



2010 ANNUAL REPORT

RADISSON MINING RESOURCES INC.

OVERVIEW

Radisson Mining Resources Inc. (“Radisson” or the “Company” or the “Corporation”) is a Canadian exploration company, with head office in Rouyn-Noranda, Quebec, and a second office in Val-d’Or, Quebec.

Radisson’s focus is on the discovery of gold. As of April 28, 2011, Radisson had an interest in six properties in northwestern Quebec and one property in northwestern Ontario. Some of these properties hold potential for discovery of base metals or molybdenum.

Radisson’s main asset, the O’Brien/Kewagama project, comprises 729 hectares in the western part of Cadillac Township, Quebec, in the heart of the Abitibi gold belt. This project contains the former O’Brien mine, the highest grade and the most important gold producer in the Cadillac mining camp in Quebec when it was producing from the early 1930s to the mid 1950s.

Previous exploration on the project by the Company resulted in the discovery of an indicated resource of 218,540 ounces (based on an indicated resource of 270,000 tons at an uncut grade of 0.56 oz/ton and an inferred resource of 182,000 tons at an uncut grade of 0.37 ounces) as defined in the Scott Wilson RPA NI 43-101 report of May 2007.

These resources, all outlined above the 2,000-foot level and located some 2,500 feet east of the old O’Brien mine workings, are high grade structures similar in nature to the O’Brien gold mine.

Over the past year, Management has undertaken a complete re-evaluation and re-interpretation of the project in light of recent discoveries and new mines in the Abitibi gold belt (Osisko, Goldex, Lapa). This work clearly demonstrates that, in addition to the high-grade structures and their excellent depth potential, there are also other types of gold mineralization on the project, including lower grade, high tonnage porphyry-type structures, similar to the Osisko and Goldex models, and gold in iron formations.

A program of diamond drilling is currently underway on the project to explore and discover new gold mineralization.

Radisson’s other major gold project, known as the “Detour East project”, is the Massicotte claim group, covering 24,170 hectares, located in northwestern Quebec immediately across the border from the Detour Lake mine property held by Detour Gold Corp., located in northeastern Ontario. This company has announced total gold resources of over 21 million ounces on the Detour Lake mine property. An airborne geophysical survey indicates extension of the Detour Gold mineralized structure into the Massicotte property. Radisson’s Massicotte property also covers more than 15 km of the Massicotte regional gold-bearing fault zone hosting the Lynx, Rambo and Lap 3 showings, which yielded gold values of 7.8 grams per ton (g/t) over 7.2 metres, 6.3 g/t over 2.7 metres and 24.1 g/t over 2.4 metres, respectively.

The Company has entered into an option agreement with Balmoral Resources Ltd., which has the financial resources and knowledge required to develop the project successfully.

It should also be pointed out that Radisson’s most promising properties are located in the province of Quebec, which is still recognized as one of the most attractive areas for exploration and mine development.

Annual Meeting

June 21, 2011, at 2:00 p.m.
Best Western/Albert Centre Ville
Raglan Room
84, avenue Principale
Rouyn-Noranda, Québec
J9X 4P2

Table of contents

OVERVIEW	1
2010 HIGHLIGHTS	2
MESSAGE TO SHAREHOLDERS	2
MANAGEMENT’S DISCUSSION AND ANALYSIS	3
MANAGEMENT’S REPORT	14
FINANCIAL STATEMENTS	15

Conventions:

Amounts are in Canadian dollars unless otherwise indicated.

Units are metric unless otherwise indicated.

2010 HIGHLIGHTS

February	Michel David became President and Chief Executive Officer of the Company
July	Private placement of \$600,000 to be used for exploration on the O'Brien/Kewagama project
November	Option agreement and joint venture agreement on the Massicotte property (also known as Detour East)
December	Private placement of \$300,000 to be used for exploration on the O'Brien/Kewagama project

MESSAGE TO SHAREHOLDERS

The Board of Directors and management of Radisson Mining Resources Inc. are very pleased to present the 2010 annual report to shareholders.

During this past year, Management undertook a complete reevaluation and reinterpretation of the history of exploration and gold mining on the Company's flagship property, the O'Brien/Kewagama project. The property, centred on the Cadillac Break of the Abitibi Gold Belt, is located less than 4 km southeast of Agnico Eagle's Laronde Mine and 6 km west and on strike from Agnico Eagle's Lapa Gold Mine.

The O'Brien/Kewagama project is well known.

Located in the GOLDEN STAIRCASE of Cadillac, the original discoveries at O'Brien quickly became a new gold camp, with the O'Brien gold mine becoming the highest grade gold producer in all of Eastern Canada. Further exploration in the area led to new discoveries at Laronde (Agnico-Eagle) Bousquet I and II, Pandora, and of course most recently, Lapa.

Further new exciting discoveries this past decade include Goldex, Osisko, Laronde II, all resulting from new geological modeling, exploration technology, and robust gold economics. Following this, management at Radisson decided to also take a new approach to the development of the O'Brien/Kewagama project.

The re-interpretative work at O'Brien during this past year led to the design and implementation of a new drill exploration program, (the first since 2008) and an aggressive development strategy. At the time of writing this report, drilling on our Kewagama property is still ongoing. This first phase will guide the company's future exploration modeling according to the results obtained.

The Company also joint ventured its Massicotte project to Balmoral Resources during this past year. This allows us to devote our geological and financial resources to the O'Brien/Kewagama project while at the same time having exploration carried out on two projects simultaneously.

We look forward to further positive results from Balmoral's drill program on its Martiniere West property, located east of our Massicotte property, followed by the commencement by Balmoral of drilling on our Massicotte property, now renamed Detour East, and to receiving the results of the new phase of drilling on our O'Brien/Kewagama property, all of which we are confident will lead to new and exciting developments on our projects.

Michel David
President, CEO

Kenneth G. Murton, B. Comm.
Chairman of the Board

April 28, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) should be read in conjunction with the annual financial statements of the Company as at December 31, 2010. The Company's financial statements were prepared in accordance with generally accepted accounting principles in Canada. The reporting currency is the Canadian dollar (CAD) and all amounts presented in the MD&A are in Canadian dollars.

This MD&A, dated April 28, 2011, was prepared in compliance with the provisions of Form 51-102A1 and approved by the Company's Board of Directors.

FORWARD-LOOKING INFORMATION

The MD&A contains forward-looking statements that reflect, at the date of the MD&A, the Company's expectations, estimates and projections with regard to its operations, the mining industry in general, and the economic environment in which it operates. Although reasonable, the statements entail a certain amount of risk and uncertainty and there is no guarantee that they will prove to be accurate. Consequently, actual results could be materially different from those implied or expressed by these forward-looking statements.

TOTAL HOLDINGS

Radisson has a portfolio of seven properties covering a total area of 27,252 hectares. Six of these properties are located in Quebec and one in Ontario. Canada's political system is stable, and no jurisdiction offers as much as Quebec in terms of tax benefits (credits ranging from 35% to 45% of eligible exploration expenditures depending on the region), access to a qualified workforce and knowledgeable suppliers.

It should again be pointed out that Radisson's most promising projects, O'Brien/Kewagama and Massicotte, are located in the province of Quebec, which is still recognized as one of the most attractive jurisdictions for exploration and mine development.

PROPERTIES IN QUEBEC

The six Quebec properties cover a total area in excess of 24,674 hectares in the northwestern part of Quebec. They are all located in the prolific Archean Abitibi Greenstone Belt.

PROPERTIES

Properties	Number of Claims	Area (hectares)	Mineralization	Interest
Douay	33	1,432.32	Gold	100%
Estrades	18	278.00	Copper, silver	100%
O'Brien/Kewagama	36	729.18	Gold	100%
Massicotte	538	21,117.32	Gold	100%
Massicotte JV	18	997.54	Gold	60.9%
Trecesson	3	120.00	Gold, copper, zinc	100%
TOTAL	646	24,674.36		

O'BRIEN / KEWAGAMA PROPERTIES

Located in the Cadillac-Malartic area, within the Abitibi gold belt, Radisson's main asset, the O'Brien/Kewagama project, includes 36 claims covering 729 hectares. The project straddles the prolific Cadillac Break over a strike length of some 3 km. From 1933 to 1956, the O'Brien gold mine produced 590,000 ounces of gold from 1,302,000 tonnes of ore at a grade of 0.448 oz/t Au, making it the highest grade gold producer in the Cadillac mining camp. The mine reached a depth of 3,450 feet.

The O'Brien/Kewagama project lies approximately 5 km west of Agnico-Eagle's Lapa gold mine, also centred on the Cadillac Break, and approximately 4 km southwest of Agnico-Eagle's Laronde mine, now over 3,000 metres (10,000 feet) in depth.

