

EXPEDITION MINING INC.

(Formerly Universal Uranium Ltd.)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2011

**NOTICE OF NO AUDITOR REVIEW OF
INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

/s/ Ronald Atlas

Ronald Atlas, Director
Vancouver, BC Canada
May 19, 2011

/s/ Steve Chan

Steve Chan, Director
Vancouver, BC Canada
May 19, 2011

EXPEDITION MINING INC.
(Formerly Universal Uranium Ltd.)
INTERIM CONSOLIDATED BALANCE SHEETS

	31-Mar-11 \$	30-Sep-10 \$
A S S E T S		
Current assets		
Cash	4,093,288	989,389
Amounts receivable	29,480	38,253
Security deposits	5,750	5,750
Prepaid expense	8,925	-
	4,137,443	1,033,392
Long term receivable (Note 5)	-	80,697
Reclamation bond (Note 6)	17,886	17,886
Equipment (Note 3)	23,582	22,720
Other assets (Note 4)	-	1,032,900
Mineral properties (Note 6)	1,158,012	840,173
	5,336,923	3,027,768

LIABILITIES & SHAREHOLDERS' EQUITY

Current liabilities		
Accounts payable and accrued liabilities	14,605	134,882
Asset Retirement Obligation (Note 7)	17,886	17,886
	32,491	152,768
Shareholders' Equity		
Share capital (Note 8)	24,403,991	22,216,588
Contributed surplus (Note 8d)	3,393,386	3,251,857
Deficit	(22,492,945)	(22,593,445)
	5,304,432	2,875,000
	5,336,923	3,027,768
Continuing operations (Note 1)		

Approved on behalf of the Board of Directors:

“Ronald Atlas”, Director

“Steven Chan”, Director

See notes to financial statements

EXPEDITION MINING INC.
(Formerly Universal Uranium Ltd.)
INTERIM CONSOLIDATED STATEMENTS OF LOSS, COMPREHENSIVE LOSS AND DEFICIT
For the Six Months Ended March 31,

	Three months Ended		Six months Ended	
	31-March-11	31-March-10	31-March-11	31-March-10
	\$	\$	\$	\$
General and administrative expenses:				
Bank charges and interest	146	4,147	352	9,534
Consulting fees	200	-	300	-
Corporate and administration fees	11,255	600	19,253	1,238
Directors' fees	6,565	866	12,565	6,366
Filing and transfer agent fees	7,867	8,641	13,079	10,857
Legal & accounting fees	19,590	39,161	38,817	116,117
Management fees	49,554	51,474	100,049	103,349
Office rent, salaries and supplies	14,246	18,707	29,739	38,644
Property reclamation costs	-	-	-	25,299
Shareholders' communication, & promotion	12,434	6,312	18,926	12,834
Travel, meals & entertainment	6,070	3,091	12,228	7,010
	(127,927)	(132,999)	(245,308)	(331,248)
Other items:				
Amortization	(1,696)	(1,730)	(3,006)	(3,460)
Interest income	2,713	1,688	5,899	9,881
Gain (Loss) on revaluation of receivable	(91,697)	-	(91,697)	-
Gain (Loss) on sale of Asset-backed paper	-	645,940	-	645,940
Gain (Loss) on sale of other assets	(526,086)	(9,303)	(334,752)	(17,050)
Stock-based compensation	-	(3,864)	-	(3,864)
Other non-recurring expenses	-	2,600	-	2,600
Gain (Loss) due to fair value adjustment	-	(38,713)	769,379	(258,131)
Gain (Loss) on foreign exchange	(15)	-	(15)	-
Net income (loss) and comprehensive income (loss) for the period	(744,708)	463,619	100,500	44,668
Deficit - beginning of the period	(21,748,237)	(22,948,104)	(22,593,445)	(22,529,153)
Deficit - end of the period	(22,492,945)	(22,484,485)	(22,492,945)	(22,484,485)
Income (Loss) per share	(0.02)	0.01	0.00	0.00
Weighted average – number of shares outstanding	47,947,541	47,284,068	47,581,894	47,284,608

See notes to financial statements

EXPEDITION MINING INC.
(Formerly Universal Uranium Ltd.)
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended March 31,

	Three months Ended		Six months Ended	
	31-March-11	31-March-10	31-March-11	31-March-10
	\$	\$	\$	\$
Cash provided by (used for):				
Operating Activities				
Net Income (loss) for the period	(744,708)	463,619	100,500	44,668
Adjustment which do not affect cash:				
Amortization	1,696	1,730	3,006	3,460
Stock-based compensation	-	3,864	-	3,864
Write off other assets	-	38,713	-	288,753
Gain (Loss) on revaluation of receivable	91,697	-	91,697	-
Gain (Loss) due to fair value adjustment	-	-	(769,379)	-
Gain (loss) on fair value of short sale	-	-	-	(30,622)
	<u>(651,315)</u>	<u>507,926</u>	<u>(574,176)</u>	<u>310,123</u>
Net changes in non-cash working capital items:				
Amounts receivable	6,230	3,298	8,773	8,522
Prepaid expense	3,975	3,300	(8,925)	(6,600)
Accounts payable	(25,959)	(61,526)	(120,277)	(115,325)
	<u>(667,069)</u>	<u>452,998</u>	<u>(694,605)</u>	<u>196,720</u>
Financing Activities				
Issue of share capital	2,268,750	-	2,268,750	-
Share issue costs	(112,820)	-	(112,820)	-
	<u>2,155,930</u>	<u>-</u>	<u>2,155,930</u>	<u>-</u>
Investing Activities				
Mineral property costs	(2,971)	(22,098)	(242,839)	(98,348)
Equipment purchased	(3,868)	-	(3,868)	(420)
Sale of Asset-backed commercial paper	-	139,095	-	139,095
Sale of other assets	1,189,910	136,215	1,802,279	136,215
Adjustment of sales due to fair value	87,002	-	87,002	-
Proceeds from (repayment of) margin account	-	(493,153)	-	(533,415)
	<u>1,270,073</u>	<u>(239,941)</u>	<u>1,642,574</u>	<u>(356,873)</u>
Increase (decrease) in cash	<u>2,758,934</u>	<u>213,057</u>	<u>3,103,899</u>	<u>(160,153)</u>
Cash - beginning of period	<u>1,334,354</u>	<u>891,145</u>	<u>989,389</u>	<u>1,264,355</u>
Cash - end of period	<u>4,093,288</u>	<u>1,104,202</u>	<u>4,093,288</u>	<u>1,104,202</u>
Supplementary disclosures:				
Interest income received	2,713	1,688	5,899	9,881

Refer also to Notes 6 and 8 for disclosure of common shares issued for mineral properties and for share issue costs, and received common shares and warrants as proceeds on the disposition of a mineral property.

See notes to financial statements

EXPEDITION MINING INC.
(Formerly Universal Uranium Ltd.)
Consolidated Schedule of Deferred Mineral Property Costs
For the Six Months Ended March 31,

	Balance 30-Sep-09 \$	Additions \$	Write-off \$	Balance 30-Sep-10 \$	Additions \$	Balance 31-Mar-11 \$
Tact & Buff						
Acquisition costs	19,908	12,000	-	31,908	-	31,908
Exploration costs						
Advances	5,546	(5,546)	-	-	-	-
Assays & sampling	11,790	18,020	-	29,810	-	29,810
Claims and maintenance	17,429	81,831	-	99,260	502	99,762
Consulting	47,216	68,212	-	115,428	-	115,428
Drilling	142,127	7,714	-	149,841	-	149,841
Field administration	65	167	-	232	-	232
Field work and supplies	1,483	11,267	-	12,750	-	12,750
Maps & reports	5,282	5,284	-	10,566	-	10,566
Royalty - Advance	-	10,802	-	10,802	-	10,802
Site reclamation	-	17,886	-	17,886	-	17,886
Site visits	7,471	2,625	-	10,096	-	10,096
	<u>258,317</u>	<u>230,262</u>	<u>-</u>	<u>488,579</u>	<u>502</u>	<u>489,081</u>
Brew Property (Yukon)						
Acquisition costs	-	-	-	75,000	125,000	200,000
Exploration costs						
Assays	-	-	-	43,610	22,413	65,753
Claims and maintenance	-	-	-	20,120	-	20,120
Consulting	-	-	-	11,699	2,913	14,612
Fieldwork & supplies	-	-	-	1,148	554	1,702
Legal	-	-	-	6,665	-	6,665
Mobilization	-	-	-	62,173	1,807	63,980
Site visits	-	-	-	314	1,102	1,416
Soil sampling & trenching	-	-	-	130,865	305	131,170
	<u>-</u>	<u>-</u>	<u>-</u>	<u>351,594</u>	<u>153,824</u>	<u>505,418</u>
Joy Property (Yukon)						
Acquisition costs	-	-	-	-	150,000	150,000
Exploration costs						
Legal	-	-	-	-	13,513	13,513
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,513</u>	<u>163,513</u>
TOTALS	<u>258,317</u>	<u>230,262</u>	<u>-</u>	<u>840,173</u>	<u>317,839</u>	<u>1,158,012</u>

