



FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

MAY 31, 2010

Tres-Or Resources Ltd.
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Tres-Or trades on the TSX Venture Exchange under the symbol TRS

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-109 Part 4 Subsection 4.3(3)(a), if an auditor has not performed a review of interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The unaudited interim financial statements of the Company as at May 31, 2010 and for the three months ended May 31, 2010 and 2009, were prepared by, and are the responsibility of the Company's management.

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

TRES-OR RESOURCES LTD.
BALANCE SHEETS
(Unaudited – Prepared by Management)

	May 31 2010	February 28 2010
	\$	\$
ASSETS		
		<i>(Audited)</i>
Current		
Cash and equivalents	596,754	9,364
Marketable securities (Note 3)	28,667	30,833
Receivables	22,830	12,656
Prepaid expenses	1,331	1,338
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	649,582	54,191
Advances on projects (Note 5)	716,169	709,554
Property, Plant And Equipment (Note 4)	115,268	116,846
Mineral Properties (Note 6)	3,478,567	3,340,176
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	4,959,586	4,220,767
LIABILITIES		
Current		
Accounts payable and accrued liabilities	333,515	448,695
Accounts payable to related parties (Note 7)	85,651	210,812
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	419,166	659,507
Future income tax liability (Note 14)	-	-
	<hr/>	<hr/>
	419,166	659,507
SHAREHOLDERS' EQUITY		
Capital stock (Note 9)	13,357,991	12,408,684
Contributed surplus (Note 9)	1,682,387	1,404,694
Accumulated other comprehensive income	(115,871)	(113,704)
Deficit	(10,384,087)	(10,138,414)
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	4,540,420	3,561,260
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	4,959,586	4,220,767

Nature and continuance of operations (Note 2)
Contingency and commitment (Note 15)
Subsequent events (Note 16)

On behalf of the Board:

"Gareth E. Mason" Director

"Laura Lee Duffett" Director

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

TRES-OR RESOURCES LTD.
STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)

THREE MONTH PERIOD ENDED MAY 31	2010	2009
	\$	\$
Expenses		
Amortization	1,578	1,804
Consulting fees	40,577	42,568
Interest	193	346
Management fees	13,500	13,500
New project development	300	12,358
Office and miscellaneous	8,390	11,665
Professional fees	27,860	32,106
Stock-based compensation (Note 9)	142,289	2,898
Telephone	1,325	3,195
Transfer agent and regulatory fees	1,881	1,372
Travel and promotion	14,629	24,937
	(252,522)	(146,749)
Other Items		
Interest income	6,849	5,778
Valuation allowance of notes receivable	-	(4,049)
Net Loss For The Period	(245,673)	(145,020)
Deficit, beginning of the period	(10,138,414)	(6,412,627)
Deficit, End Of Period	(10,384,087)	(6,557,647)
Basic and diluted loss per common share	(0.00)	(0.00)
Weighted average number of common shares outstanding	70,663,718	61,062,144

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

TRES-OR RESOURCES LTD.
STATEMENTS OF COMPREHENSIVE LOSS AND ACCUMULATED OTHER
COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)

COMPREHENSIVE LOSS	2010	2009
THREE MONTH PERIOD ENDED MAY 31	\$	\$
Loss for the period	(245,673)	(145,020)
Other comprehensive loss:		
Unrealized gain (loss) on available-for-sale securities	<u>(2,167)</u>	<u>4,500</u>
Comprehensive loss for the period	<u>(247,840)</u>	<u>(140,520)</u>

ACCUMULATED OTHER COMPREHENSIVE LOSS	2010	2009
	\$	\$
Accumulated other comprehensive loss, February 28	(113,704)	(125,537)
Mark-to-market gains (losses) on available-for-sale securities	<u>(2,167)</u>	<u>4,500</u>
Accumulated other comprehensive loss, May 31	<u>(115,871)</u>	<u>(121,037)</u>