The Company's previous exploration on the project resulted in the discovery of an indicated resource of 218,540 ounces (based on an indicated resource of 270,000 tons at an uncut grade of 0.56 oz/ton and an inferred resource of 182,000 tons at an uncut grade of 0.37 ounces) as defined in the Scott Wilson RPA NI 43-101 report of May 2007.

These resources, all outlined above the 650-metre level, are located over 800 metres east of the old O'Brien mine workings, and represent a new discovery of high grade mineralization of the same type mined and produced at the O'Brien gold mine.

Previous drilling of these high-grade structures of the O'Brien type resulted in the discovery of new mineralization (previously released) and included:

DRILL HOLE	INTERVAL	GRADE	DEPTH
153B	2.3 m	13.9 g/t	192 m
06-08	2.5 m	50.3 g/t	412 m
2130-40w	1.8 m	41.2 g/t	226 m
21-13	7.6 m	8.6 g/t	280 m
97-87	2.9 m	30.5 g/t	314 m

Over the past year, Management has undertaken a complete re-evaluation and re-interpretation of the project in light of recent discoveries and new mines in the Abitibi gold belt (Osisko, Goldex, Lapa). This work clearly demonstrates that, in addition to the high-grade structures and their excellent depth potential, there are also other types of gold mineralization on the project, including lower grade, high tonnage porphyry-type structures, similar to the Osisko and Goldex models, and gold in iron formations.

Results from previous drilling on the O'Brien/Kewagama project supporting this hypothesis (previously released) include:

DRILL HOLE	INTERVAL	GRADE
04-08	8.3 m	5.4 g/t
08-155A	13.7 m	2.4 g/t
08-155	5.4 m	4.4 g/t
97-87	3.2 m	4.3 g/t

A program of diamond drilling is currently underway on the project to explore and discover new gold mineralization.

MASSICOTTE GROUP PROPERTIES

The Massicotte property is adjacent to the Detour Lake Property, which is at an advanced stage of development with resources (measured and indicated) estimated at 21 million ounces of gold.

The Massicotte property covers a total area of 22,114.64 hectares in the prolific Abitibi Greenstone Belt in northwestern Québec. The 556 claim property is located 12 km east of Detour Gold Corporation's several million ounce Detour Lake gold deposit. Based on a revised mineral resource estimate by SGS Geostat Ltd., on May 25, 2010, Detour Gold Corporation announced measured, indicated and inferred gold resources in excess of 21 million ounces of gold at Detour Lake, using a cut-off grade of 0.5g/t. The regional gold-bearing Detour, Sunday Lake and Massicotte deformation zones cross from the Detour Lake mine property onto the Massicotte property.

Previous exploration work and drilling on the Massicotte property identified the Lynx, Rambo and Lap 3 showings, which respectively yielded drill intersections with values of 7.8 g/t Au over 7.2 m, 6.3 g/t Au over 2.7 m and 24.1 g/t Au over 2.4 m.

Two relatively unexplored, highly prospective gold zones cross the Massicotte property, covering a favourable horizon nearly 40 km long: the eastern extension of the Sunday Lake Deformation Zone, hosting the Detour Lake mine, and the Grasset Deformation Zone.

The property is located on generally low ground; outcrop exposure is poor. The area is covered by a thick layer of overburden. The rocks on the property are Archean in age and belong to the Harricana-Turgeon Belt (HT) of the Abitibi Subprovince.

The HT Belt is divided into bands of volcanic and sedimentary rock oriented east/west. From north to south:

- Manthet volcanic domain (tholeiitic basalt)
- Matagami Group (sequence of turbidites composed of conglomerate, sandstone, siltstone and shale)
- Brouillan-Nord volcanic domain (tholeiitic basalt)
- Brouillan volcanic complex (basalt and rhyolite)
- Enjalran volcanic domain (basalt)
- Taïbi Group (amphibole-biotite schist)

Several gold and base metal deposits have been identified in the HT Belt, including the Detour Gold mine (past production: 1.84 M oz gold, current global resource: 17.3 M oz gold), the Selbaie mine (past production: 45 M tonnes grading 1% Cu, 2% Zn and 39 g/t Ag) and the Casa Berardi gold mine, currently being operated by Aurizon Mines Ltd. (production: 688,000 ounces, current measured and indicated reserves: 1.87 M oz gold).

An option agreement and a joint venture agreement have been entered into with Balmoral Resources Ltd., a seasoned and very well funded exploration company.

The option agreement provides for Balmoral to be granted two options by Radisson. Under the first option, Balmoral can earn an undivided 51% interest in the property by (i) spending \$325,000 on the property in the first year and an additional \$1,475,000 over the next two years for a total of \$1,800,000, (ii) paying Radisson \$50,000 within 10 days of exchange approval, (now received), \$50,000 before the first anniversary of exchange approval, and \$50,000 prior to the second anniversary of exchange approval and (iii) issuing 50,000 common shares of Balmoral to Radisson within 10 days of exchange approval and 50,000 common shares prior to the first anniversary of exchange approval.

Under the second option, Balmoral can earn an additional 9% interest in the property, provided it has exercised the first option. Balmoral will then have a period of 90 days to elect to exercise the second option whereby it must produce on or within the next three years (the second option deadline) a 43-101 report showing a measured and indicated resource of at least 500,000 ounces of gold on the property or complete additional expenditures on the property of no less than \$1,500,000 prior to the second option deadline.

A joint venture will be formed in accordance with industry standards. Balmoral will be the operator, whether it exercises only the first option (should Balmoral elect not to exercise the second option) or whether it exercises the second option. Any party to the JV which falls below 10% ownership will automatically be reduced to a 2% net smelter return royalty.

It should be noted that initial exploration work by Balmoral Resources Inc. has also commenced on the Company's Detour East project. Line cutting has commenced on the eastern portion of the property in advance of a planned induced polarization survey and a ground based magnetic survey is also underway on the western portion of the property in advance of drilling this year.

OTHER PROPERTIES IN QUEBEC

Radisson will concentrate on its O'Brien/Kewagama and Massicotte properties and not expend any effort or resources on other properties for the foreseeable future.

PROPERTIES IN ONTARIO

Of the properties optioned in Dryden Township for their molybdenum potential in 2005, the Company kept only the 512-hectare Highway property; its acquisition was completed on October 1, 2008.

PROMOTION

Over the course of 2010, the Corporation took part in the following events:

- March 2010 – PDAC International Trade Show & Investors Exchange
- November 2010 – Québec Exploration

In fall 2010, presentations were made to shareholders in Rouyn-Noranda and Toronto. Meetings were also held with brokers in Montreal and Toronto.

EQUITY FINANCING

There were two financings in 2010.

The first \$600,000 placement was completed on July 8, 2010, through Industrial Alliance Securities Inc. and MineralFields Group.

The placement consisted of 6,000,000 common shares in the capital of the Corporation issued on a flow-through basis at a price of CAD\$0.10 per flow-through common share for aggregate proceeds of \$600,000.

The total gross proceeds (100%) of the flow-through shares sold under the flow-through offering will be used for Canadian exploration expenses (within the meaning of the *Income Tax Act* (Canada)) on the O'Brien/Kewagama project.

In connection with the flow-through offering, the agents will receive compensation comprised (in the aggregate) of: (i) a 9% cash commission of the total amount of subscription funds placed by the agents, and (ii) broker warrants equalling 8% of the total number of flow-through common shares placed pursuant to the flow-through offering. Each broker warrant is exercisable into one common share in the capital of the Corporation as presently constituted (broker share) at a price of \$0.10 per share for a period of 18 months from the closing date.

The second placement of \$ 300,000 was completed December 10, 2010, through CGE Ressources 2010 L.P.

The placement consisted of 2,500,000 common shares in the capital of the Corporation issued on a flow-through basis at a price of CAD\$0.12 per flow-through common share for aggregate proceeds of \$300,000.

The total gross proceeds (100%) of the flow-through shares sold under the flow-through offering will be used for Canadian exploration expenses (within the meaning of the *Income Tax Act* (Canada)) on the O'Brien/Kewagama project.

In connection with the flow-through offering, CGE Ressources 2010 L.P. received compensation comprised of a 7% due diligence fee.

EXPLORATION PROGRAM

For the year ended December 31, 2010, no exploration work was conducted on the Company's properties. However, Management has undertaken a complete re-evaluation and re-interpretation of all the results of past drilling programs.

A 3,000-metre drilling program targeting gold mineralization near the surface in the eastern part of the project (Kewagama sector) began February 21, 2011.

STOCK MARKET

The Company's shares have been listed on the stock market under the symbol RDS since 1986. Radisson has met the Tier 2 listing requirements of the TSX Venture Exchange (TSX-V).