See notes to financial statements

EXPEDITION MINING INC.
(Formerly Universal Uranium Ltd.)
Notes to Interim Consolidated Financial Statements
December 31, 2010

1. NATURE AND CONTINUANCE OF OPERATIONS

The Company is incorporated in the Province of British Columbia and its principal business activity is the acquisition and exploration of resource properties. The Company is currently in the exploration stage of developing its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable.

These interim consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and has an accumulated operating deficit of \$22,492,945 at March 31, 2011. The ability of the Company to continue as a going-concern depends upon its capacity in the near-term to raise additional equity financing and ultimately to develop profitable commercial operations.

There can be no assurance that the company will be able to continue to raise funds in the future in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheet.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a basis consistent with those followed in the most recent audited financial statements. These unaudited interim consolidated financial statements do not include all the information and footnotes required by generally accepted accounting principles for annual financial statements. Therefore readers are advised to refer to the Company's annual audited financial statements for the year ended September 30, 2010 for additional information.

New Canadian Accounting Pronouncements

International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Accounting Standards Board announced 2011 as the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The specific implementation is set for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of October 1, 2011 will require restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS has not been fully determined at this time.

Business Combinations

In January 2009, the CICA issued Handbook Section 1582, Business Combinations, which replaces the existing standards. This section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value. Estimated obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. This standard is equivalent to the International Financial Reporting Standards on business combinations. This standard is applied prospectively to business combinations with acquisition dates on or after January 1, 2011. Earlier adoption is permitted.

EXPEDITION MINING INC.
(Formerly Universal Uranium Ltd.)
Notes to Consolidated Financial Statements
As at March 31, 2011

2. **SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

Consolidated Financial Statements

In January 2009, the CICA issued Handbook Section 1601, Consolidated Financial Statements, which replaces the existing standards. This section establishes the standards for preparing consolidated financial statements and is effective for interim and annual consolidated financial statements beginning on or after January 1, 2011.

Non Controlling Interests

In January 2009, the CICA issued Handbook Section 1602, Non-controlling Interests, which establishes standards for the accounting of non-controlling interests of a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. This standard is equivalent to the International Financial Reporting Standards on consolidated and separate financial statements. This standard is effective for interim and annual consolidated financial statements beginning on or after January 1, 2011. This standard will not have any impact on the Company's financial statements.

The Company is required to adopt Sections 1582, 1601 and 1602 concurrently; at this time the Company does not anticipate adopting these sections prior to the adoption of IFRS and therefore does not expect any impact to the consolidated financial statements.

3. **EQUIPMENT**

	March 31, 2011		
	Cost	Accumulated Amortization	Net
	\$	\$	\$
Computer equipment	41,178	31,796	9,382
Office equipment	49,020	34,820	14,200
	<u>90,198</u>	<u>66,616</u>	<u>23,582</u>
	September 30, 2010		
	Cost	Accumulated Amortization	Net
	\$	\$	\$
Computer equipment	37,310	30,368	6,942
Office equipment	49,020	33,242	15,778
	<u>88,444</u>	<u>65,724</u>	<u>22,720</u>

4. **OTHER ASSETS**

Asset Backed Commercial Papers

During a prior year end, the Company invested \$1,390,951 in a collateralized short term debt obligation (the "Note"), issued by Conventree Inc. and commonly known as "Asset Backed Commercial Paper" ("ABCP"). The redemption of the Note is dependent on the cash generated by the ABCP's underlying assets and the ability of the trust that issued the note to refinance it in the ABCP market. The Note was due and repayable to the Company on September 1, 2007, however the market for ABCP has ceased to function and the Company's Note was not redeemed upon maturity. The Company was unable to determine if or when it may obtain the funds due under its Note, or whether the full amount invested will be recoverable. Accordingly, it reclassified the Note as a non-current asset, and revalued it to \$139,095.

During the year ended September 30, 2010, the Company sold all its ABCP for a total of \$785,035 and reported a gain on sale of the ABCP of \$645,940.

Crosshair Exploration & Mining Corp. Shares

During a prior year end, the Company received 10,000,000 shares and 7,500,000 warrants of Crosshair Exploration & Mining Corp. ("Crosshair") pursuant to the acquisition agreement whereby Crosshair acquired Universal's 60% interest in its Central Mineral Belt (CMB), Labrador, uranium project as further discussed in Note 6. The 10,000,000 common shares of Crosshair were originally recorded at market value of \$0.48 per share on July 29, 2008 (the agreement date). The 7,500,000 warrants will expire on July 29, 2011.

The Company has taken a valuation allowance in respect to the common shares and share purchase warrants of Crosshair due to the re-sale restrictions that are in effect. The allowance is equal to the calculated fair value of the Crosshair warrants, and accordingly the carrying value of the total investment is reported based on the current market value of the Crosshair shares.

On March 31, 2010, the Company announced that the action commenced by Crosshair Exploration & Mining Corp. ("Crosshair") in the B.C. Supreme Court in April, 2009 had been settled. The settlement agreement required the parties to file a consent dismissal order dismissing both the Crosshair claim and the Company's counterclaim on a without costs basis. The settlement agreement also provided for a release by each party of all claims and causes of action it may have against the other party resulting from any matters existing up to the present time with respect to the action.

The settlement agreement further provided for Crosshair to enter into a voting trust agreement pursuant to which Crosshair will, for a period of 36 months, either abstain from voting its shares in the Company at shareholder meetings or will vote its shares in favour of the proposals of the Company's management. As at the date of the settlement, Crosshair held 2,222,222 common shares of the Company and 2,222,222 warrants to purchase common shares of the Company. The 2,222,222 warrants expired on July 29, 2011.

During the previous year end, the Company sold 2,886,000 shares at various prices (\$0.13 - \$0.245) for total net proceeds of \$474,323, leaving a balance of 7,114,000 Crosshair shares in escrow. During the year ended September 30, 2010, the Company sold 2,419,000 shares at various prices (\$0.155 - \$0.205) for total net proceeds of \$453,492, leaving a balance of 4,695,000 Crosshair shares. The value of these shares was reported as \$1,032,900 (\$0.22 per share).

On December 21, 2010, Crosshair announced that effective immediately, the common shares of Crosshair were consolidated on the basis of one (1) post-consolidation common share for every four (4) pre-consolidation common share. As a result, the warrants (1,875,000 post-consolidation), which expire on July 29, 2011, have an exercise price of \$4.00 per common share.

EXPEDITION MINING INC.
(Formerly Universal Uranium Ltd.)
Notes to Consolidated Financial Statements
As at March 31, 2011

4. **OTHER ASSETS** *(continued)*

Crosshair Exploration & Mining Corp. Shares *(continued)*

During the period ended December 31, 2010, the Company sold a total of 2,783,500 Crosshair shares, with prices ranging from \$0.19 to \$0.47 for gross proceeds of \$803,703, leaving a balance of 1,911,500 pre consolidation shares (477,875 post consolidation shares). As at December 31, 2010, the value of the shares was reported at the closing price of \$2.49.