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

TRES-OR RESOURCES LTD.
STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)

THREE MONTH PERIOD ENDED MAY 31	2010	2009
	\$	\$
Operating Activities		
Net loss for the period	(245,673)	(145,020)
Items not affecting cash		
Amortization	1,578	1,804
Stock-based compensation	142,289	2,898
Valuation allowance of note receivable	-	4,049
Accrued interest income	(6,615)	(4,049)
Changes in non-cash working capital items		
Receivables	(10,174)	(2,170)
Accounts payable and accrued liabilities	(113,909)	(106,732)
Prepays	7	-
Accounts payable to related parties	(125,161)	544
Net cash used in operating activities	(357,658)	(248,676)
Financing Activities		
Share issuance	1,098,000	40,000
Share issue costs	(32,446)	(8,284)
Lease payments	(1,269)	(1,269)
Net cash provided by financing activities	1,064,285	30,447
Investing Activities		
Advances on projects	-	(474,072)
Mineral property costs	(120,737)	(39,476)
Mineral property recovery of costs	1,500	-
Net cash used in investing activities	(119,237)	(513,548)
Increase (Decrease) In Cash During The Period	587,390	(731,777)
Cash and equivalents, beginning of the year	9,364	779,868
Cash, End Of the Period	596,754	48,091

Supplemental disclosure with respect to cash flows (Note 13).

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

TRES-OR RESOURCES LTD.**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE THREE MONTH PERIOD ENDED MAY 31, 2010

(Unaudited – Prepared by Management)

1. BASIS OF PRESENTATION

These interim financial statements have been prepared using the same accounting policies as used in the financial statements for the year ended February 28, 2010 and should be read in conjunction with the audited annual financial statements.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize 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. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the company be unable to continue operations.

	May 31	February 28
	2010	2010
	\$	\$
Working capital	230,416	(605,316)
Deficit	(10,384,087)	(10,138,414)

2. NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the laws of the Province of British Columbia and is in the business of exploration and development of mineral properties. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether the properties contain reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

TRES-OR RESOURCES LTD.**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE THREE MONTH PERIOD ENDED MAY 31, 2010

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3. MARKETABLE SECURITIES

Marketable securities are comprised of the following:

	<u>May 31, 2010</u>		<u>February 28, 2010</u>	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
	\$	\$	\$	\$
Arctic Star Diamond Corp. 333,333 common shares	16,667	50,000	23,333	50,000
Logan Copper Ltd. (SNL Enterprise Ltd.) 150,000 common shares	12,000	94,537	7,500	94,537
	<u>28,667</u>	<u>144,537</u>	<u>30,833</u>	<u>144,537</u>

4. PROPERTY, PLANT AND EQUIPMENT

	<u>May 31 2010</u>		<u>February 28 2010</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
	\$	\$	\$	\$
Building	96,291	16,086	80,205	81,016
Computer equipment	14,376	12,158	2,218	2,491
Field equipment under lease	17,573	9,880	7,693	8,098
Furniture	3,792	2,102	1,690	1,779
Land	23,462	-	23,462	23,462
	<u>155,494</u>	<u>40,226</u>	<u>115,268</u>	<u>116,846</u>

TRES-OR RESOURCES LTD.**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE THREE MONTH PERIOD ENDED MAY 31, 2010

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5. ADVANCES ON PROJECTS

The Company, through its wholly owned subsidiary, entered into a profit sharing agreement with Warwick Mineral Resources Ltd. ("Warwick"), a private Ghanaian company whereby the two parties will collaborate in providing mining and related services to gold mining projects located in Ghana and will share in the net profits on a 50/50 basis.

While the agreement contemplates the parties providing services to a number of projects, initial efforts will be in connection with the Agudee Gold Project, a group of concessions held by a local syndicate of companies located in central Ghana. As consideration for providing turnkey mining and project administrative services on the Agudee Project, the parties will collectively be entitled to 85% of the proceeds from the sale of any gold mined, to be split 50/50 between the parties. Under the terms of the agreement, the Company funded the mining costs needed to place the Agudee Project into commercial production, following which the parties will fund any additional expenditures related to the Agudee Project equally.