SELECTED ANNUAL INFORMATION

Highlights of the last three fiscal years

	Fiscal year ended December 31st		
	(in thousands of dollars except for amounts per share)		
	2010	2009	2008
	\$	\$	\$
Total assets	6 926	6 197	6 825
Revenue	132	62	86
Net loss	362	521	1 305
Net loss per share	0.01	0.01	0.03
Long-term debt	0	0	0

Because of its area of activities, the Company does not generate regular revenue and must depend on issuing shares and on the interest income generated by its investments to cover its operating expenses. It also ensures its survival by signing option agreements on some of its mining properties. The main source of revenue for the fiscal year ended December 31, 2010, was from gains on disposal of investments in the order of about \$20,000, as well as an amount of \$50,000 and 50,000 shares of public company Balmoral Resources Ltd. received in connection with an option on the sale of a mining property. This non-recurring revenue for fiscal 2010 helped to absorb part of the operating losses. During the previous fiscal year, the Company collected revenue primarily from the sale of investments for an amount of approximately \$62,000. Comparing 2010 and 2009 revenues, it can be seen that those in 2010 are more than twice as high.

For the fiscal year ended December 31, 2010, the loss before taxes was \$337,784 compared to a loss before taxes of \$619,079 in 2009. The great difference between losses before taxes of the last two years is explained by the write-offs of mining projects in 2009, for an amount of approximately \$230,000, and by major variations in other expenditures. Because of the nature Radisson's operations, operating expenses, which are mainly due to costs related to being a public company, generate losses every year. These losses also include write-offs of mining projects, which can involve large amounts.

Comparing fiscal 2010 to 2009, it can be seen that professional fees decreased by approximately \$35,000. Salaries and benefits doubled, given the fact that the Company reduced its budget cuts at the wage level. It should be recalled that, in previous years, Management had adopted an extensive plan to tighten spending to protect Radisson's financial position. The stability of certain expenses, particularly traveling and promotion expenses, rent and office supplies can also be noted. Among the main differences, stock-based compensation increased by about \$46,000; and the maintenance of a mine site declined by approximately \$34,000; while salaries and benefits rose by almost \$50,000. During 2010, the Company received rental income of \$4,900. The Company is continuing to carefully control these expenditures in order to extend its liquid assets and thus avoid unnecessary dilution of its outstanding shares.

Finally, stock-based compensation for 2010 is higher, considering that the number of options granted in 2010 is greater and that the fair value per unit of the options is also higher in 2010 compared with 2009.

The net loss for the fiscal year ended December 31, 2010, amounted to \$361,586, while it was \$520,682 for the fiscal year ended December 31, 2009. The difference between the two periods is explained by write-offs of mining projects for approximately \$230,000 in 2009, while no mining projects were written-off in 2010. The other variations were explained above.

The Company's management continues to prudently manage the funds available for its operating expenses and is maintaining the objective of increasing its cash balance so as to be able to meet its commitments and ensure a promising future for the Corporation.

SUMMARY OF QUARTERLY RESULTS

(in thousands of dollars except for amounts per share)

Quarter	Total Income	Net Loss	Basic and Diluted Loss per Share
	\$	\$	\$
March 2009	0.2	(144)	(0.00)
June 2009	0.2	(135)	(0.00)
September 2009	0.1	(67)	(0.00)
December 2009	61.5	(175)	(0.01)
March 2010	5	(90)	(0.00)
June 2010	-	(47)	(0.00)
September 2010	-	(109)	(0.00)
December 2010	127	(116)	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

During this financial year, the Company completed two equity financing transactions, totalling \$900,000. Following these transactions, the Company issued 6,000,000 flow-through shares at a unit price of \$0.10 for total gross proceeds of \$600,000. As part of this placement, the agents received a cash commission of \$54,000 (9%) and 480,000 broker warrants entitling them to acquire one share at a price of \$0.10 per share until January 8, 2012. Subsequently, the Company issued 2,500,000 flow-through shares at a unit price of \$0.12 for total gross proceeds of \$300,000. As there was no equity financing in 2009, this funding increased the Company's liquid assets, but the amounts received must be reserved for exploration, which requires Radisson to find equity financing for 2011.

In another vein, during the previous year, the Company had raised funds by selling the Destor and Lepine properties, which brought in \$250,000. Little exploration was conducted during fiscal 2010 and 2009; about \$114,000 was spent on exploration work 2010. Since the Company completed flow-through financing in 2010, it will increase the amount of exploration work conducted in fiscal 2011. Total administrative expenses amounted to approximately \$470,000, compared to about \$450,000 for the fiscal year ended December 31, 2009. The reasons mentioned above explain these variations. During the fiscal year, the Company received approximately \$20,000 from the sale of shares of Goldcorp Inc. In addition, during the previous fiscal year, the Company had received and sold shares of Goldcorp Inc. and New Gold Eagle Inc., for proceeds of \$61,917. In conclusion, despite the variations between the years ending December 31, 2010 and 2009, the results can be considered consistent with Management's plan.

As at December 31, 2010, the Company had no unrestricted cash but had about \$521,000 in cash restricted for exploration, compared to a cash amount of \$71,321 as at December 31, 2009. As at December 31, 2010, the Company's working capital amounted to \$86,891, compared to \$36,382 as at December 31, 2009.

Management had estimated that it would need about \$350,000 to cover administrative expenses for the 12 months of fiscal year 2010. Costs for the fiscal year ended December 31, 2010, are consistent with these projections, since Management succeeded in closing the year with administrative expenses of approximately \$342,000, excluding stock-based compensation and depreciation of fixed assets. In order to continue its operations, the Company will need to find other sources of financing; Management is confident of raising the funds needed to meet its future commitments.

The Corporation's principal source of financing is equity financing and depends on venture capital markets, the attractiveness of exploration companies to investors, and metal prices. To continue its exploration activities and be able to support its ongoing operations, Radisson will need to maintain and improve its relationship with the financial community to obtain further equity financing.

Outstanding warrants, if exercised, represent significant potential financing. If outstanding stock options were exercised, they would also represent significant additional potential financing. According to Management, if the price of Radisson's shares were to increase significantly, an influx of cash would be likely; however, it is not possible to anticipate the amount in question.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Following are the details of royalties on the mineral properties:

- O'Brien: 1 million dollars cash payment in the event of commercial production
- Kewagama: 2% NSR royalty
- Highway: 2% NSR royalty with possibility of buy-back in return for 1 million dollars.

FOURTH QUARTER

During the final quarter of 2010, the loss before taxes amounted to approximately \$91,000; the net loss amounted to about \$116,000. During this quarter, the Company received revenues of approximately \$50,000 and received 50,000 shares of public company Balmoral Resources Ltd. in connection with an option on the sale of a mining property.

Comparing the fourth quarter of the year with the remaining three quarters of fiscal 2010, it can be seen that there was an increase of approximately \$30,000 in professional fees and especially of about \$68,000 in stock-based compensation in the fourth quarter. It was caused by the granting of a greater number of stock options, whose fair value per unit was higher, during the quarter. Overall, the quarter was in line with Radisson's operating expenses.

RELATED PARTY TRANSACTIONS

In the course of its administrative activities, the Company rents office space from Radisson's Vice President. During 2010, the rental amounted to \$4,800 (2009, \$4,800).

As at December 31, 2010, the Company had paid an amount of \$88,374 for work related to exploration to 9091-4722 Québec inc. (GD Solution), which is a company belonging to the President and CEO.

DISCLOSURE CONTROLS AND PROCEDURES

The President and Chief Executive Officer and the Vice President (Chief of Financial Operations) are responsible for establishing and maintaining the Company's disclosure controls and procedures as defined in Multilateral Instrument 52-109. These controls and procedures were evaluated as at December 31, 2010, and it was concluded that they were adequate and effective.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The President and Chief Executive Officer and the Vice President (Chief of Financial Operations) are responsible for establishing and maintaining internal controls over the Company's financial reporting as defined in Multilateral Instrument 52-109. For the fiscal year ended December 31, 2010, no changes were made to internal controls over financial reporting that would have materially affected, or would be reasonably considered to materially affect, the Company's controls.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The Company provides information about deferred exploration expenditures in Note 6 of its annual financial statements for the fiscal year ending December 31, 2010. The Company has no research and development expenditures.

The Company has no deferred expenses other than mineral properties and deferred exploration expenditures.

In connection with the information disclosed in this MD&A on the mining properties and deferred exploration expenditures, management concluded that the absence of impairment charges for 2010 was adequate.

GENERAL ADMINISTRATIVE COSTS

Following are the details of general and administrative expenses for the financial year ended December 31, 2010:

Claim management	\$ 3,588
Maintenance and repairs	250
Telecommunications	<u>5,295</u>
	\$ <u>9,133</u>

CHANGES IN ACCOUNTING POLICIES

Future accounting changes

a) International Financial Reporting Standards (IFRS)

The CICA plans the convergence of Canadian generally accepted accounting principles (GAAP) to International Financial Reporting Standards (IFRS) over a transition period ending in 2011. The Company expects this transition to have an effect on its accounting methods, presentation of financial information and information systems. The Company will produce its March 31, 2011, interim financial statements in accordance with the revised standards.

