital items:				
Decrease (increase) in receivables	**(147,278)**	25,997	**202,324**	(15,355)
Decrease (increase) in prepaid expenses	**(129,162)**	21,974	**(138,779)**	19,656
Decrease (increase) in exploration advances	**(1,745,802)**	-	**(750,423)**	-
Decrease in accounts payable and accrued liabilities	**353,999**	104,262	**217,102**	68,416
Net cash used in operating activities	**(2,203,493)**	(790,198)	**(5,300,953)**	(3,890,670)
CASH FLOWS TO INVESTING ACTIVITIES				
Restricted cash and reclamation bonds	**(2,450)**	-	**(303,904)**	69,583
Purchase of equipment	**(20,380)**	-	**(15,129)**	(58,283)
Mineral property recoveries	**(13,479)**	-	**109,625**	74,087
Mineral property expenditures	**(28,576)**	(25,596)	**(2,252,626)**	(92,872)
Net cash provided by (used in) investing activities	**(64,885)**	(25,596)	**(2,462,034)**	(7,485)
CASH FLOWS FROM FINANCING ACTIVITY				
Issuance of common stock for cash	**4,105,012**	7,091,004	**4,125,012**	10,520,074
Net cash provided by financing activity	**4,105,012**	7,091,004	**4,125,012**	10,520,074
Change in cash for period	**1,836,634**	6,275,210	**(3,637,975)**	6,621,919
Cash, beginning of period	**11,618,582**	4,759,157	**17,093,191**	4,412,448
Cash, end of period	**$ 13,455,216**	$ 11,034,367	**$ 13,455,216**	$ 11,034,367
Supplemental disclosure with respect to non-cash financing and investing:				
Fair value of stock options exercised	**$ -**	$ 142,860	**$ 66,265**	$ 169,834
Shares issued pursuant to a mineral option agreement	**-**	-	**-**	10,000

The accompanying notes are an integral part of these interim consolidated financial statements.

AUEX VENTURES, INC.
CONSOLIDATED SCHEDULE OF MINERAL PROPERTY EXPLORATION EXPENDITURES
(Expressed in U.S. dollars)
For the nine months ended March 31
(unaudited – prepared by management)

Exploration expenditures by property:	**Nine months ended March 31, 2010**			**Nine months ended March 31, 2009**		
	Exploration Expenditures	Recoveries from funding partners	**Net Exploration Expenditures**	Exploration Expenditures	Recoveries from funding partners	Net Exploration Expenditures
Nevada:						
Antelope	$ 155	$ -	**$ 155**	$ 5,046	**$ -**	$ 5,046
Arabia	13,946	-	**13,946**	27,379	-	27,379
Buffalo Canyon	165,335	(165,335)	**-**	230,037	(230,037)	-
Bunce	6,216	-	**6,216**	25,579	-	25,579
Fireball Ridge	19,955	-	**19,955**	-	-	-
General reconnaissance	185,541	-	**185,541**	215,269	-	215,269
Goldstar	16,506	-	**16,506**	24,580	-	24,580
Green Monster	137,330	(137,330)	**-**	102,194	(102,194)	-
Hays Canyon	118,934	(118,934)	**-**	85,954	(85,954)	-
Hum	-	-	**-**	19,474	-	19,474
Jessup-West (JPW)	3,616	-	**3,616**	-	-	-
Klondike North	16,308	-	**16,308**	433,225	(433,225)	-
Leonid	18,078	-	**18,078**	31,818	-	31,818
Long Canyon Venture	4,780,838	-	**4,780,838**	2,157,240	(7,830)	2,149,410
Long Canyon South	9,616	-	**9,616**	33,310	-	33,310
NLRC License	3,487	-	**3,487**	6,538	-	6,538
Olympic	21,337	-	**21,337**	26,382	-	26,382
Pasco Canyon	3,950	(3,616)	**334**	5,051	(5,051)	-
Pequop North	20,688	-	**20,688**	-	-	-
Pequop South	105,991	(103,255)	**2,736**	18,110	-	18,110
Pequop (West Pequop and Long Canyon)	47,918	-	**47,918**	24,840	(24,840)	-
Reef	15,912	-	**15,912**	10,709	-	10,709
Rose Mine	13,720	-	**13,720**	8,329	-	8,329
Sinter	8,722	-	**8,722**	15,711	-	15,711
Southwest Trinity	-	-	**-**	37,439	(10,997)	26,442
Spruce Mountain	57,211	-	**57,211**	-	-	-
Swiss Bank	307	-	**307**	(7,615)	7,615	-
Trinity Silver	31,835	-	**31,835**	3,488	(3,488)	-
Woodhills	74,727	(699)	**74,028**	29,867	-	29,867
	5,898,179	(529,169)	**5,369,010**	3,569,954	(896,001)	2,673,953
Utah:						
Wildcat	16,531	-	**16,531**	8,286	-	8,286
Spain:						
Baza	269,827	(176,640)	**93,187**	39,466	-	39,466
South America:						
Argentina reconnaissance	175,851	(104,344)	**71,507**	316,034	(212,230)	103,804
Gertrudis	9,249	(9,249)	**-**	9,315	(9,315)	-
Hidefield	-	-	**-**	16,692	(10,958)	5,734
Meridiano	388,452	(388,452)	**-**	66,515	(66,515)	-
La Rosita	37,715	(37,715)	**-**	-	-	-
Stock based compensation - Argentina	44,580	-	**44,580**	105,932	-	105,932
	655,847	(539,760)	**116,087**	514,488	(299,018)	215,470
Mineral property exploration expenditures	$ 6,840,384	$ (1,245,569)	**$ 5,594,815**	$ 4,132,194	$ (1,195,019)	$ 2,937,175