On period ended March 31, 2011, the Company sold all the remaining Crosshair shares (477,875), with prices ranging from \$1.08 to \$2.34 for gross proceeds of \$788,549. As at March 31, 2011, the closing price of Crosshair shares was \$1.12.

	Six months ended March 31, 2011			
	Fair Value 30-Sep-10 \$	Write-up to Fair Value \$	Securities sold during the period \$	Fair Value 31-Mar-11 \$
Crosshair Exploration & Mining Corp.	1,032,900	434,627	(1,467,527)	-

	Three months ended December 31, 2010			
	Fair Value 30-Sep-10 \$	Write-up to Fair Value \$	Securities sold during the period \$	Fair Value 31-Dec-10 \$
Crosshair Exploration & Mining Corp.	1,032,900	769,379	(612,370)	1,189,909

	Year ended September 30, 2010			
	Fair Value 30-Sep-09 \$	Write-down to Fair Value \$	Securities sold during the period \$	Fair Value 30-Sep-10 \$
Asset Backed Commercial Paper	139,095	-	(139,095)	-
Crosshair Exploration & Mining Corp.	1,643,120	(156,428)	(453,792)	1,032,900
	1,782,215	(156,428)	(592,887)	1,032,900

	Year ended September 30, 2009			
	Originating value \$	Write-down to Fair Value \$	Securities sold during the period \$	Fair Value 30-Sep-09 \$
Asset Backed Commercial Paper	139,095	-	-	139,095
Crosshair Exploration & Mining Corp.	2,100,000	80	(456,960)	1,643,120
	2,253,095	(2,920)	(467,960)	1,782,215

5. LONG TERM RECEIVABLE

On September 26, 2007, the Company received a Promissory Note from a former director in the amount of \$110,550, previously recorded in amounts receivable. The note bears interest of 2.25% per annum and was due and payable on March 26, 2008.

On July 2, 2009, the Company obtained default judgment against the director in the amount of \$115,266, interest in the amount of \$1,419 and \$1,330 in other costs, for a total of \$117,975. On September 16, 2009, it was ordered that the director pay \$500 per month commencing October 15, 2009 and continuing to December 15, 2009, and that the director pay \$1,000 per month commencing January 15, 2010 until the amount owing is paid in full, or until further order. During the previous year, the company revalued the loan to its fair market value to \$97,593 (net of unamortized discount of \$20,531). The revaluation resulted in a loss on \$20,531.

The fair value of the long term receivable as of December 31, 2010 is \$92,308 (September 30, 2010 - \$92,697) \$11,611 has been classified as a short-term receivable as at December 31, 2010 (2010 - \$12,000).

During the period ended March 31, 2011, the Company received a notice from Mr. Massey's Trustee, that a Notice of Proposal to Creditors has been filed with the Supreme Court of B.C. The notice proposed a 22.3% of the unsecured loan to be paid over 56 monthly payments. Although the proposal was refused by the Company, it was approved by the statutory majority of creditors and the Trustee proceeded to seek Court approval. On March 31, 2011, the Company wrote-off the balance owing of \$91,697.

6. MINERAL PROPERTIES

Tact & Buff Properties
Nevada, USA

On July 7, 2009, the Company announced that it had entered into an agreement with Nevada Mine Properties II, Inc ("NMP"), a private Nevada corporation, to acquire a 100% interest in NMP's Tact – Buff property (the "Property") located in the prolific Battle Mountain Mining District, Nevada. The Property is comprised of 98 claims totalling 1760 acres and is situated in Humboldt County approximately 30 miles southeast of Winnemucca.

In consideration, the Company has agreed to pay US\$7,500 upon execution of the agreement and a total of US \$302,500 in Advance Royalty Payments in the first 8 years with automatic extensions over the next 12 years. The Company reserves the right to purchase 100% ownership of the Property at anytime by paying US\$2 million less any Advance Royalty Payments.

Other considerations include issuing a total of 500,000 shares to NMP over a two year period as follows:

- 200,000 shares upon execution (issued August 9, 2010);
- 200,000 shares on the first anniversary (issued July 8, 2010);
- 100,000 shares to on the second anniversary.

The company also has an option to buy down a 3% NSR to 1% for US\$3 million.

The above transaction received the approval of the TSX Venture Exchange on August 6, 2009.

EXPEDITION MINING INC.
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Notes to Consolidated Financial Statements
As at March 31, 2011

6. **MINERAL PROPERTIES** *(continued)*

Brew Properties
Yukon Territory, Canada

On May 4, 2010, the Company announced the completion of an option and joint venture agreement with Aldrin Resource Corp. ("Aldrin"), whereby the Company can earn a 50% interest in Ryanwood Exploration Inc's ("Ryanwood") Brew property. The Brew property is located in the White Gold District, Yukon Territory.

The Company may acquire its 50% interest in the Brew property over a three year period subject to the following:

- a) Pay Aldrin \$125,000 on or before December 31, 2010 (paid);
- b) Pay Ryanwood:
 - (i) \$75,000 on or before June 26, 2010 (paid);
 - (ii) \$75,000 on or before June 26, 2011;
 - (iii) \$75,000 on or before June 26, 2012; and
 - (iv) \$75,000 on or before June 26, 2013;
- c) Incur expenditures:
 - (i) \$300,000 on or before November 15, 2010 (\$304,559 incurred);
 - (ii) \$400,000 on or before November 15, 2011; and
 - (iii) \$650,000 on or before November 15, 2012.

In addition, the Company will pay Aldrin 50% of the Aldrin shares issuable by Aldrin to Ryanwood. The payments in respect of the Aldrin shares are capped at \$156,250 for 2011 and at \$187,500 for 2012 and 2013 and these payments may be paid either in cash or by the issuance of the Company's shares at the Company's option. If the Company chooses to issue the Company's shares, a 10% premium will be paid.

The above transaction received the approval of the TSX Venture Exchange on May 5, 2010.

Joy Property
Yukon Territory, Canada

The Company entered into an agreement pursuant to which the Company has the right to acquire 100% interest in the Joy Gold Property, located in the Mayo Mining District in the Yukon Territory.

The Agreement

Cash:

- \$75,000 within five days of signing the Option Agreement (paid)
- \$25,000 on or before May 1, 2011 (subsequently paid)
- \$50,000 on or before December 1, 2011

Common Shares:

- 250,000 common shares within five days of the TSX Venture acceptance of the Option Agreement (issued)
- 250,000 common shares on or before January 10 2011 (issued)
- 500,000 common shares on or before July 1, 2011

Cash or Shares:

- \$150,000 cash or stock at the Company's option on or before May 1, 2012
- \$150,000 cash or stock at the Company's option on or before May 1, 2013

EXPEDITION MINING INC.
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Notes to Consolidated Financial Statements
As at March 31, 2011

6. **MINERAL PROPERTIES** *(continued)*

Joy Property *(continued)*
Yukon Territory, Canada

Feasibility Study:

- Payment of \$250,000 in cash or common stock in the Company at the Company's option on the earlier date of the sixth anniversary of the agreement or upon receipt by the Optionee of a NI 43-101 report indicating a resource of a minimum 500,000 contained ounces of gold on the property.

Work Program:

- Minimum of \$200,000 on or before December 31, 2011
- A further \$300,000 on or before December 31, 2012
- A further \$500,000 on or before December 31, 2013

NSR:

- The Optionor will have a 2% net smelter returns Royalty on the Property. The NSR Royalty may be reduced to 1% by the payment of \$1,000 000 to the Optionor.

On November 26, 2010, the TSX Venture Exchange approves the property transaction.

7. **ASSET RETIREMENT OBLIGATION**

Included in the carrying value of the mineral properties is \$17,886 representing the estimated fair value of the liability for the asset retirement obligation that arose as a result of drilling activities since fiscal 2009 on the Tact & Buff Property. The fair value of the liability, \$17,886 was determined to be equal to the estimated drill well site remediation costs for which a reclamation bond had been posted.

During the previous year end, the Company recorded the refund of \$83,020 (US\$81,000) from the State of Utah with respect to the reclamation bond posted for the Lisbon Valley property, which was written off in fiscal 2009.