Management has begun the process of assessing accounting policy choices and elections that are allowed under IFRS and has also assessed the impact of the conversion on its business activities including the effect on information technology and data systems, internal controls over financial reporting and disclosure controls. Radisson's management will submit its changeover plan to its auditors in a timely fashion to ensure the implementation process properly addresses the key elements of the plan.

Team:

Due to the size of the Company, the CFO will perform the IFRS convergence and report to the president and to the Audit Committee on the progress accomplished.

Training:

The CFO has been kept informed of the information disseminated regarding IFRS and has delegated part of the changeover to an external consultant. The CFO participated in training sessions in 2009, 2010 and 2011.

Accounting Policies impacted:

The detailed analysis of the accounting policies impacted by the IFRS convergence not quite completed but Management is making it a priority. Overall, a lot of effort is being put in the financial statements presentation as IFRS requires more disclosure. Based on the analysis of expected accounting differences conducted so far, following is a non-exhaustive list of the IFRS accounting policies that could have a potential impact on the financial statements of the Company:

First Time adoption (IFRS 1)

IFRS 1 provides guidance to entities on the general approach to be taken when first adopting IFRS. The underlying principle of IFRS 1 is retrospective application of IFRS standards in force at the date an entity first reports using IFRS. IFRS 1 acknowledges that full retrospective application may not be practical or appropriate in all situations and prescribes:

- exemptions from specific IFRS in preparing the Company's opening balance sheet; and
- exceptions to retrospective application of certain IFRS.

Additionally, IFRS 1 contains disclosure requirements to highlight changes made to financial statement items following convergence of financial statements with IFRS.

Impairment (IAS 36)

IAS 36 requires the use of a one-step impairment test (impairment testing is performed using discounted cash flows) rather than the two-step test under Canadian GAAP (using undiscounted cash flow as a trigger to identify potential impairment loss). IAS 36 requires reversal of impairment losses where previous adverse circumstances have changed; this is prohibited under Canadian GAAP. Impairment testing should be performed at the asset level for long-lived assets and intangible assets. Where the recoverable amount cannot be estimated for individual assets, it should be estimated as part of a Cash Generating Unit (CGU).

Share-based payments (IFRS 2)

Per IFRS, the forfeiture rate, with respect to share options, needs to be estimated by the Company at the grant date instead of recognizing the entire compensation expense and only record actual forfeitures as they occur.

Mineral property interests, exploration and evaluation costs (IFRS 6)

Under IFRS, the Company is required to develop an accounting policy to specifically and consistently identify which expenditures on exploration and evaluation activities will be recorded as assets. Unlike IFRS, Canadian GAAP indicates that exploration costs may initially be capitalized if the Company considers that such costs have the characteristics of property, plant and equipment. Exploration and evaluation assets shall be classified as either tangible or intangible according to the nature of the assets acquired.

Information systems:

The accounting processes of the Company are simple since it is still at the exploration stage; no major challenges are expected at this point with regard to operating the accounting system under IFRS. Nevertheless, some excel spreadsheets will have to be adapted to support the transition. The Company has yet to establish whether historical data will have to be regenerated to comply with some of the choices to be made under IFRS 1.

Internal Controls:

Since Radisson is a TSX Venture issuer, Management does not make representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in National 52-109. Management is responsible for ensuring that processes are in place to provide it with sufficient knowledge to support its certification of the financial statements and MD&A, more specifically assessing that the SEDAR filings are fairly presenting the results of the Company. Management will make sure that once the convergence process is completed, it can still certify its filings.

Impact on the business:

The business processes of the Company are simple and no major challenges are expected at this point with regard to operating under IFRS. The Company has no foreign currency transactions, no hedging activities, few debts and no capital obligations. The Company does not expect that IFRS will have an impact on the requirements or business processes involved when it enters into flow-through financing. The Company has no compensation arrangements that will be affected by the implementation of IFRS. The Company's Stock Option Plan is not affected by ratios or financial targets. Business process will be monitored through 2011 to detect unsuspected impacts.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Following are the details of critical accounting policies and those that require the most judgment and estimates when preparing the Company's financial statements:

MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

Mining properties are recorded at cost. Exploration and development costs, net of related government assistance, are deferred. When a decision is made to bring an orebody into production, the costs related to this orebody, recorded in mining properties and deferred exploration expenditures, are transferred to fixed assets. They will then be amortized, based on the units of production of the year and the probable and proven ore reserves. When a project is abandoned, the related costs are charged to current operations. Options or sale of mining properties are accounted for by applying the proceeds from such sales to the carrying costs of the property and then to the carrying costs of deferred exploration expenses on this property. Any surplus is accounted in revenues.

These assets are revalued for impairment when no more work is being planned in the foreseeable future or in the absence of work during a period exceeding three years.

STOCK-BASED COMPENSATION

The Company uses the fair value method to account for stock options granted to directors, officers, employees and non-employees. Accordingly, the fair value of the options at the date of grant is either charged to operations or capitalized to exploration expenditures, with an offsetting credit to contributed surplus, over the vesting period of the option. If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital.

INCOME AND MINING TAXES

The Company uses the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined according to the difference between the carrying amounts and tax bases of assets and liabilities. They are measured by applying substantively enacted tax rates and laws at the date of the financial statements for the years in which the temporary differences are expected to reverse.

The Company establishes a valuation allowance against future income tax assets if, based on available information, it is more likely than not that some or all of the future tax assets will not be realized.

RISK FACTORS

RISKS RELATED TO EXPLORATION

Mineral exploration involves a high degree of risk. Few properties explored are put into production. Unusual or unexpected rock formations, fires, power outages, labour disputes, floods, explosions, cave-ins, landslides, and problems in obtaining qualified workers and appropriate or adequate machinery or equipment are other risks involved in carrying out exploration programs.

The economics of developing resource properties are affected by many factors, including operating costs, variations in the grade of ore mined, fluctuations in metal markets, processing equipment costs and other factors such as Aboriginal land claims, government regulations, especially regulations relating to royalties, allowable production, importing and exporting natural resources, and environmental protection. Depending on the price of the natural resources produced, the Company can determine that it is not appropriate to begin or continue commercial production. There is no certainty that amounts spent by the Company in exploring its mineral properties will lead to the discovery of commercial quantities of ore. Most exploration projects do not result in the discovery of commercially mineable ore deposits.

ENVIRONMENTAL AND OTHER REGULATIONS

Existing and future environmental legislation, regulations and measures could give rise to additional costs, capital expenditures, restrictions and delays in the Company's activities that are unpredictable in scope. The requirements of environmental regulations and standards are under constant evaluation and can be increased considerably, which could seriously affect the Company's business or its ability to develop its properties economically. Before production can begin on a property, the Company must obtain regulatory and environmental approvals; there is no assurance that these approvals will be obtained or can be obtained in a timely manner. The costs of changes in government regulations can also reduce the profitability of operations or completely preclude the economic development of a property.

RISKS RELATED TO FINANCING AND DEVELOPMENT

The development of the Company's properties therefore depends on its ability to obtain the necessary additional financing. There is no assurance that it will be successful in obtaining the required financing. Furthermore, putting resource properties into production depends on obtaining the services of experienced personnel or of coming to agreements with other large resource companies that can provide the expertise.

MARKET FORCES

Factors beyond the Company's control can influence the marketability of the gold or any other mineral discovered. The price of resources has fluctuated considerably, especially over the past few years. The impact of these factors cannot be accurately predicted.

UNINSURED RISKS

The Company can be held liable for the results of cave-ins, pollution, or other risks against which it cannot or may elect not to insure because of the high cost of premiums or for other reasons. The payment of these liabilities could reduce or eliminate the funds available for exploration and mining activities.

OTHER MD&A REQUIREMENTS

Additional information about the Company is available on SEDAR (www.sedar.com)

NATIONAL INSTRUMENT 51-102

Disclosure, as at April 28, 2011, of data relating to outstanding securities

Outstanding Class A shares: 58,200,699

Broker warrants: 480,000 (expiration date: January 8, 2012 / exercise price: \$0.10)

Outstanding options: 4,725,000

Number of Options	Exercise Price	Expiry Date
800,000	\$0.235	April 5, 2012
1,250,000	\$0.11	October 20, 2015
1,625,000	\$0.30	July 31, 2012
750,000	\$0.10	March 9, 2014
300,000	\$0.15	February 24, 2013



Donald Lacasse, Eng.
Vice-President, Chief Financial Officer, Corporate Secretary

MANAGEMENT'S REPORT

The Company's management is responsible for the preparation of the financial statements and for the financial information included in this annual report. Management maintains a system of internal control in order to produce reliable financial statements and to provide reasonable assurance that assets are safeguarded.