As at May 31, 2010, the Company funded a total of \$664,405 with respect to this agreement and received a repayment of \$20,500 during the year. The advances of \$643,905 were converted by Warwick to promissory notes bearing interest at 12% per annum. These promissory notes are not secured and are repayable on demand. As at May 31, 2010, the amount due from Warwick is \$716,171, which consists of advances of \$643,905 and accrued interest of \$72,266.

6. MINERAL PROPERTIES

	Temagami Diamond, North, Ontario	Mann Project, Porcupine, Ontario	Notre Dame Du Nord, Quebec	Quebec Gold Projects, Quebec	Total
	\$	\$	\$	\$	\$
Balance, February 28, 2010	1,475,779	166,761	1,636,784	60,852	3,340,176
Acquisition costs	-	-	-	21,516	21,516
Geological and geophysical	1,215	103	1,706	73,842	76,866
Office, miscellaneous and travel	2,115	-	9,616	10,624	22,355
Stock based compensation	-	-	3,873	15,281	19,154
Expenditures during the year	3,330	103	15,195	121,263	139,891
Recoveries	1,500	-	-	-	1,500
	1,830	103	15,195	121,263	138,391
Balance, May 31, 2010	1,477,609	166,864	1,651,979	182,115	3,478,567

TRES-OR RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED MAY 31, 2010

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6. MINERAL PROPERTIES *(Cont'd)*

Title to mining 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 conveyancing history characteristic of many mining properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

Temagami Diamond, North, Canada

The Company owns a 100% interest in 120 mineral claim units in the Larder Lake Mining Division of Ontario. In order to earn this interest the Company paid \$51,000 and issued 200,000 common shares with a value of \$44,000. The vendors retain a 2.5% net smelter returns royalty ("NSR"). The Company may purchase 1% of the vendors' NSR for \$1,000,000 at any time prior to commercial production of any mineral discovered on the claims. In addition, the Company agreed to issue 120,000 common shares to the vendors one day prior to the commencement of commercial production subject to regulatory approval. No work commitments were required under the terms of the purchase agreement.

Temagami North Expansion Option

On May 5, 2005, the Company entered into a letter of intent with Arctic Star, which was amended on December 2, 2005, whereby Arctic Star could earn a 40% interest in certain mineral claims located in the Company's Temagami Diamond North property. In order to earn an interest Arctic Star paid \$186,000 to the Company and \$866,325 for exploration work completed on the mineral claims and issued to the Company 333,333 of its common shares with a value of \$50,000. On May 31, 2006, the Company and Arctic Star agreed to a Joint Venture Agreement whereby the Company holds a 60% and Arctic Star holds a 40% participating interest. The joint venture agreement requires the companies to form a management committee consisting of two members from each company, whose vote on the management committee will be equal to the participating interest of the company they represent. The management committee will determine overall policies, objectives, procedures, methods and actions under the joint venture agreement. If either of the participants decides not to contribute to an approved program and budget, then that participant's interest is diluted accordingly. If at any time one of the participant's interest is less than 10%, then that participant's interest is converted to a 5% Net Profits Interest (NPI) of the joint venture.

In March 2008, the Company and Arctic Star executed an amendment to the December 2005 Joint Venture Agreement. Arctic Star agreed to transfer its interest in the Lapointe Kimberlite property to the Company in order to maintain an undiluted 40% interest in the joint venture properties outside of Lapointe. The Company assumed the full cost of the exploration carried out at Lapointe and has acquired a 100% interest in the Lapointe Pipe subject to a 5.0% NPI granted to Arctic Star.