8. **SHARE CAPITAL**

- a) Authorized: Unlimited number of common shares
b) Issued and outstanding:

	Number of Shares	\$
Balance – September 30, 2008	47,084,068	22,193,588
Issued for mineral properties		
Acquisition cost per agreement	200,000	11,000
Balance – September 30, 2009	47,284,068	22,204,588
Issued for mineral properties		
Acquisition cost per agreement	200,000	12,000
Balance – September 30, 2009	47,484,068	22,216,588

EXPEDITION MINING INC.
(Formerly Universal Uranium Ltd.)
Notes to Consolidated Financial Statements
As at March 31, 2011

8. **SHARE CAPITAL** *(continued)*

d) Issued and outstanding: *(continued)*

	Number of Shares	\$
Balance – September 30, 2009	47,484,068	22,216,588
Issued for mineral properties		
Acquisition cost per agreement	500,000	75,000
Issued for cash		
Flow-Through Private Placement @ \$0.40	2,625,000	1,050,000
Non-Flow-Through Private Placement @ \$0.32	3,500,000	1,120,000
Options exercised (ranging from \$0.10 to \$0.15)	695,000	98,750
Share issue costs		
Agents' units @ \$0.32	306,250	(98,000)
TSX filing and legal fees	-	(14,820)
Fair value of options exercised		15,253
Fair value of Agents' warrants		(42,911)
Fair value of Agents' fees warrants		(15,869)
Balance –March 31, 2011	55,110,318	24,403,991

c) Stock options:

The continuity of share purchase options is as follows:

Expiry Date	Exercise Price	30-Sep-10	Re-priced	Granted	Exercised	Expired / Cancelled	31-Mar-11
16-Jan-11	0.15	85,000	-	-	-	(85,000)	-
08-May-11	0.15	100,000	-	-	(100,000)	-	-
13-Jun-11	0.15	150,000	-	-	(150,000)	-	-
13-Nov-11	0.15	150,000	-	-	-	-	150,000
19-Mar-12	0.15	645,000	-	-	(120,000)	-	525,000
01-Dec-12	0.15	595,000	-	-	(45,000)	-	550,000
12-Mar-13	0.15	110,000	-	-	(50,000)	(60,000)	-
23-Apr-13	0.15	730,000	-	-	(120,000)	-	610,000
29-Apr-14	0.15	775,000	-	-	-	(75,000)	700,000
15-Oct-14	0.15	50,000	-	-	-	-	50,000
10-Jun-15	0.10	800,000	-	-	(100,000)	-	700,000
28-Jul-15	0.10	365,000	-	-	(10,000)	-	355,000
21-Sep-15	0.15	50,000	-	-	-	-	50,000
		4,605,000	-	-	(695,000)	(220,000)	3,690,000
Weighted average exercise price		0.15	-	-	0.15	0.15	0.15

EXPEDITION MINING INC.
(Formerly Universal Uranium Ltd.)
Notes to Consolidated Financial Statements
As at March 31, 2011

8. **SHARE CAPITAL** *(continued)*

c) Stock options: *(continued)*

Expiry Date	Exercise Price	30-Sep-09	Re-priced	Granted	Exercised	Expired / Cancelled	31-Mar-10
29-Dec-09	0.15	230,000	-	-	-	(230,000)	-
21-June-10	0.15	425,000	-	-	-	-	425,000
16-Jan-11	0.15	85,000	-	-	-	-	85,000
08-May-11	0.15	100,000	-	-	-	-	100,000
13-Jun-11	0.15	150,000	-	-	-	-	150,000
13-Nov-11	0.15	150,000	-	-	-	-	150,000
19-Mar-12	0.15	645,000	-	-	-	-	645,000
01-Dec-12	0.15	645,000	-	-	-	-	645,000
12-Mar-13	0.15	110,000	-	-	-	-	110,000
23-Apr-13	0.15	780,000	-	-	-	-	780,000
29-Apr-14	0.15	775,000	-	-	-	-	775,000
15-Oct-14	0.15	-	-	50,000	-	-	50,000
		4,095,000	-	50,000	-	(230,000)	3,915,000
Weighted average exercise price		0.15	-	0.15	-	0.15	0.15

During the period ended March 31, 2011, the Company did not grant any stock options to directors and consultants (March 31, 2010 –50,000). The fair value of each option granted is estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions and resulting values:

Number of options	15-Oct-09 50,000
Risk-free interest rate	2.25
Expected life	5
Vesting period	-
Expected volatility	181.08%
Expected dividend yield	-

d) Contributed Surplus

Contributed surplus, September 30, 2008	\$ 3,108,887
Changes during the period	
Fair-value of stock options granted	52,281
Fair-value of stock options re-priced	15,939
Contributed surplus, September 30, 2009	\$ 3,177,107
Fair-value of stock options granted	74,750
Contributed surplus, September 30, 2010	\$ 3,251,857
Fair-value of stock options exercised	(15,251)
Fair-value of Agents' warrants granted	42,911
Fair-value of Agents' fees warrants granted	15,869
Contributed surplus, March 31, 2011	\$ 3,393,386

EXPEDITION MINING INC.
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Notes to Consolidated Financial Statements
As at March 31, 2011

8. **SHARE CAPITAL** *(continued)*

e) Share purchase warrants

The continuity of share purchase warrants is as follows:

Expiry Date	Exercise Price	30-Sep-10	Granted	Exercised	Expired / Cancelled	31-Mar-11
15-Sep-12	0.32	-	1,750,000	-	-	1,750,000
15-Sep-12	0.40	-	1,312,500	-	-	1,312,500
15-Sep-12	0.50	-	306,250	-	-	306,250
15-Sep-12	0.80	-	153,125	-	-	153,125
			3,521,875	-	-	3,521,875
Weighted average exercise price			-	-	-	0.39

Expiry Date	Exercise Price	30-Sep-09	Granted	Exercised	Expired / Cancelled	31-Mar-10
23-Oct-09	2.00	1,333,332	-	-	(1,333,332)	-
23-Oct-09	0.75	266,666	-	-	(266,666)	-
12-Mar-10	0.15**	1,150,000	-	-	(1,150,000)	-
12-Mar-10	0.45	87,500	-	-	(87,500)	-
29-Jul-10	0.65	2,222,222	-	-	-	2,222,222
		5,059,720	-	-	(1,599,998)	2,222,222
Weighted average exercise price		0.89	-	-	1.08	0.65

9. **CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS**

(a) Capital Management Objectives

The Company's primary objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders, and to have sufficient liquidity available to fund suitable business opportunities as they arise.

The Company considers the components of shareholders' equity, as well as its cash and equivalents as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk of characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue equity, sell assets, or return capital to shareholders as well as issue or repay debt. The board of directors has not established quantitative capital structure criteria management, but will review on a regular basis the capital structure of the Company to ensure its appropriateness to the stage of development of the business.

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

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets, which are updated as necessary and are reviewed and approved by the Company's Board of Directors. In addition, the Company may issue new equity, incur additional debt, or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company expects to continue raise funds, from time to time, to continue meeting its capital management objectives.

There were no changes in the Company's approach to capital management during period ended March 31, 2011.

EXPEDITION MINING INC.
(Formerly Universal Uranium Ltd.)
Notes to Consolidated Financial Statements
As at March 31, 2011

9. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS *(continued)*

(b) Carrying Amounts and Fair Values of Financial Instruments

The fair value of a financial instrument is the price at which a party would accept the rights and/or obligations of the financial instruments from an independent third party. Given the varying influencing factors, the reported fair values are only indicators of the prices that may actually be realized for these financial instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2—Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3—Inputs that are not based on observable market data

The following table illustrates the classification of the Company's financial instruments within the fair value hierarchy as at March 31, 2011.

	Level 1	Level 2	Level 3	Total
Cash - Deposits	\$ 842,564	\$ -	\$ -	\$ 842,564
Guaranteed Investment Certificates	\$ 3,250,724	\$ -	\$ -	\$ 3,250,724

10. SUBSEQUENT EVENTS

On April 21, 2011, the Company announced that it had entered into an option agreement pursuant to which it can acquire a 100-per-cent interest in the Mt. Mervyn gold property from Paul Dadwal. The Mt. Mervyn property is located in the Mayo Mining District of central Yukon and is comprised of 314 unpatented mining claims, approximately 6,564 hectares (65.64 sq kilometres).