The financial statements are prepared in accordance with Canadian generally accepted accounting principles and necessarily include amounts based on estimates and judgments of management. Samson Bélair/Deloitte & Touche s.e.n.c.r.l., chartered accountants, were appointed by the shareholders as external auditors of the Company. Their report, presented below, expresses an opinion on the financial statements.

The audit committee meets annually with the external auditors, with and without management being present, to review the financial statements and to discuss audit-related matters, on the recommendation of the audit committee, the board of directors approves the Company's financial statements.



Michel David B. Sc.
President/CEO



Donald Lacasse, Eng.
Vice-President, Chief Financial Officer and Corporate Secretary

Rouyn-Noranda, Canada
April 28, 2011

Independent auditor's report

To the shareholders of
Radisson Mining Resources Inc.

We have audited the accompanying financial statements of Radisson Mining Resources Inc., which comprise the balance sheets as at December 31, 2010 and 2009, and the statements of deferred exploration expenditures, earnings and comprehensive loss, deficit and accumulated other comprehensive income and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Radisson Mining Resources Inc. as at December 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of matter

We draw attention to Note entitled Description of the business and going concern to the financial statements, which describes the uncertainty of Radisson Mining Resources Inc.'s ability to continue as a going concern given that certain adverse conditions cast substantial doubt on the validity of this assumption. Our opinion is not qualified in respect to this matter.

Samsan Bélair
*Deloitte & Touche s.e.m.c.l.*¹

Rouyn-Noranda, Québec, Canada
April 27, 2011

¹ Chartered accountant auditor permit n° 9569

RADISSON MINING RESOURCES INC.

Balance Sheets

As at December 31

	2010	2009
Assets		
Current assets:		
Cash	\$ -	\$ 71,321
Accounts receivable and tax credits for mining exploration expenditures	141,281	3,558
Prepaid expenses	10,079	10,082
	151,360	84,961
Cash restricted for exploration	520,589	-
Investments (note 3)	78,300	25,475
Fixed assets (note 4)	4,124	5,891
Mining properties (note 5)	352,740	352,740
Deferred exploration expenditures (note 6)	5,818,412	5,728,273
	\$ 6,925,525	\$ 6,197,340
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 64,469	\$ 48,579
Future income and mining taxes (note 7)	1,480,201	1,317,955
	1,544,670	1,366,534
Shareholders' equity:		
Capital stock (note 8)	29,979,296	29,209,838
Contributed surplus (note 9)	3,461,212	3,255,520
Warrants (note 10)	20,160	79,000
Deficit	(28,093,863)	(27,732,277)
Accumulated other comprehensive income	14,050	18,725
	(28,079,813)	(27,713,552)
	5,380,855	4,830,806
	\$ 6,925,525	\$ 6,197,340

See notes to financial statements.

On behalf of the Board:



Michel David, B. Sc.
Director



Donald Lacasse, ing.
Director

RADISSON MINING RESOURCES INC.

Statements of Deferred Exploration Expenditures

For the years ended December 31

	2010	2009
Exploration costs:		
Geology	\$ 98,549	\$ 24,135
General exploration expenditures	85	135
	98,634	24,270
Other:		
Tax credit reimbursement	(8,495)	-
Disposal of deferred exploration expenditures	-	(233,108)
Write-off of deferred exploration expenditures	-	(164,959)
	(8,495)	(398,067)
Increase (decrease) in deferred exploration expenditures	90,139	(373,797)
Balance, beginning of year	5,728,273	6,102,070
Balance, end of year	\$ 5,818,412	\$ 5,728,273

See notes to financial statements.

RADISSON MINING RESOURCES INC.

Statements of Earnings and Comprehensive loss

For the years ended December 31

	2010	2009
Revenues:		
Gain on disposal of investments (note 3)	\$ 19,996	\$ 61,917
Option on Massicotte mining property	107,500	-
Interest, dividends and other	4,900	525
	<u>132,396</u>	<u>62,442</u>
Administration costs:		
Salaries and employee benefits	90,785	41,550
Stock-based compensation	126,692	80,960
Experts and subcontractors	9,222	11,099
Professional fees	66,723	102,458
Travelling and promotion	18,164	22,883
Information to shareholders	19,638	20,880
Listing and registration fees	31,250	46,219
Rent and occupancy costs	4,800	4,800
Stationery and office supplies	7,324	5,980
Insurance, taxes and licenses	44,602	34,447
Interest and bank charges	984	1,018
General administration expenses	9,133	6,162
Depreciation of fixed assets	1,767	2,433
Write-off of deferred exploration expenditures	-	164,959
Write-off of mining properties	-	65,933
Loss on disposal of a mining property	-	3,109
Maintenance of a mining site	39,096	66,631
	<u>470,180</u>	<u>681,521</u>
Loss before income and mining taxes	(337,784)	(619,079)
Income and mining taxes (recovery) (note 7)	23,802	(98,397)
Net loss	\$ (361,586)	\$ (520,682)
Basic and diluted loss per share	\$ (0.01)	\$ (0.01)

Other comprehensive loss

Changes in unrealized gains on available-for-sale investments

Unrealized gain arising during the year	\$ 15,321	\$ 85,892
Reclassification in earnings of gain realized during the year	(19,996)	(61,917)
Comprehensive loss	\$ (366,261)	\$ (496,707)

See notes to financial statements.

RADISSON MINING RESOURCES INC.

Statements of Deficit and Accumulated Other Comprehensive Income

For the years ended December 31

	2010	2009
Deficit		
Balance, beginning of year	\$ (27,732,277)	\$ (27,211,595)
Net loss	(361,586)	(520,682)
Balance, end of year	\$ (28,093,863)	\$ (27,732,277)
Accumulated other comprehensive income		
Balance, beginning of year	\$ 18,725	\$ (5,250)
Other comprehensive loss	(4,675)	23,975
Balance, end of year	\$ 14,050	\$ 18,725

RADISSON MINING RESOURCES INC.

Statements of Cash Flows

For the years ended December 31

	2010	2009
Cash flows related to:		
Operating activities:		
Net loss	\$ (361,586)	\$ (520,682)
Items not affecting cash:		
Depreciation of fixed assets	1,767	2,433
Stock-based compensation	126,692	80,960
Option revenue received in marketable securities	(57,500)	-
Future income and mining taxes	162,246	(98,397)
Write-off of deferred exploration expenditures	-	164,959
Write-off of mining properties	-	65,933
Loss on disposal of a mining property	-	3,109
Gain on disposal of investments	(19,996)	(61,917)
Net change in non-cash working capital items	(121,830)	(2,103)
	(270,207)	(365,705)
Investing activities:		
Variation of cash restricted for exploration	(520,589)	-
Disposal of investment	19,996	61,917
Acquisition of fixed assets	-	(430)
Acquisition of a mining property	-	(10,000)
Proceeds on disposal of mining properties	-	250,000
Increase in deferred exploration expenditures	(90,139)	(24,270)
	(590,732)	277,217
Financing activities:		
Issuance of capital stock	900,000	-
Capital stock issue expenses	(110,382)	-
	789,618	-
Decrease in cash	(71,321)	(88,488)
Cash, beginning of year	71,321	159,809
Cash, end of year	\$ -	\$ 71,321

Additional disclosure of cash flows (note 13)

See notes to financial statements.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements

For the years ended December 31, 2010 and 2009

Description of the business and going concern

The Company, incorporated under the Canada Business Corporations Act, is in the process of exploring mining properties and has not yet determined whether these properties contain ore reserves that are economically recoverable.

Management of the Company periodically reviews its decision to keep properties in its portfolio.

The Company engages principally in the acquisition, advancement and development of global precious and base metals assets and mining properties. The recoverability of amounts shown for mining properties and related deferred exploration expenditures and the capacity of the Company to meet its obligations depend upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

Although management has taken steps to verify the title to mining properties in which the Company holds an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's ownership. Property may be subject to unregistered prior agreement or not be in compliance with regulatory requirements.

These financial statements have been prepared on a going concern basis in accordance with Canadian generally accepted accounting principles ("GAAP"). However, several conditions, as discussed below, cast significant doubt as to this assumption.

In order to honour its commitments towards its subscribers, the Company must obtain a non-flow-through financing of \$280,777 before the end of the next year (see table below). In addition, the Company must honour its financial commitments of \$64,469 at December 31, 2010 plus operating activities for the next year estimated by management at \$350,000.