The accompanying notes are an integral part of these interim consolidated financial statements.

1. NATURE OF OPERATIONS

AuEx Ventures, Inc. (the "Company") was incorporated on May 10, 2004 under the laws of the Province of British Columbia and its principal business activities are the acquisition and exploration of unproven mineral properties in the USA, Argentina and Spain.

The Company has not generated any production revenue since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts spent for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of the properties. The Company will periodically have to raise additional funds to continue operations and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the ordinary course of business. As at March 31, 2010, the Company had an accumulated deficit of $21,782,402 and working capital of $14,969,437.

2. BASIS OF PRESENTATION

These interim consolidated financial statements for the Company have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). They do not include all of the information and disclosures required by GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. The interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements including the notes thereto for the year ended June 30, 2009 which may be found on www.sedar.com.

New accounting standards:

Effective July 1, 2009, the Company adopted a new accounting standard, Section 3064 "Goodwill and Intangible Assets" which replaced the existing Section 3062 "Goodwill and Other Intangible Assets" and Section 3450 "Research and Development Costs". This policy establishes standards for the recognition, measurement, presentation, and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of this standard did not have a material impact on the Company's financial statements.

Recent accounting pronouncements

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 July 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended June 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

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 IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of financial statements. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning July 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

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

In January 2009, the CICA issued EIC 173, "*Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*". The EIC provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities. EIC 173 will be applicable for the Company's interim and annual financial statement for its fiscal year beginning July 1, 2010 and management is currently assessing its impact on the Company's interim and annual financial statements for fiscal 2010.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Risk Management
The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, receivables, investments and accounts payable and accrued liabilities.

The Company has classified cash and investment as held-for-trading. Receivables are classified as loans and receivables, and accounts payable and accrued liabilities as other liabilities, all of which are measured at amortized cost.

The fair values of cash, receivables, and accounts payable and accrued liabilities approximate their book values because of the short-term nature of these instruments. The investment is shares of a private company that have been written down to zero.

Financial Instrument Risk Exposure
The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk
The Company's main exposure to credit risk is on its bank accounts. Bank accounts are with high credit quality financial institutions.

Liquidity Risk
The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in business accounts which are available on demand.

Interest Rate Risk
The main significant market risk exposure to which the Company is exposed is interest rate risk. The Company's bank account earns interest income at variable rates. The fair value of its portfolio is relatively unaffected by changes in short-term interest rates. The Company's future interest income is exposed to short-term interest rate variations.