In order to exercise its option under the option agreement, the Company must make payments and issue shares as set below.

Cash:

\$75,000 within five business days after Exchange Acceptance Date

\$75,000 on or before June 1, 2011

Common Shares:

250,000 within business days after Exchange Acceptance Date

250,000 on or before June 1, 2011

250,000 on or before October 1, 2011

250,000 on or before March 31, 2012

Net Smelter Returns Royalty (NSR):

The optionor will have a 2-per-cent net smelter royalty on the property. The NSR may be reduced to 1-per-cent by the payment of \$1-million to the optionor.

The Company is committed to make the initial payment of \$75,000 (subsequently paid) and the initial issuance of 250,000 common shares (subsequently issued) once the title to the claims comprising the Mt. Mervyn property is recorded in the Company's name. The other payments and share issuances are optional.

EXPEDITION MINING INC.
(Formerly Universal Uranium Ltd.)
Notes to Consolidated Financial Statements
As at March 31, 2011

10. SUBSEQUENT EVENTS *(continued)*

The Company granted 1,515,000 incentive options to directors, employees and consultants at an exercise price of \$0.40 per share. The options are exercisable for a period of 5 years, ending April 21, 2016. All options granted shall be immediately exercisable, subject only to the regulatory 4-month hold from the date of grant (i.e. no vesting periods shall be imposed on the options).

The options have a fair value of \$455,121 and were estimated using the Black-Scholes option pricing model with the following assumptions:

Number of options	1,515,000 options
Dividend rate	0.00 %
Risk-free interest rate	3.00 %
Expected life	5 years
Estimated annual volatility	131.08 %
Strike price	\$ 0.40
Spot price	\$ 0.35

EXPEDITION MINING INC.

(Formerly Universal Uranium Ltd.)

MANAGEMENT DISCUSSION & ANALYSIS

For the Six Months Ended March 31, 2011

Directors and Officers as at May 19, 2011

Directors:

Ron Atlas
Steve Chan
John Hite
Corry Silbernagel
Bert Jeffries

Officers:

President – Ron Atlas
C.F.O. – Jorge Avelino
Executive Vice-president – Bill Galine

Contact Names:

Bill Galine
Jorge Avelino

Telephone Number:

604-662-3903

Fax Number:

604-662-3904

EXPEDITION MINING INC.
(Formerly Universal Uranium Ltd.)

MANAGEMENT DISCUSSION & ANALYSIS

For the Six Months Ended March 31, 2011

1.1 Date of This Report

May 19, 2011

This MD&A includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address exploration drilling, exploitation 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, exploitation and exploration successes, 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.

1.2 Overall Performance

Description of Business

Expedition Mining Inc. is involved in the acquisition, exploration and development of mineral properties. The Company has mineral properties interest in the Brew Property and the Joy property both located in the White Gold District, Yukon Territory, and in the Tact & Buff Property located in the Battle Mountain District, Nevada, which are in the exploration and development stages.

During the six months ended March 31, 2011, the Company continued to actively review and assess alternative mineral properties in North America for possible acquisitions with a view of enhancing shareholder value.

1.3 Selected Annual Information

The highlights of financial data for the Company for the three most recently completed financial years are as follows:

	<u>Sept. 30, 2010</u>	<u>Sept. 30, 2009</u>	<u>Sept. 30, 2008</u>
(a) Total income	\$661,390	\$93,273	\$25,989
(b) Loss before other items			
(i) Total loss	\$528,666	\$633,226	\$573,604
(ii) Loss per share – basic	\$0.00	\$0.01	\$0.01
(iii) Loss per share – diluted	\$0.00	\$0.01	\$0.01
(c) Net loss			
(i) Total loss	\$64,292	\$5,614,237	\$8,052,251
(ii) Loss per share – basic	\$0.00	\$0.12	\$0.18
(iii) Loss per share – diluted	\$0.00	\$0.12	\$0.18
(d) Total assets	\$3,027,768	\$3,626,402	\$8,536,769
(e) Total long-term liabilities	-	-	-

1.4 Results of Operations

Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the consolidated financial statements of the Company and notes attached hereto.

Results of Operations

During the six months ended March 31, 2011, the Company reported a net income of \$100,500 as compared to net income of \$44,668 for the six months ended March 31, 2010. The increase (\$55,832) is specifically related to the gain on sale of Crosshair shares in the current period of \$191,334 and its adjustment to fair-value of \$769,379. Operating expense for the six months ended March 31, 2011 was \$245,308 as compared to \$331,248 for the six months ended March 31, 2010. The most significant decrease was in legal expense, which decreased by \$79,899. In the previous period, the Company was involved in Crosshair law suit, which was settled in April of 2010.

Operating expenses decreased by \$85,940 as per table below:

Expenses Category	31-Mar-11	31-Mar-10	Increase (Decrease)
- Bank charges & interest	352	9,534	(9,182)
- Consulting fees	300	-	300
- Corporate & admin	19,2538	1,238	18,015
- Directors' fees	12,565	6,366	6,199
- Filing fees & transfer agent fees	13,079	10,857	2,222
- Legal & accounting	38,817	116,117	(77,300)
- Management fees	100,049	103,349	(3,300)
- Office rent, services & supplies	29,739	38,644	(8,905)
- Property reclamation costs	-	25,299	(25,299)
- Shareholders' information	18,926	12,834	6,092
- Travel, meals & entertainment	12,228	7,010	5,218
Total	245,308	331,248	(85,940)

The following are the explanations for the changes:

- Interest expense decreased by \$9,182 – In the comparative figure, the Company incurred \$9,534 interest expense from the Canaccord loan, which was secured by the Asset-Back Paper.
- Corporate & admin increased by \$18,015 – During the current period, the Company engaged the services of an additional corporate & admin person for \$2,000 per month.
- Directors' fees increased by \$6,199 – This increase is due to timing difference.
- Filing fees & transfer agent fees increased by \$2,222 – Although the increase is insignificant, this was due to the private placement during the period.
- Legal and accounting expense decreased by \$77,300 – In the comparative 2009 figures, the Company was involved in the Crosshair lawsuit, which was eventually settled in April 2009.
- Management fees decreased by \$3,300 – The president is paid in US\$ and the decrease is due to the foreign exchange rate.
- Office expenses and salaries decreased by \$8,905 – The decrease is due to reclassification. In the comparative period, the person in charge of corporate and admin was under the payroll. The replacement person is a consultant (see above).
- Property reclamation costs decreased by \$25,299 – In the comparative period, the Company engaged the services of a geologist in order to receive the Lisbon Property reclamation bond.
- Shareholders information, travel and entertainment increased by \$11,310 – The increase is due to increased activities (see breakdown below).

1.4 **Results of Operations** (continued)

Discussion of Acquisitions, Operations and Financial Condition (continued)

Shareholders Communication and Travel

The Company reported shareholders communication and travel expenses totaling \$12,650 (2009 - \$10,441) and broken down as follows:

	31-Mar-11	31-Mar-10
Communication & information	\$ 3,150	\$ 917
Conferences & shows	2,250	-
Press releases	1,560	936
Printing, mail-out & supplies	1,265	3,986
Telephone & website	10,382	6,995
Travel & promotion	12,547	7,010
	<hr/>	<hr/>
	\$ 31,154	\$ 19,844

1.4.1 **Summary of Quarterly Results**

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	<u>Q2 31-Mar-11</u>	<u>Q1 31-Dec-10</u>	<u>Q4 30-Sep-10</u>	<u>Q3 30-Jun-10</u>
Net Income (loss)	(744,708)	845,208	410,002	(518,962)
Per Share	(0.02)	0.02	0.01	(0.01)
	<u>Q2 31-Mar-10</u>	<u>Q1 31-Dec-09</u>	<u>Q4 30-Sep-09</u>	<u>Q3 30-Jun-09</u>
Net Income (loss)	463,619	(418,951)	(5,129,482)	247,937
Per Share	0.01	(0.01)	(0.10)	(0.00)

Discussion

Six months ended March 31, 2011:

For the six months ended March 31, 2011, please refer to Section 1.4 Results of Operations.