Non-flow-through financing to raise:

Flow-through financing during the period	\$	900,000
Exploration expenditures incurred during the period		(98,634)
Cash restricted, end of year		(520,589)
	\$	280,777

In addition, the Company has a history of losses and no operating revenue, other than investment and option income. The ability of the Company to continue as a going concern is dependent on its ability to raise adequate financing from lenders, shareholders, and other investors. There can be no assurance that the Company will continue to obtain the additional financial resources and/or achieve profitability or positive cash flows. These financial statements do not reflect adjustments, which could be material, to the carrying values of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

1. Changes in accounting policies

Future accounting changes:

a) International Financial Reporting Standards (IFRS)

The CICA plans the convergence of Canadian generally accepted accounting principles (GAAP) to International Financial Reporting Standards (IFRS) on a transition period ending in 2011. The Company will adopt the IFRS for interim financial statement that will end on May 31, 2011. The Company expects this transition to have an effect on its accounting methods, presentation of financial information and information systems. The Company will produce its March 31, 2011 interim financial statements in accordance with the revised standards.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2010 and 2009

2. Significant accounting policies:

a) Financial statements:

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

b) Financial instruments:

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Company's designation of such instruments. Financial instruments are accounted for using trade-date accounting.

Held for trading

Held for trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in earnings. Cash is classified as asset held for trading.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale, or that are not classified as loans and receivables, held-to-maturity or held-for-trading investments. Except as mentioned below, available-for-sale financial assets are carried at fair value with unrealized gains and losses included in accumulated other comprehensive income until realized when the cumulative gain or loss is transferred to earnings.

Investments are classified as available-for-sale. Investments fair value is based on quoted market prices. Available-for-sale financial assets that do not have quoted market prices in an active market are recorded at cost.

Interest on interest-bearing available-for-sale financial assets is calculated using the effective interest method.

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method. Accounts receivables and tax credit for mining exploration expenditures are classified as loans and receivables.

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments. Accounts payable and accrued liabilities are classified as other liabilities.

Transaction costs

Transaction costs related to held for trading financial assets are expensed as incurred. Transaction costs related to available-for-sale financial assets and loans and receivables are increasing the carrying value of the asset and transaction costs related to other liabilities are netted against the carrying value of the liability. They are then recognized over the expected life of the instrument using the effective interest method.

Effective interest method

The Company uses the effective interest method to recognize interest income or expense which includes transaction costs or fees, premiums or discounts earned or incurred for financial instruments.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2010 and 2009

2. Significant accounting policies (continued):

c) Fixed assets and depreciation:

Fixed assets are recorded at cost. Depreciation of equipment and computer equipment is calculated using the diminishing balance method at a rate of 30%.

d) Mining properties and deferred exploration expenses:

Mining properties are recorded at cost. Exploration and development costs, net of related government assistance, are deferred. When a decision is made to bring an orebody into production, the costs related to this orebody, recorded in mining properties and deferred exploration expenditures, are transferred to fixed assets. They will then be amortized, based on the units of production of the year and the probable and proven ore reserves. When a project is abandoned, the related costs are charged to current operations. Options or sale of mining properties are accounted for by applying the proceeds from such sales to the carrying costs of the property and then to the carrying costs of deferred exploration expenses on this property. Any surplus is accounted in revenues.

The recoverability of amounts shown for mining properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mining claims, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposal thereof. The amounts shown for mining properties and deferred exploration expenditures do not necessarily represent the present or future value.

e) Impairment of long-lived assets:

The Company follows the recommendations in CICA Handbook Section 3063 – "Impairment of Long-Lived Assets" and the CICA's emerging extract EIC-174 – "Mining Exploration Costs". Section 3063 requires that the Company review long-lived assets, including mining properties for impairment. Long-lived assets are assessed for impairment when events and circumstances warrant an assessment. EIC-174 consensus is that a mining enterprise in the development stage is not obliged to conclude that capitalized costs have been impaired due to the absence of a projected estimated future net cash flow from the mining enterprise. Mining properties in the exploration stage do not have established mineral reserves and a basis for the preparation of a projection of the estimated future net cash flow from the properties does not exist. However, a mining enterprise is required to consider the conditions in Section 3063 for impairment write-down. The conditions include significant unfavourable economic, legal, regulatory, environmental, political and other factors. In addition, management's development activities towards its planned principal operations are a key factor considered as part of the ongoing assessment of the recoverability of the carrying amount of mining properties. Whenever events or changes in circumstances indicate that the carrying amount of a mining property in the exploration stage may be impaired, capitalized costs are written down to the estimated recoverable amount. Consequently, Mining properties and deferred exploration expenditures are revalued for impairment when no more work is being planned in the foreseeable future or in the absence of work during an exceeding three-year period.

f) Flow-through shares – tax benefits renounced in favour of investors:

When the Company commits the proceeds from the issuance of flow-through shares to exploration expenses, the future income tax cost related to the resulting temporary difference is recorded as a share issue expense when the Company waives its right in favour of investors to the related deductions.

g) Income taxes and mining taxes:

The Company uses the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined according to difference between the carrying amounts and tax bases of assets and liabilities. They are measured by applying substantively enacted tax rates and laws at the date of the financial statements for the years in which the temporary differences are expected to reverse.

The Company establishes a valuation allowance against future income tax assets if, based on available information, it is more likely than not that some or all of the future tax assets will not be realized.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2010 and 2009

2. Significant accounting policies (continued):

h) Stock-based compensation:

The Company uses the fair value method to account for stock options granted to directors, officers, employees and non-employees. Accordingly, the fair value of the options at the date of grant is either charged to operations or capitalized to exploration expenditures, with an offsetting credit to contributed surplus, over the vesting period of the option. If and when the stock options are exercised, the applicable amounts of contributed surplus are transferred to capital stock.

i) Warrants' fair value

The proceeds of units issuances are allocated to the shares and warrants in proportion of their fair value using the Black & Scholes method to calculate the fair value of warrants.

j) Cash and cash equivalents

Cash and cash equivalents include cash and temporary investments with maturities of three months or less from the date of acquisition.

k) Revenue recognition

Gains or losses resulting from disposal of investments are recognized in the statement of earnings upon disposal of the title.

Interest income is recognized using the accrual basis of accounting. It is accounted for depending on the number of days the investment is held.

Sales of mining properties are accounted for by applying the proceeds from such sales/options to the carrying cost of the property, then in reduction of deferred exploration expenditures on the property. Any remaining balance is recognized in earnings.

l) Mining duties refund and refundable tax credit for resources

The Company is entitled to a refund of mining duties on mining activities incurred in Quebec. Furthermore, the Company is entitled to a refundable tax credit on qualified mining exploration expenses incurred in Quebec. Refundable tax credits are accounted for against deferred exploration expenditures and the mining duties refunds are accounted for as current income and mining taxes in the statement of earnings. Credits are accounted for if the Company is reasonably certain the credits will be realized.

m) Share issue expenses

Share issue expenses are accounted for as a capital stock reduction.

n) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. During the fiscal periods presented, management has made a number of significant estimates and valuation assumptions, including estimates of the net realizable value of accounts receivable and tax credits for mining exploration expenditures, the recoverability of mining properties and deferred exploration expenditures, valuation of stock-based compensation, valuation of future income taxes and the fair value of financial assets and liabilities. These estimates and valuation assumptions are based on current information and management's planned course of actions, as well as assumptions about future business and economic conditions. If the underlying valuation assumptions and estimates change, the recorded amounts could change by a material amount.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2010 and 2009

2. Significant accounting policies (continued):

o) Loss per share:

Basic loss per share is calculated using the weighted average number of shares outstanding during the year. For the years ended December 31, 2010 and 2009, the weighted average number of common shares outstanding was 52,737,685 and 49,662,685 respectively. Fully diluted loss per share equals basic loss per share as options and warrants are antidilutive.

3. Investments:

	2010	2009
- share of Goldcorp Inc., public company (1) (2009, 500)	\$ -	\$ 20,675
30,000 shares of Arianne Resources Inc., public company	13,800	4,800
50,000 shares of Balmorale Resources Ltd., public company (2009, 0)	64,500	-
	\$ 78,300	\$ 25,475

(1) An agreement signed on June 11, 1985 allowed Launay Resources Inc. to acquire 100% of the mining claims held by the Company in the Scott Township's in the province of Québec. Following this agreement, Launay Resources Inc. issued 15,000 shares to Radisson. Following different transactions, Launay Resources Inc. ended up being owned by Goldcorp Inc. and the 15,000 shares of Launay Resources Inc. became 1,613 shares of Goldcorp Inc., which share certificates were received and recorded on March 17, 2009 at fair value. During the year, the Company sold 500 shares (1,113 shares in 2009) for a proceed amounting to \$19,996 (\$61,917 in 2009).