Exchange Risk
As at March 31, 2010 the majority of the Company's cash was held in Canada in Canadian Dollars. The Company's significant operations are carried out in Nevada. As a result a portion of the Company's working capital is denominated in Canadian dollars and is therefore subject to fluctuation in exchange rates. The effect of a one percent change in the foreign exchange rate on the cash held in Canadian dollars would be approximately $124,878. At March 31, 2010 the US to Canadian dollar exchange rate was $1.0158 an increase of over 14% over the exchange rate of $1.163 at June 30, 2009 that resulted in a foreign exchange gain of $1,785,554 in the nine months ended March 31, 2010 on its Canadian denominated cash and working capital.

Price risk
The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

4. INVESTMENT

At March 31, 2010, the Company owns 1,500,000 common shares of North Range Resources Ltd. that were received on a settlement of a debt related to the Bunce property in the year ended June 30, 2009. North Range is a private company and the Company has written down the fair value of the common shares that currently represent approximately 6% of the total issued and outstanding shares of North Range to zero.

5. EQUIPMENT

	March 31, 2010			June 30, 2009
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Office equipment	$ 29,236	$ 12,668	$ 16,568	$ 7,912
Computers	61,349	44,134	17,215	15,994
Field equipment	161,214	89,132	72,082	117,179
Net book value	$ 251,799	$ 145,934	$ 105,865	$ 141,085

6. MINERAL PROPERTIES

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties, and to the best of its knowledge, all properties are in good standing. All of the Company's mineral properties are listed in alphabetical order.

	June 30, 2009	Additions	Recoveries from funding partners	Recoveries from option payments	**March 31, 2010**
Nevada:					
Arabia	$ 4,876	$ -	$ -	$ -	**$ 4,876**
Bunce	158,757	-	-	-	**158,757**
Fireball Ridge	5,000	16,000	-	-	**21,000**
Fireball South	1,600	-	-	-	**1,600**
Gold Star	6,439	392	-	-	**6,831**
Green Monster	-	20,000	(20,000)	-	**-**
Hays Canyon	-	-	-	-	**-**
Long Canyon Venture	146,589	2,119,330	-	-	**2,265,919**
NLRC License	38,175	-	-	-	**38,175**
Olympic	35,000	-	-	-	**35,000**
Pasco Canyon	-	-	-	-	**-**
West Pequop Venture	290,054	-	-	-	**290,054**
Pequop South	9,262	-	-	(9,262)	**-**
Reef	15,366	-	-	-	**15,366**
Rose Mine	10,000	10,000	-	-	**20,000**
Sinter	18,820	10,000	-	(10,000)	**18,820**
Spruce Mountain	-	25,382	-	-	**25,382**
Trinity Silver	-	-	-	-	**-**
Wood Hills South	68,330	-	(810)	(20,000)	**47,520**
Utah:					**-**
Wildcat	2,610	1,969	-	-	**4,579**
Spain:					**-**
Baza	-	70,363	-	(70,363)	**-**
Argentina:					**-**
Santa Cruz	19,957	-	-	-	**19,957**
Meridiano	10,037	-	-	-	**10,037**
Mineral properties	$ 840,872	$ 2,273,436	$ (20,810)	$ (109,625)	**$ 2,983,873**

Details on the Company's mineral properties are found in Note 6 to the audited consolidated financial statements for the year ended June 30, 2009 and only material differences to those agreements are noted below:

Fireball Ridge, Churchill County, Nevada

On October 8, 2009, pursuant to the October 24, 2004 mining lease with Beverly Grove, the Company exercised its option to purchase the 160 acres of fee property covered by the lease for $16,000.

Gold Star, Pershing County, Nevada

The Company staked claims for the Gold Star prospect, Pershing County, Nevada in fiscal 2010 at a cost of $392.

Hays Canyon project, Washoe County, Nevada

In December 2009, Eldorado Gold Corp. released the Hays Canyon project from a September 15, 2008 option earn-in agreement with the Company.

On February 19, 2010 the Company entered into an exploration earn-in agreement with Christopher James Gold Corp ("CJGC") on the Hays Canyon project. CJGC paid the Company $18,986 to replace the existing reclamation bond in place for the exploration permit and CJGC accepted liability for the existing drill access roads and sites covered by the reclamation bond. CJGC is required to expend $3 million within five years to earn an undivided 51% interest in the project whereupon CJGC may then elect to earn an additional 19% for a 70% total by expending an additional $2 million on the property within the following two years. Work commitments escalate over the initial 5 year earn in period.