TRES-OR RESOURCES LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED MAY 31, 2010

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6. MINERAL PROPERTIES *(Cont'd)*

Notre Dame du Nord, Quebec, Canada

The Company owns a 100% interest in certain mineral claims in the Notre Dame du Nord area of Quebec. In order to earn this interest the Company paid \$133,920, completed \$171,200 of exploration expenditures and issued 280,000 common shares with a value of \$70,000. The vendors retain a 2.0% NSR. The Company may purchase 1.0% of the NSR for \$1,000,000 at any time prior to commercial production of any mineral discovered on the claims and also retains the First Right of Refusal to buy back the remaining 1.0% NSR. In addition, the Company agreed to deliver 100,000 common shares one day prior to commencement of commercial production subject to regulatory approval.

On April 25, 2006, the Company signed a letter of intent with Diamond Discoveries International Corp. via its wholly owned subsidiary Diamond Discoveries (Canada) Inc. ("Diamond Canada"), whereby Diamond Canada could earn a 50% interest in certain Notre Dame du Nord, Quebec, properties. To earn its interest Diamond Canada paid \$8,000 upon signing the letter of intent and paid property payments totaling \$215,000.

The Company and Diamond Canada renegotiated the agreement terms on March 25, 2008. The letter of intent was in default and no interest was earned by Diamond Canada. Certain claims in the Notre Dame du Nord property lapsed and all costs related to these claims were written off to operations for a total write-down of \$244,398 as of May 31, 2010.

Mann Project, Porcupine, Canada

The Company has an option to acquire up to a 100% interest in the Mann Platinum/Palladium project, Porcupine Mining Division, Ontario. The option agreement consists of 19 mineral claims and a mining lease in which the Company has paid cash of \$20,000 and issued 50,000 common shares with a value of \$7,500 and will issue a further 100,000 common shares in allotments of 50,000 common shares each, subject to filing an acceptable geological report on exploration work done on the properties.

The optionor will retain a 3% NSR royalty of which the Company can purchase 1% for \$1,000,000 at any time prior to the commencement of commercial production. In addition, the Company will issue 100,000 common shares to the optionor one day prior to the commencement of commercial production subject to further regulatory approval.

During the year ended February 28, 2004, the Company optioned a 50% interest in certain claims of the Mann Project to Logan Copper Inc. (formerly SNL Enterprises Ltd., "SNL"). SNL has paid \$65,000 and issued 150,000 common shares with a value of \$94,537 and incurred \$200,000 in exploration expenditures on or before September 10, 2007, and is required to incur an additional \$400,000 within the earlier of 36 months or December 30, 2009.

SNL has disclosed that it was unable to incur the additional exploration expenditures and has written-off its interest in the Mann project. At February 28, 2009, the Company recorded a reversal of cost recoveries of \$4,886, which represents an amount previously recorded as cost recovery from SNL.

TRES-OR RESOURCES LTD.**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE THREE MONTH PERIOD ENDED MAY 31, 2010

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6. MINERAL PROPERTIES *(Cont'd)***Quebec Gold Projects, Quebec, Canada**

The Company has an option to acquire up to a 76% interest in several groups of project claims in Quebec. The Company has paid \$40,000 and reimbursed the optionor for work performed on the properties in 2009 and has committed to expend \$200,000 in exploration work on or before June 21, 2011. The Company has agreed to pay a total of either \$50,000 in cash or shares on or before December 21, 2010 to complete a 51% earn-in. The Company can then elect to acquire a further 25% interest for a total of 76% by paying \$20,000 and completing further exploration expenditures of \$100,000 within 12 months of such election. On completion of these terms a joint venture agreement shall be entered into with the optionor.

On May 25, 2010, the Company signed a Letter of Intent to earn up to a 100% interest in the Duvay Gold Project in Quebec. The property consists of 4 claims in Duverny Township. The property is subject to a Gross Metals Royalty (GMR) of 1.5% (where gold is US\$800 per ounce or less) and 2% (where gold is greater than US\$800 per ounce).