MINERAL PROPERTIES

Brew Property – Yukon

On May 4, 2010, the Company announced the completion of an option and joint venture agreement with Aldrin Resource Corp. (“Aldrin”), whereby the Company can earn a 50% interest in Ryanwood Exploration's Brew property. The Brew property is located in the White Gold District, Yukon Territory.

The Company may acquire its 50% interest in the Brew property over a three year period subject to the following:

- a) Pay Aldrin \$125,000 on or before December 31, 2010 (paid);
- b) Pay Ryanwood:
 - (i) \$75,000 on or before June 26, 2010 (paid);
 - (ii) \$75,000 on or before June 26, 2011;
 - (iii) \$75,000 on or before June 26, 2012; and
 - (iv) \$75,000 on or before June 26, 2013;

MINERAL PROPERTIES (continued)

Brew Property – Yukon (continued)

- c) Incur expenditures:
- (i) \$300,000 on or before November 15, 2010 (incurred);
 - (ii) \$400,000 on or before November 15, 2011; and
 - (iii) \$650,000 on or before November 15, 2012.

In addition, the Company will pay Aldrin 50% of the Aldrin shares issuable by Aldrin to Ryanwood. The payments in respect of the Aldrin shares are capped at \$156,250 for 2011 and at \$187,500 for 2012 and 2013 and these payments may be paid either in cash or by the issuance of the Company's shares at the Company's option. If the Company chooses to issue the Company's shares, a 10% premium will be paid.

The above transaction received the approval of the TSX Venture Exchange on May 5, 2010.

In June, 2010 the Brew claim block was expanded by staking an additional 176 quartz claims to add to the original 168 claims staked in 2009 by Dawson prospector Shawn Ryan. The additional claims double the Brew property size to approximately 70 square kilometres or 17,250 acres.

Expedition Mining recently contracted Groundtruth Exploration of Dawson to complete a soil sample survey on the Brew property. The recent sampling grid expands the original survey done by Ryanwood Exploration. This field season's soil program collected approximately 2,615 samples and preliminary assay results have increased the size of the gold in soils anomaly defined by the 2009 Ryanwood program (1360 soils). The completed survey indicates that there is a large gold in soil anomaly that coincides with arsenic, antimony and base metal elements located in three zones.

On December 2, 2010, the Company announced the results of the trenching program and additional soil sampling on the property.

Key points include the following:

- Soil surveys delineated a strong northwest trending 3 km long gold-in-soil anomaly across the central grid area and a second 3 km long parallel anomaly, 1 km to the north.
- Gold is associated with typical White Gold District pathfinder elements arsenic, antimony and mercury.
- Highest gold-in-soil values remain to be trenched in 2011, followed by a diamond drill program.

The additional 981 soil samples were collected to better define and delineate the extent of several open-ended gold anomalies in the Central Zone along the Main Northwest Trend. The survey indicated continuity to a west-northwest trending anomaly in the northern grid area and strengthened the anomaly in the Central Zone, with the latter containing a maximum value of 730 ppb Au. Overall the 2009 and 2010 soil surveys delineated two strong parallel gold-in-soil anomalies each 3 km long. Both gold-in-soil anomalies are associated with elevated arsenic, antimony, mercury, lead, molybdenum, lanthanum and peripheral nickel anomalies.

MINERAL PROPERTIES (continued)

Brew Property – Yukon (continued)

Approximately 1500 m of trenching was outlined in eight trenches in 2010 to test soil geochemical anomalies obtained in the 2009 and the 2010 soil surveys. Due to early onset of winter conditions only five trenches, totaling 1000 m, were completed, with four completely chip sampled and only grab samples collected from Trench 10-3. The highest values in-soil (maximum of 874.1 ppb Au) have not been trenched and complete soil results from the additional 981 samples have only just been received. The trenches contain anomalous arsenic, antimony and iron-rich gossans.

Significant fault zones, including breccias, were intersected in the Brew trenches returning encouraging iron values, with 6% Fe over 40 m in Trench 10-1 (including 14.81% Fe over 4 m), 6.1% Fe over 45 m in Trench 10-2, and maximum values of 9.32% Fe in Trench 10-4 and 12.14% Fe in Trench 10-5. Slightly elevated gold values were obtained in more brecciated zones. Elevated iron numbers from the trench samples suggest the rock originally contained high percentages of sulfides which may have mobilized gold during oxidation.

Based on the favourable geological and structural setting, magnetic signature, favourable trace element geochemistry, presence of placer gold in nearby creeks and similarities and proximity to the White Gold and Coffee projects, the company remains encouraged with the potential for discovery of economic concentrations of gold mineralization on the BREW property.

On April 7, 2011, the Company announced the 2011 work program. The program will include additional soil sampling, as well as a trenching program designed to develop targets to be tested in a core drilling program.

Ground Truth Exploration Inc. will be conducting an extensive soil sampling program totalling 3,000 samples on the Brew property in the 2011 field season. The existing soil grid will be extended to the East following a linear gold-in-soil anomaly outlined in the 2010 sampling program. Grid samples will be collected at 50 metre station and 100 metre line spacing. The remainder of the property will be sampled with ridge and spur traverses to outline additional targets within the Brew property. Ridge and spur samples will be collected at 50 metre sample spacing. (For additional information, soil sample map is posted on our website at www.expeditionmining.com).

Expedition has contracted Aurora Geosciences Ltd. of Whitehorse, Yukon to manage the 2011 exploration program at the Brew property. In mid-May, Aurora will conduct shallow diamond drilling beneath Trenches 10-1 and 10-2 to obtain fresh samples of mineralized rock, using a Packsack drill to test the fault zones to a depth of 20 m below ground level. Thereafter, additional soil sampling and trenching will be conducted in the Central Zone in mid-July to locate a bedrock source for the gold soil anomalies. After a reviewing the 2010 results Jean Pautler, P.Geo., made recommendations. Several of the five trenches excavated in 2010 will be deepened and additional trenches will be excavated. Logging and sampling should be completed by early August. The Company is making preparations to complete a conventional diamond drill program in September, contingent upon favourable trench program results. All exploration work on the Brew property will be conducted under the supervision of Dave White, P.Geo., a Qualified Person with respect to National Instrument 43-101.

MINERAL PROPERTIES (continued)

Joy Property - Yukon

On November 18, 2010, the Company entered into an option agreement pursuant to which it can acquire a 100% interest in the Joy gold property from Bullrun Investments Inc. The property is located on a 16 km x 5 km claim block (128 claims) 60 km northeast of Keno City, central Yukon.

The area covered by the Joy claim block was the subject of a Yukon Geological Survey (YGS 2010) project whereby the YGS completed a summer program of mapping and soil sampling. The summer long YGS program included detailed (~ 1:50K scale) bedrock mapping plus a very coarse ridge and spur soil sampling program (~ 500 m spacing). The Yukon Geological Survey presented the results of the Mt. Mervyn (Joy claims area) soil survey and preliminary bedrock mapping results at the Yukon Geoscience Forum on November 23, 2010.

The Agreement

Cash:	\$75,000 within five days of signing the Option Agreement (paid) \$25,000 on or before May 1, 2011 (paid) \$50,000 on or before December 1, 2011
Common Shares:	250,000 common shares within five days of the TSX Venture acceptance of the Option Agreement (issued) 250,000 common shares on or before January 10 2011 (issued) 500,000 common shares on or before July 1, 2011
Cash or Shares:	\$150,000 cash or stock at the Company's option on or before May 1, 2012 \$150,000 cash or stock at the Company's option on or before May 1, 2013
Feasibility Study:	Payment of \$250 000, in cash or common stock in the Company at the Company's option on the earlier date of the sixth anniversary of the agreement or upon receipt by the Optionee of a NI 43-101 report indicating a resource of a minimum 500,000 contained ounces of gold on the property.
Work Program:	Minimum of \$200,000 on or before December 31, 2011 A further \$300,000 on or before December 31, 2012 A further \$500,000 on or before December 31, 2013
NSR:	The Optionor will have a 2% net smelter returns Royalty on the Property. The NSR Royalty may be reduced to 1% by the payment of \$1,000 000 to the Optionor.