Long Canyon Property, Elko County, Nevada

The Company's Long Canyon property is under a December 22, 2006 exploration and option to joint venture agreement with NewWest Gold USA Inc., which is owned by Fronteer Gold Inc. ("Fronteer"). Fronteer owns 51% and is the operator of the Long Canyon Venture with the Company participating at 49%. Each party reserved a 3% Net Smelter Return ("NSR") royalty on lands contributed.

In July 2009, Fronteer completed the acquisition of the M&N Ranch, together with all water rights, for the benefit of the Long Canyon Venture for consideration of $4,262,000 of which the Company's 49% share was $2,088,380.

In February 2010, Fronteer completed the acquisition of the Beaumont property for the benefit of the Long Canyon Venture for consideration of $63,160 of which the Company's 49% share was $30,950.

Pasco Canyon, Nye County, Nevada

On December 31, 2009 the Company terminated the February 15, 2006 agreement with Piedmont Mining Company Inc. on the Pasco Canyon project for default.

On February 10, 2010 the Company entered into an exploration earn-in agreement on the Pasco Canyon project with CJGC. CJGC paid the Company $10,000 on signing and must expend a minimum of $100,000 in the first year of the agreement. CJGC is required to expend $3 million within four years to earn an undivided 51% interest in the project whereupon CJGC can then earn an additional 19% interest for a total of 70% by expending an additional $2 million on the property within two years. Work commitments escalate over the 6 year earn in period.

Pequop South project, Elko County, Nevada

On August 7, 2009 the Company entered into an exploration and development option agreement with Golden Dory Resources Corp. ("Golden Dory") on the Company-owned Pequop South project. Golden Dory paid the Company $20,000 on signing and must expend at least $50,000 during the first year of the agreement. Golden Dory must expend a minimum of $2,850,000 and complete a bankable feasibility study within seven years to earn a 70% interest in the Pequop South property whereupon a joint venture would be formed. Should Golden Dory expend $5,000,000 or more and terminate its interest without vesting, it would be entitled to a 3% NSR royalty capped at twice its investment.

Sinter project, Pershing County, Nevada

On February 18, 2010 the Company entered into an exploration earn-in agreement on the Sinter project with CJGC. CJGC paid the Company $10,000 on signing and must expend a minimum of $100,000 in the first year of the agreement. CJGC is required to expend $3 million within four years to earn an undivided 51% interest in the project whereupon CJGC can then earn an additional 19% interest for a total of 70% by expending an additional $2 million on the property within two years. Work commitments escalate over the 6 year earn in period.

Spruce Mountain project, Elko County, Nevada

The Company staked claims for the Spruce Mountain project, Elko County, Nevada in fiscal 2010 at a cost of $25,382.

Trinity Silver project, Pershing County, Nevada

The Trinity Silver property consists of leased and sub-leased fee land and unpatented mining claims held under lease from Newmont.

On August 28, 2009 the Company executed a letter of intent ("LOI") to enter an exploration earn-in agreement with Yellowcake Mining, Inc. ("YCMI") an American OTC-BB listed company based in Vancouver, British Columbia on the Trinity Silver property. The letter obligated YCMI to sign the agreement by November 1, 2009, a date extended verbally by the company to November 15, 2009. YCMI failed to meet the deadlines for signing and payment. The Company terminated the LOI on December 31, 2009.

On March 29, 2010 the Company executed an exploration earn-in agreement with Liberty Silver Corp. ("LBSC") on the Trinity Silver property. LBSC paid the Company $25,000 on execution and is required to expend a minimum of $5,000,000 within a six year period and complete a bankable feasibility study to earn an undivided 70% interest in the property. The first year work of $500,000 is an obligation.

Wildcat, Juab County, Utah

The Company staked claims for the Wildcat prospect, Juab County, Utah in fiscal 2010 at a cost of $1,969.

Wood Hills South project, Elko County, Nevada

On December 8, 2009, the Company entered into an exploration earn in agreement with NuLegacy Gold Corporation NV ("NuLegacy") on the Wood Hills South project. NuLegacy paid the Company $20,000 on signing and must expend at least $150,000 during the first year of the agreement. A total of $5,000,000 must be expended by NuLegacy within 6 years to earn a 70% interest in the Wood Hills South project whereupon a joint venture would be formed.