On signing of the Letter of Intent, the Company paid a non-refundable cash payment of \$10,000 to the optionor and was granted the sole exclusive right and option to earn an undivided 40% interest in the property by paying the sum of \$115,000 cash and issuing 250,000 shares subject to TSX Venture Exchange acceptance of this agreement, and by incurring expenditures on the property totaling \$275,000 on or before September 30, 2010. The Company can acquire a further 10% interest for a total of 50% undivided interest by issuing a total of 500,000 shares (200,000 by December 31, 2010 and the remaining 300,000 by June 30, 2011) and by incurring exploration work expenditures of \$1,000,000 (\$500,000 of such expenditures to be incurred on or before December 31, 2010 and the balance by June 30, 2011). Further, the Company will pay the sum of \$225,000 on or before June 30, 2011. Having acquired the 50% interest, the Company has the option to earn a further 15% interest by completing a technical report on the property and issuing 500,000 shares within 24 months of the signing of the Option Agreement.

The Company can earn a further 15% interest for a total 80% interest by incurring \$4,000,000 in exploration expenditures. The Company has the right to acquire the remaining 20% interest by effecting a merger, amalgamation or other form of business combination with the optionor, or the Company can purchase any or all of the 20% interest by paying the sum of \$1,000,000 for each 1% interest in the property to be purchased.

TRES-OR RESOURCES LTD.**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE THREE MONTH PERIOD ENDED MAY 31, 2010

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7. RELATED PARTY TRANSACTIONS

Accounts payable to related parties of \$85,651 (February 28, 2010 - \$210,812) consisted of amounts due to a private company controlled by a director and to a law firm in which a director is an associate for services rendered to the Company.

The Company entered into the following transactions with related parties:

- (a) Paid or accrued \$nil (2009 - \$4,500) to a company controlled by a director for geological services which have been capitalized to deferred exploration costs and paid or accrued \$13,500 (2009 - \$13,500) to this company for management services.
- (b) Paid or accrued \$nil (2009 - \$9,356) in legal fees and \$nil (2009 - \$4,240) in share issue costs to a law firm in which the corporate secretary of the Company is a partner.
- (c) Paid or accrued \$nil (2009 - \$4,019) in legal fees and \$nil (2009 - \$4,045) in share issue costs to a law firm in which a director of the Company is an associate.
- (d) Paid or accrued \$2,550 (2009 - \$2,550) as automobile allowance to a company controlled by a director.

The amounts charged to the Company for services provided have been determined by negotiation among the related parties and in certain cases, by signed agreements.

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

8. LEASE OBLIGATION

At August 1, 2006, the Company entered into a 48 month capital lease contract for the purchase of a log loader. The log loader is classified as a depreciable asset and recorded at a cost equal to the present value of the lease payments due of \$17,573. Title of the log loader will transfer to the Company at July 31, 2010 upon payment of \$1,741. The amount representing interest over the term of the lease is \$4,469.

The current portion of \$2,545 (February 28, 2010 - \$3,724) is included in accounts payable and accrued liabilities.

TRES-OR RESOURCES LTD.**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE THREE MONTH PERIOD ENDED MAY 31, 2010

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9. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number Of Shares	Amount \$	Contributed Surplus \$
Authorized			
Unlimited common shares without par value			
Unlimited Class A preferred shares without par value			
Issued			
Balance - February 28, 2010	66,805,419	12,408,684	1,404,694
Pursuant to private placements	6,277,776	898,335	101,666
Warrants exercised	1,225,000	98,000	-
Finders' fees	58,333	(39,258)	14,583
Share issue costs	-	(7,770)	-
Stock-based compensation	-	-	161,444
Balance – May 31, 2010	74,366,528	13,357,991	1,682,387

During the three month period ended May 31, 2010:

- (a) The Company issued 4,333,334 units at a price of \$0.15 per unit, for gross proceeds of \$650,000. Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$0.22 within 18 months.
- (b) The Company issued 1,944,442 flow-through units at a price of \$0.18 per unit, for gross proceeds of \$350,000. Each flow-through unit consisted of one flow-through common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one non-flow-through common share at a price of \$0.27 within 18 months. In connection with this offering finders' fees of \$21,000 cash, 58,333 non flow-through units and 136,111 compensation warrants were paid by the Company.
- (c) The Company issued 1,225,000 common shares for gross proceeds of \$98,000 from exercise of warrants.