On November 26, 2010, the TSX Venture Exchange approves the property transaction.

MINERAL PROPERTIES (continued)

Tact & Buff properties - Nevada

On October 22, 2009, the Company announced the drill results for the first phase drill program completed on its Tact project. Geologic mapping, surface sampling and drilling have confirmed the presence of a large epithermal system located within the boundaries of the Company's claim position. Mineralization is localized along faults cutting quartz monzonite intrusive and Pennsylvanian aged sediments. The mineralized zones are characterized by quartz veining with associated clay gouge, carbonate and iron oxide alteration. The altered zones contain disseminated gold mineralization with moderate-to-deep oxidation. The above attributes lend themselves to low cost open pit, heap leach technology utilized by low grade gold deposits in the vicinity.

The Company notes that all holes drilled except for T09-10 encountered significant gold in one or more intervals. Hole T09-10 was abandoned in alluvial fill before reaching bedrock. Holes 5, 6 and 14 probed under a northerly trending gold-in-soil anomaly identified as the Southeast target. Holes 7, 8, 9, 11 and 12 investigated the Central target defined by several gold anomalies collected from soil and road cuts. Hole 10 tested the Southeast target in Section 12, but was abandoned before it encountered bedrock. Hole 13 tested the Northwest target defined by geophysics.

During drilling additional ground was obtained by locating unpatented mining claims on available land to the south of the property. A further 2780 acres were acquired bringing the total acreage currently held to 4560 acres. The additional land is known to cover at least two areas of previously recognized gold mineralization. The Company intends to investigate these occurrences in the near future with a detailed mapping and sampling program.

The Company believes the results of this wide spaced drill program provide evidence of a large epithermal system underlying the property. As of the date of this report, management may pursue the drill program in the spring, subject to the economic conditions.

On April 9, 2010, the Company staked an additional 98 claims in the same area. The Company paid a total of US\$33,015 for the claim fees and all related documentation and certification.

During the summer of 2010, a cursory mapping and sampling program was completed upon the three new sections, which were acquired last year. Sample values have not yet been received from this exercise. In addition, historic drilling and other exploration data were examined in the project files at Cordeaux Exploration's office in Reno and copies were made of pertinent information.

Nevada Mine Properties II has identified four targets within the current property boundary. Auger grid sampling program has been recommended to help define drill targets. A surface reconnaissance sampling program should also be carried out along the edge of outcropping hills looking for sub-crop or float of jasperoid, quartz veining, altered dikes and any other alteration features that may have been overlooked by previous exploration groups. An isopach map should be developed within the identified sections using depth to bedrock and available geophysics.

Nevada Mine Properties II recommended a drill program to follow the grid sampling and isopach data. The drill program should be designed to test any resulting anomalies. The cost is between US\$150,000 to US\$200,000.

The Company is currently reviewing the recommendation of Nevada Mine Properties.

On July 29, 2010, the Company paid the Bureau of Land Management and the Humboldt County Recorder for the 2010 claim fees regarding the 196 claims totaling US\$46,170.00.

MINERAL PROPERTIES EXPENDITURES

Details of deferred exploration costs for the property are as follows:

	Balance 30-Sep-10	Additions during the period	Balance 31-Mar-11
Tact & Buff, Nevada			
Acquisition costs	31,908	-	31,908
Deferred Expenses			
- Advances	-	-	-
- Assays & Sampling	29,810	-	29,810
- Claims & staking maintenance	99,260	502	99,762
- Consultants	115,428	-	115,428
- Drilling	149,841	-	149,841
- Fieldwork & supplies	12,750	-	12,750
- Field office & admin	232	-	232
- Maps & reports	10,566	-	10,566
- Royalty (advance)	10,802	-	10,802
- Site reclamation	17,866	-	17,866
- Site visits	10,096	-	10,096
Total Tact & Buff	488,579	502	489,081
Brew Property, Yukon			
Acquisition costs	75,000	125,000	200,000
Deferred Expenses			
- Assays	43,610	22,143	65,753
- Claims & staking maintenance	20,120	-	20,120
- Consulting	11,699	2,913	14,612
- Field work and supplies	1,148	554	1,702
- Legal	6,665	-	6,665
- Mobilization	62,173	1,807	63,980
- Site visits	314	1,102	1,416
- Soil sampling	130,865	305	131,170
Total Brew	351,594	152,965	505,418
Joy Property, Yukon			
Acquisition costs	-	150,000	150,000
Deferred Expenses			
- Legal	-	13,513	13,513
Total Joy	-	163,513	121,401
TOTAL RESOURCE PROPERTIES	840,173	317,839	1,158,012

1.5 Liquidity

Expedition Mining Inc. is a mining exploration and development company with no producing resource properties, and consequently, no current operating income or cash flow.

In management's view, given the nature of the Company's operations, the most relevant financial information relates primarily to current liquidity, solvency and planned expenditures. The Company's financial success will be dependent upon the acquisition of a viable property and the discovery of economically recoverable reserves. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine.

1.5 Liquidity (continued)

At March 31, 2011, the Company had \$4,093,288 in cash and deposits. The Company has no revenue generating projects at this time. The Company's historical capital needs have been met by equity subscriptions. As at March 31, 2011, the Company had working capital of \$4,122,838 (September 30, 2010 - \$898,510).

Cash and cash equivalents

	31-Mar-11	30-Sep-09
Cash deposits with Bank of Montreal	\$ 842,564	\$ 71,245
Cash deposits with Canaccord Capital	-	10,022
GIC with Bank of Montreal & HSBC	3,250,724	908,122
Total cash and cash equivalents	<u>\$ 4,093,288</u>	<u>\$ 989,389</u>

Credit Risk

As at March 31, 2011, the Company reported total other assets of \$Nil (September 30, 2009 - \$1,032,900) as follows:

	Six months ended March 31, 2011			
	Fair Value 30-Sep-10 \$	Write-up to Fair Value \$	Securities sold during the period \$	Fair Value 31-Mar-11 \$
Crosshair Exploration & Mining Corp.	1,032,900	434,627	(1,467,527)	-
	Three months ended December 31, 2010			
	Fair Value 30-Sep-10 \$	Write-up to Fair Value \$	Securities sold during the period \$	Fair Value 31-Dec-10 \$
Crosshair Exploration & Mining Corp.	1,032,900	769,379	(612,370)	1,189,909
	Year Ended September 30, 2010			
	Fair Value 30-Sep-09 \$	Write-down to Fair Value \$	Securities sold during the period \$	Fair Value 30-Sep-10 \$
Asset Backed Commercial Paper	139,095	-	(139,095)	-
Crosshair Exploration & Mining	1,643,120	(156,428)	(453,792)	1,032,900
	<u>1,782,215</u>	<u>(156,428)</u>	<u>(592,887)</u>	<u>1,032,900</u>

On December 21, 2010, Crosshair announced that effective immediately, the common shares of Crosshair were consolidated on the basis of one (1) post-consolidation common share for every four (4) pre-consolidation common share. As a result, the warrants (1,875,000 post-consolidation), which expire on July 29, 2011, have an exercise price of \$4.00 per common share.

1.5 Liquidity (continued)

On December 21, 2010, Crosshair announced that effective immediately, the common shares of Crosshair were consolidated on the basis of one (1) post-consolidation common share for every four (4) pre-consolidation common share. As a result, the warrants (1,875,000 post-consolidation), which expire on July 29, 2011, have an exercise price of \$4.00 per common share.

During the period, the Company sold a total of 2,783,500 Crosshair shares, with prices ranging from \$0.19 to \$0.47 for gross proceeds of \$803,703, leaving a balance of 1,911,500 pre consolidation shares (477,875 post consolidation shares). As at December 31, 2010, the value of the shares was reported at the closing price of \$2.49.