Baza Project, Spain

On September 28, 2009 EuEx Resources Inc. ("EuEx"), a wholly owned subsidiary of the Company, purchased Basti Resources S.L. ("Basti") for €214,000 of which €14,000 was paid in October 2009 and the remainder will be paid in €50,000 annual installments commencing November 20, 2009. The sellers retained a 1.5% NSR that can be bought down. The Company has had a grub stake agreement with Basti since 2006.

On October 13, 2009 Basti and the Company signed an option agreement (the "Agreement") with Western Uranium Corporation ("WUC") whereby WUC can acquire a 70% interest in the properties owned by Basti (the "Baza Project") by funding the continued exploration and development within the Baza Project Area of Interest.

WUC has the right to carry EuEx through bankable feasibility on any given exploration permit to earn up to 70% of the project and by paying an aggregate of $400,000 to the Company of which $100,000 was received on October 13, 2009. To maintain the option $100,000 must be paid on the first, second, and third anniversaries of the Agreement to the Company and minimum annual expenditures must be incurred at the rate of:

1. €500,000 on or before the first anniversary;
2. €600,000 on or before the second anniversary;
3. €1,000,000 on or before the third anniversary; and
4. €500,000 in each subsequent year until such time as a bankable feasibility study is obtained on a particular Permit.

If WUC spends at least €3,000,000 on any given exploration permit or application, it is entitled to a 5% NSR which reduces to a 1% NSR after €6,000,000 in payments.

7. RESTRICTED CASH, RECLAMATION BONDS AND ASSET RETIREMENT OBLIGATION

The Company is required to post bonds with the Bureau of Land Management ("BLM") for reclamation of planned mineral exploration programs work associated with the Company's mineral properties located in the United States. For the Company's mineral properties that are being actively explored under funding arrangement agreements, the funding partners are responsible for bonding for the surface disturbance created by the exploration programs funded by each of them on those projects.

	March 31, 2010	June 30, 2009
Restricted cash		
West Pequop	$ 196,951	$ 190,454
Long Canyon Joint Venture	471,305	173,898
	$ 668,256	$ 364,352
Asset retirement obligation		
West Pequop	$ 190,454	$ 190,454
Long Canyon Joint Venture	154,388	139,118
	$ 344,842	$ 329,572

Agnico-Eagle Mines Ltd. ("Agnico") earned a 51% interest in the West Pequop property on June 19, 2008 and the surface disturbance to that date was determined to be $388,682 of which the Company's share is $190,454 (June 30, 2009 - $190,454). The Company has posted a Letter of Credit with the BLM that is in turn secured by interest earning restricted cash taking the form of a certificate of deposit of $196,951 (June 30, 2009 - $190,454). As Agnico is responsible for surface disturbance going forward on this project the amount of the reclamation bond is equal to the asset retirement obligation for this project.

The Company's 49% participating share of a Letter of Credit and reclamation bond with the BLM held by Fronteer Development Group Inc. on behalf of the Long Canyon Joint Venture is $195,435 (June 30, 2009 - $173,898). In addition the Company has posted $275,870 being its 49% share of escrowed cash, with the City of Wendover, Nevada that will be released upon completion of a water production well.

At March 31, 2010 the Company estimates its 49% share of the surface disturbance at the Long Canyon Joint Venture project to be $154,388 (June 30, 2009 - $139,118).

8. RELATED PARTY TRANSACTIONS

Unless disclosed elsewhere, related party transactions for the nine months ended March 31, 2010 are as follows:

(a) Paid or accrued $64,714 (2009 - $59,606) for consulting fees to Golden Oak Corporate Services Ltd., a company controlled by an officer of the Company.
(b) Paid or accrued $40,356 (2009 - $20,980) for consulting fees for investor relations services to the spouse of an officer of the Company.
(c) Paid half of the annual lease payments for the Green Monster ($10,000) (2009 - $7,500) and the Rose Mine ($5,000) (2009 - $5,000) projects to a company controlled by a director of the Company.

An amount of $32,759 for expenses and director fees owed to officers and directors are included in accounts payable and accrued liabilities (June 30, 2009 - $33,584). These amounts were paid subsequently.