Stock options

The Company has adopted a formal stock option plan which follows the TSX Venture Exchange ("TSX-V") policy under which it is authorized to grant options to directors and employees to acquire up to 10% of issued and outstanding common stock. Under the plan, the exercise price of each option shall be fixed by the board of directors but shall be not less than the minimum price permitted by the TSX-V. The options can be granted for a maximum term of 5 years and vest as determined by the board of directors. Options issued to consultants performing investor relations activities must vest in stages over 12 months with no more than 25% of the options vesting in any three month period.

TRES-OR RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE THREE MONTH PERIOD ENDED MAY 31, 2010
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9. CAPITAL STOCK AND CONTRIBUTED SURPLUS *(Cont'd)*

Stock options *(Cont'd)*

Stock option transactions are summarized as follows:

	Number Of Options	Weighted Average Exercise Price \$
Outstanding, February 28, 2010	5,010,000	0.12
Granted	2,425,000	0.15
Exercised	-	-
Expired/cancelled	-	-
Outstanding, May 31, 2010	7,435,000	0.13
Options Exercisable, May 31, 2010	6,435,000	0.12

The weighted average contract life remaining on the above stock options is 3.24 years.

As at May 31, 2010, the following incentive stock options are outstanding:

Number of Shares	Exercise Price \$	Expiry Date
270,000	0.15	June 11, 2011
1,540,000	0.15	August 30, 2011
3,200,000	0.10	September 17, 2013
<u>2,425,000</u>	0.15	April 22, 2014
<u>7,435,000</u>		

Stock-Based Compensation

Total stock-based compensation recognized under the fair value method was \$197,637 (2009 - \$nil) using the Black-Scholes option pricing model. The stock-based compensation will be recognized over the option's vesting period. The stock-based compensation expense for the three month period ended May 31, 2010, was \$142,289 (2009 - \$nil), \$19,154 (2009 - \$nil) was capitalized to mineral properties leaving an unamortized balance of \$86,056 (2009 - \$nil).

TRES-OR RESOURCES LTD.
NOTES TO THE FINANCIAL STATEMENTS
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9. CAPITAL STOCK AND CONTRIBUTED SURPLUS *(Cont'd)*

Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price \$
Outstanding, February 28, 2010	17,460,630	0.12
Granted	6,277,776	0.16
Exercised	(1,225,000)	0.08
Expired/cancelled	-	-
Outstanding, May 31, 2010	22,513,406	0.13

At May 31, 2010, the following warrants were outstanding:

Number of Shares	Exercise Price \$	Expiry Date
1,363,636	0.22	December 29, 2010
7,573,332	0.15	December 31, 2010
800,000	0.15	December 31, 2010
2,283,333	0.10	February 27, 2011
491,664	0.10	March 12, 2011
2,690,000	0.15	July 29, 2010
	then at 0.20	July 29, 2011
250,000	0.15	August 17, 2010
	then at 0.20	August 17, 2011
533,332	0.15	December 30, 2010
	then at 0.20	December 30, 2011
250,333	0.15	January 28, 2011
	then at 0.20	January 28, 2012
4,333,334	0.22	August 22, 2011
1,944,442	0.27	August 24, 2011
22,513,406		

TRES-OR RESOURCES LTD.**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE THREE MONTH PERIOD ENDED MAY 31, 2010

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10. MANAGEMENT OF CAPITAL

The Company's capital structure consists of cash and shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly-liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements. The Company does not currently have adequate sources of capital to complete its exploration plan and ultimately the development of its business, and will need to raise adequate capital by obtaining equity financing through private placement or debt financing. The Company may raise additional debt or equity financing in the near future to meet its current obligations.