4. Fixed assets:

				2010
	Cost	Accumulated depreciation	Net book value	
Equipment	\$ 5,179	\$ 2,945	\$ 2,234	
Computer equipment	11,963	10,073	1,890	
	\$ 17,142	\$ 13,018	\$ 4,124	

				2009
	Cost	Accumulated depreciation	Net book value	
Equipment	\$ 5,179	\$ 1,988	\$ 3,191	
Computer equipment	11,963	9,263	2,700	
	\$ 17,142	\$ 11,251	\$ 5,891	

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2010 and 2009

5. Mining properties:

	Balance December 31, 2009	Acquisition *	Write-off	Balance December 31, 2010
Mining properties and related assets:				
O'Brien	\$ 342,789	\$ -	\$ -	\$ 342,789
Kewagama	9,950	-	-	9,950
Massicotte	1	-	-	1
	\$ 352,740	\$ -	\$ -	\$ 352,740

	Balance December 31, 2008	Acquisition *	Disposal/ write-off	Balance December 31 2009
Mining properties and related assets:				
O'Brien	\$ 342,789	\$ -	\$ -	\$ 342,789
Kewagama	9,950	-	-	9,950
Destor and Lépine (1)	1	20,000	(20,001)	-
Highway	65,933	-	(65,933)	-
Massicotte	1	-	-	1
	\$ 418,674	\$ 20,000	\$ (85,934)	\$ 352,740

* Tax effect of temporary differences between book value and tax basis is included in the acquisition of the year if applicable.

(1) During the year 2009, the Company sold the Destor and Lépine properties for an amount of \$250,000. The sale proceed has been applied in reduction of the cost of these properties for \$20,001, in reduction of the deferred exploration expenditures for \$233,108 and the balance, \$3,109, has been recorded as a loss in the statement of earnings.

6. Deferred exploration expenditures:

Mining properties	Balance December 31, 2009	Exploration expenditures	Write-off	Tax credit	Balance December 31, 2010
O'Brien	\$ 4,469,249	\$ 49,609	\$ -	\$ (7,039)	\$ 4,511,819
Kewagama	1,259,024	49,025	-	(1,456)	1,306,593
	\$ 5,728,273	\$ 98,634	\$ -	\$ (8,495)	\$ 5,818,412

Mining properties	Balance December 31, 2008	Exploration expenditures	Write-off	Disposal	Balance December 31, 2009
O'Brien	\$ 4,449,138	\$ 20,111	\$ -	\$ -	\$ 4,469,249
Kewagama	1,254,865	4,159	-	-	1,259,024
Highway	164,959	-	(164,959)	-	-
Massicotte	900	-	-	(900)	-
Lépine	217,801	-	-	(217,801)	-
Destor	14,407	-	-	(14,407)	-
	\$ 6,102,070	\$ 24,270	\$ (164,959)	\$ (233,108)	\$ 5,728,273

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2010 and 2009

7. Income and mining taxes:

Income and mining tax recovery consist of:

	2010	2009
Future income taxes	\$ 162,246	\$ (98,397)
Mining taxes recovered	(138,444)	-
	\$ 23,802	\$ (98,397)

Income tax recovery differs from the amounts computed by applying the combined federal and provincial effective income tax rate of 29.90% (2009, 30.90%) to the loss before income and mining taxes as a result of the following:

	2010	2009
Loss before income and mining taxes	\$ (337,784)	\$ (619,079)
Computed expected tax recovery	(100,997)	(191,295)
Increase in income taxes resulting from:		
Tax benefits not recognized	103,815	102,736
Change in tax laws	1,107	7,314
Stock-based compensation and non-deductible expenses	34,892	25,775
Previous years' assessment and other	(12,026)	(16,041)
Taxable income at different rates	(2,989)	(26,886)
Total income and mining tax benefit	\$ 23,802	\$ (98,397)

The tax effects on temporary differences that give rise to significant portions of the future tax assets and future tax liabilities are presented below:

	2010	2009
Future tax assets:		
Investments	\$ -	\$ 6,076
Non-capital losses carried forward	1,045,013	1,016,523
Capital losses carried forward	110,471	136,847
Share issue expenses	38,978	40,856
Fixed assets	61,260	61,425
Total gross future tax assets	1,255,722	1,261,727
Less valuation allowance	(1,194,462)	(1,200,302)
Net future tax assets	61,260	61,425
Future tax liabilities:		
Mining properties and deferred exploration expenditures	(1,541,461)	(1,379,380)
Net future tax liability	\$ (1,480,201)	\$ (1,317,955)

As at December 31, 2010, the Company had the following tax losses available to reduce future years' taxable income. The tax effect resulting from these tax losses has not been recorded in the financial statements and detail as follows:

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2010 and 2009

7. Income and mining taxes (continued):

Non-capital losses carried forward available for tax purposes:

2014	\$	298,367
2015		434,645
2026		537,650
2027		802,631
2028		809,059
2029		432,761
2030		444,186
	\$	3,759,299

Furthermore, the Company has \$463,289 of capital losses available to reduce capital gains of future years.

In accordance with EIC 146, the Company recognizes the tax effect of flow-through shares issued only when the Company files to the authorities the tax renouncement documents associated with the expenditures. The tax effect of flow-through shares issued in 2010 amounts to \$321,048 and will be recorded in 2011.

8. Capital stock:

Authorized:

Unlimited number of class A shares, voting and participating, no par value

Unlimited number of class B shares which may be issued in series, cumulative or non-cumulative dividend at the prime rate of the Bank of Canada at the beginning of the year plus a percentage between 1 and 5%, non-participating, non-voting, redeemable at the option of the Company for an amount equal to the price paid plus any dividend declared and unpaid, no par value

Movements in the equity class A shares of the Company are as follows:

	2010		2009	
	Class A shares	Amount	Class A shares	Amount
Issued and paid:				
Balance at beginning	49,700,699	\$ 29,209,838	49,575,699	\$ 29,199,838
Mining properties acquisition	-	-	125,000	10,000
Flow-through	8,500,000	900,000	-	-
Share issuance expenses	-	(130,542)	-	-
Balance at the end (1)	58,200,699	\$ 29,979,296	49,700,699	\$ 29,209,838

(1) 37,500 (37,500 in 2009) class A shares are held in escrow and cannot be transferred, mortgaged, pledged or otherwise disposed without the consent of the Autorité des marchés financiers and the TSX Venture Exchange.

a) Shareholder Rights Plan

The Board of Directors of the Company has adopted a shareholder protection rights plan (the "Rights Plan") effective since February 2, 2009.

The Rights Plan was adopted to ensure fair treatment of shareholders of Radisson in connection with any takeover bid for outstanding class A shares of the Company. The Rights Plan will provide the Board of Directors of Radisson (the Board) and the shareholders with more time to consider any unsolicited take-over bid. The Rights Plan is intended to discourage coercive or unfair takeover bids. It also allows additional time to the Board to pursue opportunities to maximize shareholder value. The Rights Plan is not designed to prevent unfair takeover bids towards the shareholders of Radisson.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2010 and 2009

8. Capital stock (continued):

a) Shareholder Rights Plan (continued)

The Rights Plan was not adopted due to, or in anticipation of a specific proposal to take control of Radisson. The TSX Venture Exchange has approved the scheme of protection contingent upon its ratification and confirmation by the shareholders within six months following the date of entry into force of the Plan. The Company has complied to this requirement since the shareholders approved the Rights plan at the annual general meeting held June 26, 2009. The Rights plan will terminate at the third annual meeting of shareholders following the entry into force unless the Rights plan is reconfirmed and extended at one of these meeting.

Under the terms of the Rights Plan, any proposal that meets certain criteria intended to protect the interests of all shareholders is considered a "Permitted Bid". A "Permitted Bid" must be made from a circular bid prepared by the securities laws in force and, in addition to certain other conditions must be valid for a period of at least 60 days. If at the end of 60 days, at least 50% of the Class A Shares, other than those held by the offeror and certain related parties have been offered, the offeror may take delivery of the securities offered and pay the price. It must also extend the offer of 10 days to allow other shareholders to submit their shares.

The rights issued under the Rights Plan will become exercisable only when a person, including any party related to it, acquires or announces its intention to acquire 20% or more of the outstanding Class A shares of Radisson without complying with the "Permitted Bid" provisions of the Rights Plan or without approval of the Board. To the best of the knowledge of Radisson, no shareholder or related group holds, directly or indirectly, 20% or more of the Class A shares of the Company. In the event a take-over bid does not meet the Permitted Bid requirements of the Rights Plan, the rights issued under the Rights Plan will entitle shareholders to purchase additional Class A shares of Radisson at a significant discount to the market price at that time.

b) Class A stock options:

On June 28, 2007, the Company obtained the authorization from the TSX Venture Exchange to modify the stock option plan in favour of the directors, management employees and consultants. An aggregate number of 6 million class A shares has been reserved for potential issuance under the plan. The exercise price of each option is the market price of the Company's stock at the date of grant of options and the maximum term of a new option is 5 years. Unless otherwise determined by the Board of Directors, options granted under the modified plan vest immediately.