The related party transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. CAPITAL STOCK AND CONTRIBUTED SURPLUS

Authorized: An unlimited number of common shares without par value and 10,000,000 preferred shares

Issued and outstanding:

	Shares	Value	Contributed Surplus
Outstanding at June 30, 2009	39,754,405	$ 31,389,217	$ 3,692,292
Issued during period:			
Stock options exercised	450,786	86,265	(66,265)
Share purchase warrants exercised	1,539,750	4,105,012	190,849
Fair value of stock options vested	-	-	767,621
Outstanding at March 31, 2010	41,744,941	$ 35,580,494	$ 4,584,497

During the nine months ended March 31, 2010, the Company issued 350,786 common shares for the cashless exercise of 400,000 stock options and 100,000 common shares for the exercise of 100,000 stock options for cash proceeds of $20,000.

Exchangeable Shares

The Company issued a special voting share to a transfer agent attaching a number of votes equal to the number of Exchangeable Shares at any given time, or, at June 28, 2005 the equivalent of 7,979,817 common shares in exchange for the 7,979,817 Class B shares of Holdings held by the former shareholders of AuEx, Inc. At March 31, 2010 there were 4,514,370 Class B shares outstanding (June 30, 2009 – 4,615,279). All of the Exchangeable Shares have been included in the outstanding share capital schedule.

Shareholder Rights Plan

On June 15, 2009 the Company's shareholders adopted a shareholder rights plan (the "Rights Plan") to protect the Company's shareholders from unfair, abusive or coercive take-over strategies, including the acquisition of control of the Company through a take-over bid that does not treat all shareholders equally or fairly.

The primary objective of the Rights Plan is to provide the Board of Directors with sufficient time to explore and develop alternatives for maximizing shareholder value if a take-over bid is made for the Company and to ensure that every shareholder has an equal opportunity to participate in such a bid. The Rights Plan is similar to plans adopted by other Canadian companies and ratified by their shareholders. The Company is not aware of any pending or threatened take-over bid for the Company.

The Rights Plan is intended to encourage a person (an "Acquiring Person") who makes a take-over bid to proceed either with the approval of the Company's Board of Directors or by way of a "Permitted Bid", which generally requires a take-over bid to satisfy certain minimum standards designed to promote fairness. Those standards include a requirement that the bid be kept open for at least 60 days and that, if more than 50% of the shares subject to the bid are tendered within that period, the bid must remain open for an additional 10 days to permit the other shareholders to also tender their shares. The 10 day provision is designed to reduce the pressure to tender during the initial 60-day period.

The Rights Plan provides that if a take-over bid fails to meet these minimum standards and the Rights Plan is not waived by the Board of Directors, holders of Voting Shares other than the Acquiring Person will be able to purchase additional common shares of the Company at a discount to market, thus exposing the Acquiring Person to substantial dilution of its holdings.

Warrants

The continuity for share purchase warrants for the nine months ended March 31, 2010:

Expiry date	Exercise Price Cdn $	Balance, June 30, 2009	Issued	Exercised	Expired	Balance, March 31, 2010
March 11, 2011	2.75	1,500,000	-	(1,486,750)	-	13,250
June 16, 2011	2.75	2,569,750	-	(53,000)	-	2,516,750
		4,069,750	-	(1,539,750)	-	2,530,000
Weighted average exercise price US		$ 2.36	$ -	$ 2.67	$ -	$ 2.71

a) The warrants that expire March 11, 2011 entitle the warrant holder to purchase one additional share at a price of C$2.75 per share for the first year following issuance and C$3.25 for the second year following issuance. In the event that the trading price of the Company's shares on the Toronto Stock Exchange is C$4.12 or greater for a period of 20 consecutive trading days in the period commencing either four months and up to twelve months after the closing date or above C$4.87 per share thereafter, the Company may provide notice of an earlier expiry of the warrants, in which case the warrants shall expire 30 days after such notice is given.

b) The warrants that expire June 16, 2011 entitle the warrant holder to purchase one additional share at a price of C$2.75 per share for the first year following issuance and C$3.30 for the second year following issuance. In the event that the trading price of the Company's shares on the Toronto Stock Exchange is C$4.12 or greater for a period of 20 consecutive trading days in the period commencing either four months and up to twelve months after the closing date or above C$4.95 per share thereafter, the Company may provide notice of an earlier expiry of the warrants, in which case the warrants shall expire 30 days after such notice is given.