On March 31, 2011, the Company sold all the remaining Crosshair shares (477,875), with prices ranging from \$1.08 to \$2.34 for gross proceeds of \$788,549. As at March 31, 2011, the closing price of Crosshair shares was \$1.12.

Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company faces certain foreign exchange risks related to expenses and deferred exploration costs incurred in U.S. dollars, a currency which may appreciate against the Canadian dollar, the Company's reporting currency. Additionally, net working capital balances denominated in non-reporting currencies are also subject to fluctuations in value. The Company mitigates these threats by limiting its exposure to such balances where their expenditure in the same non-reporting currency is not imminent.

Commitments

The Company has certain work commitments on their mineral property interests as discussed in Section 1.5 and Notes 6 and 8 of the Financial Statements.

1.6 Capital Resources

The Company's capital resources are its mineral properties, with a historical cost of \$1,158,012 (\$840,173 – September 30, 2010) and its fixed assets (computers & office equipment) with a book value of \$23,582 (\$22,720 – September 30, 2010).

1.7 Off Balance Sheet Arrangements

There is no off-balance sheet arrangements to which the Company is committed.

1.8 Second Quarter

The second quarter results do not differ significantly from other quarters.

1.9 Transactions with Related Parties

During the six months ended March 31, 2011, the Company was charged the following amounts by directors and officers or by companies controlled by the director or officers:

	Six Months Ended	
	31-Mar-11	31-Mar-10
Management fees		
- President	\$ 61,049	64,349
- Vice-president	39,000	39,000
Directors fees	12,565	6,366
Accounting fees	33,447	29,282
Total	\$ 146,061	138,997

1.10 Proposed Transactions

N/A

1.11 Critical Accounting Estimates

None

1.12 Adoption of new accounting standards

Goodwill and Intangible Assets

In February 2008, the CICA issued Section 3064, Goodwill and Intangible Assets, replacing Section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This section 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 Company has evaluated this new section and has determined that the adoption of these new requirements has not had an impact on the Company's financial statements.

Section 3862, "Financial Instruments—Disclosure" and CICA Handbook Section 3863, "Financial Instruments—Presentation"

During 2009, CICA Handbook Section 3862, Financial Instruments – Disclosures, was amended to require additional disclosures about fair value measurements. These amendments apply to annual financial statements relating to fiscal years ending after September 30, 2009.

This disclosure requires the Company to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The three levels of the fair value hierarchy are:

Section 3862, "Financial Instruments—Disclosure" and CICA Handbook Section 3863, "Financial Instruments—Presentation"

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3	Inputs that are not based on observable market data

A table providing the classification of the Company's investments within the fair value hierarchy is shown in note 12 to the annual financial statement.

New Canadian Accounting Pronouncement

International Financial Reporting Standards ("IFRS")

In February 2008 the Canadian Accounting Standards Board announced 2011 as the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The specific implementation is set for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of October 1, 2011 will require restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2011.

1.12 Adoption of new accounting standards (continued)

New Canadian Accounting Pronouncement (continued)

International Financial Reporting Standards (“IFRS”) (continued)

During the year ended September 30, 2010, the Company’s management continued to study IFRS technical issues in order to understand the possible significant changes to the Company’s financial reporting. Management understands that these IFRS issues will require that the interim and annual financial statements of the Company provide more significant disclosures and different statement format presentation both during the transition to IFRS and for the future periods after the adoption of IFRS. The Company is currently in the exploration stage with regard to its properties, and does not believe there are complex accounting or infrastructure issues that need to be resolved.

Business Combinations

In January 2009, the CICA issued Handbook Section 1582, Business Combinations, which replaces the existing standards. This section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value. Estimated obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. This standard is equivalent to the International Financial Reporting Standards on business combinations. This standard is applied prospectively to business combinations with acquisition dates on or after January 1, 2011. Earlier adoption is permitted.

Consolidated Financial Statements

In January 2009, the CICA issued Handbook Section 1601, Consolidated Financial Statements, which replaces the existing standards. This section establishes the standards for preparing consolidated financial statements and is effective for interim and annual consolidated financial statements beginning on or after January 1, 2011. This standard will not have any impact on the Company’s financial statements.

Non Controlling Interests

In January 2009, the CICA issued Handbook Section 1602, Non-controlling Interests, which establishes standards for the accounting of non-controlling interests of a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. This standard is equivalent to the International Financial Reporting Standards on consolidated and separate financial statements. This standard is effective for interim and annual consolidated financial statements beginning on or after January 1, 2011. This standard will not have any impact on the Company’s financial statements.

1.13 Financial and Other Instruments

The carrying value of cash and cash equivalents, marketable securities, accounts receivable, brokerage account overdraft, accounts payable and due from (to) related parties approximate their fair values due to the short maturity of those instruments.

1.14 Other

Disclosure of Outstanding Share Capital: May 19, 2011

	Number	Book Value
Common Shares	55,160,318	24,412,251

Disclosure of Outstanding Stock Options: May 19, 2011

	Number	Weighted Average Price
Incentive Stock Options	5,155,000	\$0.24

Disclosure of Outstanding Share Purchase Warrants: May 19, 2011

	Number	Weighted Average Price
Share Purchase Warrants	3,521,875	\$0.39

Disclosure Controls and Procedures

It should be noted that pursuant to Multilateral Instrument 52-511 (adopted by the British Columbia Securities Commission on November 23, 2007), that the officers of the Company are no longer required to certify the effectiveness of disclosure controls and procedures used by the Company, as was required in previous interim filings under National Instrument 52-109. Accordingly, the new forms of certificate to be signed by the Company's Chief Executive Officer and Chief Financial Officer contain the following Note to Reader:

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

- (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

1.14 **Other** (continued)

Subsequent Events to March 31, 2011

On April 21, 2011, the Company announced that it had entered into an option agreement pursuant to which it can acquire a 100-per-cent interest in the Mt. Mervyn gold property from Paul Dadwal. The Mt. Mervyn property is located in the Mayo Mining District of central Yukon and is comprised of 314 unpatented mining claims, approximately 6,564 hectares (65.64 sq kilometres).

In order to exercise its option under the option agreement, the Company must make payments and issue shares as set below.

Cash:

\$75,000 within five business days after Exchange Acceptance Date

\$75,000 on or before June 1, 2011

Common Shares:

250,000 within business days after Exchange Acceptance Date

250,000 on or before June 1, 2011

250,000 on or before October 1, 2011

250,000 on or before March 31, 2012

Net Smelter Returns Royalty (NSR):

The optionor will have a 2-per-cent net smelter royalty on the property. The NSR may be reduced to 1-per-cent by the payment of \$1-million to the optionor.

The Company is committed to make the initial payment of \$75,000 (subsequently paid) and the initial issuance of 250,000 common shares (subsequently issued) once the title to the claims comprising the Mt. Mervyn property is recorded in the Company's name. The other payments and share issuances are optional.

The Company granted 1,515,000 incentive options to directors, employees and consultants at an exercise price of \$0.40 per share. The options are exercisable for a period of 5 years, ending April 21, 2016. All options granted shall be immediately exercisable, subject only to the regulatory 4-month hold from the date of grant (i.e. no vesting periods shall be imposed on the options).

The options have a fair value of \$455,121 and were estimated using the Black-Scholes option pricing model with the following assumptions:

Number of options	1,515,000 options
Dividend rate	0.00 %
Risk-free interest rate	3.00 %
Expected life	5 years
Estimated annual volatility	131.08 %
Strike price	\$ 0.40
Spot price	\$ 0.35

On May 3, 2011, 50,000 incentive stock options with a price of \$0.15 each were exercised.

1.14 Other (continued)

Subsequent Events to March 31, 2011 (continued)

On May 10, 2011, the Company announced it had begun an airborne time-domain electromagnetic survey over the Joy and Mt. Mervyn properties. Approximately 1000 line-km of high-resolution magnetic and electromagnetic data will be collected in May 2011 with the SkyTEM system. This airborne survey will identify prospective structures and conductors on the properties and provide a framework for a summer program of geological mapping and sampling. The surface exploration programs are designed to rapidly advance any new discoveries to the drilling stage

Additional information

Additional information relating to the company is on SEDAR at www.sedar.com.