A summary of the situation as at December 31, 2010 and 2009 is presented below:

Options	2010		2009	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Outstanding at beginning	5,537,830	\$ 0.24	4,907,830	\$ 0.29
Granted	1,550,000	0.12	1,080,000	0.10
Expired	(1,432,830)	0.30	(450,000)	0.34
Cancelled	(830,000)	0.24	-	-
Outstanding at the end	4,825,000	\$ 0.20	5,537,830	\$ 0.24
Options exercisable at the end	4,625,000	\$ 0.19	5,537,830	\$ 0.24

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2010 and 2009

8. Capital stock (continued):

b) Class A stock options (continued):

The following table summarizes the information relating to the stock options as at December 31, 2010:

Number of options outstanding	Exercise price	Weighted average remaining life (years)	Number of options exercisable
850,000	\$ 0.10	3.2	850,000
1,250,000	0.11	4.8	1,250,000
300,000	0.15	2.2	100,000
800,000	0.235	1.3	800,000
1,625,000	0.30	1.5	1,625,000
4,825,000	\$ 0.20		4,625,000

The following table presents the stock-based compensation expense, the weighted average fair value at grant date and the weighted average assumptions used to determine the stock-based compensation expense using the Black & Scholes option pricing model for the years ended December 31:

	2010	2009
Stock-based compensation expense	\$ 126,692	\$ 80,960
Expected volatility	108.6%	106%
Risk-free interest rate	1.9%	1.55%
Expected dividend rate	0%	0%
Estimated duration	4.7 years	4.8 years
Weighted average fair value at grant date	\$0.09	\$0.07

c) Warrants:

As December 31, 2010, the following warrants were outstanding and can be exercised as follows:

	2010	2009
Number of warrants outstanding, beginning of year	1,000,000	1,000,000
Granted	480,000	-
Expired	(1,000,000)	-
Number of warrants outstanding, end of year	480,000	1,000,000

Exercise price	Number of warrants outstanding	Maturity date
\$0.10	480,000	January 2012

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2010 and 2009

8. Capital stock (continued):

c) Warrants (continued):

The following table presents the weighted average assumptions used to determine the fair value of warrants granted using the Black & Scholes option pricing model for the years ended December 31:

	2010	2009
Warrants value	\$ 20,160	\$ -
Expected volatility	90%	-%
Risk-free interest rate	1.42%	-%
Expected dividend rate	0%	-%
Estimated duration	1.5 year	- year

9. Contributed surplus:

	2010	2009
Balance, beginning of year	\$ 3,255,520	\$ 3,174,560
Stock-based compensation	126,692	80,960
Warrants expired	79,000	-
Balance, end of year	\$ 3,461,212	\$ 3,255,520

10. Warrants:

	2010	2009
Balance, beginning of year	\$ 79,000	\$ 79,000
Warrants granted	20,160	-
Warrants expired	(79,000)	-
Balance, end of year	\$ 20,160	\$ 79,000

11. Commitments:

Properties located in Québec

O'Brien and Kewagama properties:

On March 15, 1999, a purchase and sale agreement was signed by the Company, Breakwater Resources and 3064077 Canada Inc., a subsidiary of Breakwater Resources Inc., for the purchase by the Company of the O'Brien and Kewagama properties. By this agreement, the Company has acquired all rights on both properties including all the infrastructures on site.

In consideration, the Company agreed to pay \$1,000,000 in cash upon starting commercial production less the costs that could be incurred to restore the tailing ponds.

A 2% royalty on net smelter return is payable to a third party in the event of commercial production of the Kewagama property.

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2010 and 2009

11. Commitments (continued):

Massicotte property:

Pursuant to an agreement signed between the Company and Van Horne, a subsidiary of PanCanadian Resources, and because of the non-participation of the partner, Van Horne's interest is established at 39.40%, whereas the Company's interest is 60.60%.

The financing of subsequent work must be done on a prorata basis or the undivided interest of the non-participating party will be reduced. If the interest of either party is diluted to 10%, the diluted interest will then be transferred to the other party in consideration of a 1% net smelter return royalty (as defined in the agreement) derived from the commercial production on the property in question.

In the event that one of the partners does not contribute to two consecutive annual programs for a total of at least \$750,000, the refusal to contribute in any other supplementary program will result automatically in the transfer of the partner's interest into a 1% net smelter return royalty.

12. Related party transactions:

The Company has incurred \$4,800 (2009, \$4,800) rent and occupancy costs with the vice-president of Radisson Mining Resources Inc.

Radisson also incurred \$88,374 of deferred exploration expenditures with a company owned by the president and chief executive officer of Radisson.

The above transactions occurred within the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

As at December 31, 2010, an amount of \$17,932 was payable related to these transactions and is presented with accounts payable and accrued liabilities in the balance sheet.

13. Other information:

	2010	2009
Cash recovered during the year for:		
Income and mining taxes	\$ 9,911	\$ -
Additional cash flows information:		
Non-cash investing and financing activities:		
Acquisition of a mining property by capital stock issuance	\$ -	\$ 10,000
Broker warrants granted for share issuance expenses	20,160	-

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2010 and 2009

14. Objectives and policies regarding financial risk management:

- a) The activities of the Company are exposed to different financial risks: the interest rate risk, the currency risk, the credit risk and the liquidity risk.

i) Interest rate risk

The interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Cash bears interest at prime rate minus 0.5%. Accordingly, the Company is exposed to a change in fair value. Other assets and liabilities are not exposed to interest rate risk since they do not bear interest.

ii) Currency risk

The Company is not exposed to currency fluctuations because all transactions occur in Canadian dollars.

iii) Credit risk

The credit risk is the risk that a party of a financial instrument fails to fulfill its obligations and thus leads the other party to incur a financial loss. The cash, cash restricted for exploration and accounts receivable are the main financial instruments of the Company which are potentially subject to credit risk. Moreover, as the majority of accounts receivable are with the provincial and federal governments for goods and services taxes and for government assistance, credit risk is minimal. Credit risk has not changed significantly over the previous year.

iv) Liquidity risk

The liquidity risk is the risk that an entity will have difficulty to respect obligations associated with financial liabilities. At the end of December 2010, the Company doesn't have sufficient cash to support its financial liabilities (see note Description of the business and going concern). Contractual maturities of financial liabilities are all under one year.

v) Equity market risk

Equity market 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. The Company closely monitors the general trends in the stock markets and individual equity movements, and determines the appropriate course of action to be taken by the Company.

The Company currently holds investments in Optionee company's which are subject to fair value fluctuations arising from changes in the Canadian mining sector and equity markets and currently these amount to \$78,300 (December 31, 2009, \$25,475). Based on the balance outstanding at December 31, 2010, a 10% increase or decrease would impact other comprehensive income (OCI) by approximately \$8,000 (2009, \$2,500).

- b) Fair value

The estimated fair value is established on the balance sheet date based on relevant market information and other reference on financial instruments.

The fair value of cash restricted, accounts receivable and accounts payable and accrued liabilities approximates fair value due to the short-term maturity. The fair value of investments in shares is based on quoted market prices.

- c) Fair value hierarchy

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices);

RADISSON MINING RESOURCES INC.

Notes to Financial Statements (continued)

For the years ended December 31, 2010 and 2009

14. Objectives and policies regarding financial risk management (continued):

c) Fair value hierarchy (continued)

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table presents the financial instruments recorded at fair value in the balance sheet, classified using the fair value hierarchy described above:

	Level 1	Level 2	Level 3	Total financial assets at fair value
Financial assets				
Restricted cash for exploration	\$ 520,589	\$ -	\$ -	\$ 520,589
Investments	-	78,300	-	78,300
Total financial assets	\$ 520,589	\$ 78,300	\$ -	\$ 598,889

During the year, there were no significant transfer of amounts between level 1 and 2.

15. Capital disclosures:

The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to maintain a sufficient level of funds, to support continued evaluation and maintenance at the Company's existing properties, and to acquire, explore, and develop other precious and base metal deposits.
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk of loss of principal.
- To obtain the necessary financing to complete exploration and development of its properties, if and when it is required.

In the management of capital, the Company includes shareholders' equity and cash in the definition of capital. The Company is not exposed to externally imposed capital requirements.

The Company manages the capital structure and makes adjustments to it, based on the level of funds required to manage its operations in light of changes in economic conditions and the risk characteristics of its underlying assets, especially with respect to exploration results on properties in which the Company has an interest.

In order to facilitate the management of capital and development of its mining properties, 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, option its mining properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. 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. Notwithstanding the risks described in Note "Description of the business and going concern", the Company expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.

16. Comparative figures:

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

GENERAL INFORMATION

BOARD OF DIRECTORS

Kenneth G. Murton, B. Comm.
Chairman of the Board

Michel David, B. Sc.
President, Chief Executive Officer and Director

Donald Lacasse, ing.
*Vice-President, Chief of financial operations
and Corporate Secretary*

Jean-Marie Dupont ¹
Director

Luc Simoneau ¹
Director

Paul Cregheur, geologist
Director

¹ Audit Committee Member

OFFICERS

Michel David, B. Sc.
President, Chief Executive Officer and Director

Donald Lacasse, ing.
*Vice-President, Chief of financial operations
and Corporate Secretary*

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