Stock options

On October 26, 2009, the Company's shareholders approved an increase in the shares reserved for the combined Incentive and Non-qualified Stock Option Plan (the "Plan") to 8,000,000 shares reserved for issuance. All options granted pursuant to the Plan are for a term of five years and vest as to one-third on each six month anniversary from the date of grant.

The continuity for stock options for the nine months ended March 31, 2010 is as follows:

Expiry date	Exercise price		Balance, June 30, 2009	Granted	Exercised	Expired	Balance, March 31, 2010
	US$	Cdn $					
November 2, 2009	$0.20		200,000	-	(200,000)	-	-
November 2, 2009	$0.32		300,000	-	(300,000)	-	-
June 15, 2011		$1.75	835,000	-	-	-	835,000
February 13, 2012		$2.43	100,000	-	-	-	100,000
July 11, 2012		$2.15	1,140,000	-	-	-	1,140,000
July 24, 2013		$2.14	775,000	-	-	-	775,000
December 30, 2013		$1.73	565,000	-	-	-	565,000
July 16, 2014		$2.50	-	585,000	-	-	585,000
			3,915,000	585,000	(500,000)	-	4,000,000
Weighted average exercise price US			$ 1.53	$ 2.46	$ 0.28		$ 2.03

At March 31, 2010, 3,421,657 of the stock options were exercisable.

Stock compensation expense

On July 16, 2009 the Directors granted 585,000 options with a fair value of $854,188 or $1.46 per option. The fair value recognized in the nine months ended March 31, 2010 was $620,868 and the remaining $233,320 will be recognized in fiscal 2010 and 2011. The fair value was estimated on the grant date using the Black-Scholes Option Pricing Model with the following assumptions: 82% expected stock price volatility, a 2.52% risk free interest rate, a 4.77 year expected life and zero expected dividend yield.

On December 30, 2008 the Directors granted 565,000 options with a fair value of $536,457 or $0.95 per option. The fair value was recognized as $327,835 in fiscal 2009, $178,819 was recognized in the nine months ended March 31, 2010 and the remaining $29,803 will be recognized in the remainder of fiscal 2010. The fair value was estimated on the grant date using the Black-Scholes Option Pricing Model with the following assumptions: 87% expected stock price volatility, a 1.7% risk free interest rate, a 4.77 year expected life and zero expected dividend yield.

On July 24, 2008 the Directors granted 850,000 options of which 66,667 were subsequently cancelled. The fair value to be recognized, net of forfeitures, is $1,019,583 or $1.30 per option. The fair value was recognized as $860,800 in fiscal 2009, with the remaining $158,783 recognized in the nine months ended March 31, 2010. The fair value was estimated on the grant date using the Black-Scholes Option Pricing Model with the following assumptions: 83% expected stock price volatility, a 3.4% risk free interest rate, a 4.77 year expected life and zero expected dividend yield.

Total stock-based compensation expense in the nine months ended March 31, 2010 is $958,470 of which $913,890 is recognized in general expenses and $44,580 is recognized in Argentina mineral exploration expenditures. This compares to stock-based compensation expense of $1,155,866 in the nine months ended March 31, 2009 of which $1,049,934 was recognized in general expenses and $105,932 was recognized in Argentina mineral exploration expenditures.

10. MANAGEMENT OF CAPITAL

The Company defines the capital it manages as cash and equity, consisting of share capital, stock options and share purchase warrants. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. Management does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

11. SEGMENT INFORMATION

The Company operates in one business segment being the acquisition and exploration of mineral properties and has three geographical segments: USA, Argentina and Spain. The total assets attributable to the geographical locations relate primarily to equipment and deferred mineral property costs and have been disclosed in notes 5 and 6.

12. SUBSEQUENT EVENTS

Subsequent to March 31, 2010 the Company:

a) issued 25,000 common shares pursuant to the exercise of 25,000 share purchase warrants at an exercise price of C$2.75 for proceeds of $68,523 (C$68,750).
b) issued 32,200 common shares pursuant to the exercise of 32,200 stock options at an exercise price of C$1.75 for proceeds of $54,600 (C$56,350).