11. FINANCIAL INSTRUMENTS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity, credit, currency, and interest rate risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms. The Company anticipated it will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the exercise of outstanding stock options and/or the completion of other equity financings. The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its projects, although the Company has been successful in the past in financing its activities through the sale of equity securities. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. In recent years, the securities markets in Canada has experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenue, cash flows or earnings.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and equivalents, restricted cash, marketable securities, and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and equivalents and restricted cash with high-credit quality financial institutions.

The majority of the Company's cash and cash and equivalents are held with major Canadian based financial institutions.

Currency risk

The Company operates in Canada only and is therefore not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

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11. FINANCIAL INSTRUMENTS (Cont'd)

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current cash and equivalents are generally not exposed to interest rate risk because of their short-term maturity.

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's marketable securities are classified as available for sale and trade on the stock market. The Company closely monitors its marketable securities stock market movements and commodity prices of precious metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Financial Assets

The estimated fair value of financial assets is equal to their carrying values. The Company's financial assets were held in the following currencies:

Stated in Canadian Dollars				
May 31, 2010				
Carrying Value	Canadian Dollar	US Dollar	Ghanaian New Cedi	Total
Cash	596,532	45	177	596,754
Marketable securities	28,667	-	-	28,667
Advances on projects	-	-	737,984	737,984

Financial Liabilities

The estimated fair value of financial liabilities is equal to their carrying values. The Company's financial liabilities were held in the following currencies:

Stated in Canadian Dollars			
May 31, 2010			
Carrying Value	Canadian Dollar	US Dollar	Total
Accounts payable and accrued liabilities	333,515	-	333,515
Accounts payable to related parties	85,651	-	85,651

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12. SEGMENTED INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition and development of mineral properties in Canada.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

<u>THREE MONTH PERIOD ENDED MAY 31</u>	<u>2010</u>	<u>2009</u>
	\$	\$
Cash Paid During The Period For Interest	-	-
Cash Paid During The Period For Income Taxes	-	-

Significant non-cash transactions of the Company for the three month period ended May 31, 2010 were as follows:

Included in mineral property costs is \$19,154 which relates to stock based compensation.

14. INCOME TAXES

Details of future income tax assets (liabilities) are as follows:

	<u>May 31, 2010</u>
	\$
Future Income Tax Assets (Liabilities)	
Mineral properties and deferred exploration costs	(69,300)
Equipment	16,500
Issuance costs	48,800
Marketable securities	14,200
Non-capital loss carry-forwards	<u>868,600</u>
Net Future Income Tax Assets (Liability)	878,800
Less: Valuation allowance	<u>(878,800)</u>
	<u>-</u>

The Company has available for deduction against future taxable income non-capital losses of approximately \$3,470,000. These losses, if not utilized, will expire through to 2030. In addition, the Company has exploration and development expenditures of approximately \$3,300,000 available to reduce taxable income of future years.

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15. CONTINGENCY AND COMMITMENT

The Company entered into flow-through shares subscription agreements during the years ended February 28, 2009 and 2010 whereby it is committed to incur on or before December 31, 2010 and renounce to the subscribers, a total of \$272,808 of qualifying Canadian Exploration Expenses as described in the Income Tax Act of Canada. As at the year end, \$nil has been incurred, leaving a balance of \$272,808 to be incurred on or before December 31, 2010.

16. SUBSEQUENT EVENTS

On June 23, 2010, the Company received approval from the TSX Venture Exchange on the Duvay Property Option Agreement and subsequently paid \$115,000 and issued 250,000 shares, with a value of \$20,000, to Sementiou Inc.