ACN: 126 042 215

Audited Financial Statements

for the year ended 31 December 2010

CONTENTS

CORPORATE DIRECTORY

DIRECTORS

Mr John Loney	Chairman (Non-executive)
Mr Allen Govey	Managing Director
Mr Gregory Hall	Director (Non-executive)
Mr Trevor Osborne	Director (Non-executive)
Mr David Singleton	Director (Non-executive)

COMPANY SECRETARY

Mr Brad Boyle

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Facsimile: (+61 8 9323 2033)
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AUDITORS

MGI Perth Audit Services Pty Ltd
Level 7, The Quadrant
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Perth WA 6000

2010 Annual Report

CHAIRMAN'S REVIEW

This is the Company's second annual report since publically listing on the ASX as a gold exploration company with prospects in Western Australia and Alaska.

The Company reported a net loss of $3,590,142 for the year ended 31^{st} December 2010 representing exploration and administration costs. Cash on hand at 31^{st} December 2010 was $2,128,311.

During the year, the Company continued following its strategic plan as outlined in last year's annual report with its significant land holding in the emerging Albany-Fraser Province where AngloGold Ashanti/ Independence Group have the 5 million plus oz. Tropicana Gold Project. The Company has four projects in the Albany-Fraser Province. Work continues on the gold rights acquired from Poseidon Nickel Limited for the Windarra Project area with initial gold soil sampling programmes during 2010. Also, work continues on determining the financial viability of recovering the gold in the Windarra North Tailings Dam.

The Managing Director's report goes into further detail on these projects.

To provide ongoing working capital to fund these projects, the Company announced on the 15^{th} December 2010 the placement of 10 million shares at 13 cents raising $1.3 million. The Company announced on the same day an offer to all of its shareholders to participate in a Company Share Purchase Plan (SPP). Through the SPP, the Company raised $1.027 million with the issue of 7.9 million fully paid shares at 13 cents each. These funds were received by 27^{th} January 2011.

We were pleased that Panoramic Resources Limited joined Triton in July 2010 in the Tushtena Gold Project whereby Panoramic have reimbursed Triton $US300,000 for past expenditures and will fund future drilling at Tushtena for up to $US2.6 million. This will allow Panoramic Resources to farm-in up to 51%.

The directors are excited with the progress being made to date and look forward to this year's work programme results.

I thank our directors, officers and staff for their tireless hard work during 2010 and their support of the Company goals and look forward to their same commitment in 2011.

John S Loney

John Loney
Chairman
28 March 2011

Company Strategy

Triton Gold ('Triton' or the 'Group') is focussed on exploring for gold in both mature and immature gold districts in Australia and overseas. The Group is actively exploring in a number of prospective greenfield districts (Figure 1), using leading edge technologies and geological concepts to discover major gold systems. In particular, the Group utilises advanced geochemical and spectral techniques to more effectively identify the subtle margins of gold mineralisation systems that may otherwise go undetected using conventional exploration methods. This strategy is aligned with the generally industry-wide accepted view that the next generation of major discoveries will be deposits that are either blind to the surface or at deeper levels than those previously explored.

Projects Overview

Triton staked an extensive tenement holding in the Albany Fraser Province in 2007, which has since emerged as a significant gold province with the announcement of production to commence at the +5Moz Tropicana Gold Mine (AngloGold Ashanti/Independence Group JV), and exciting exploration results reported by Beadell Resources Ltd, International Goldfields Ltd and others. At the time, Triton also established a strategic alliance with Teck Australia Ltd ("Tropicana Gold Belt Alliance Agreement"). This Alliance Agreement covers the Salmon Gums, Fraser Range North, and Cundeelee projects in the Albany Fraser Province, and recently the Neale project was added to the Agreement.

In 2009, Triton acquired the gold rights for the Windarra project tenements, held by Poseidon Nickel which includes the gold tailings dams at the Windarra mine site. The latter has been the subject of an involved Scoping and subsequent Pre-Feasibility study to investigate the economic viability of re-processing the tailings dam material for gold extraction. Gold exploration on the project during 2010 included surface geochemical sampling programmes across most of the tenements to identify immediate drill targets.

The Tintina Gold Belt within southeast Alaska was identified by the Company to have the potential to host world-class deposits in addition to those already in operation, on the basis of the geology and relatively limited historic and current gold exploration. The Option Agreement Triton entered into with Tushtena Resources Inc. for the right to explore the Tushtena Project was replaced during the year by a Farm-in Agreement to give Pindan (US) Inc., a fully owned subsidiary of Panoramic Resources Ltd, the right to earn 51% of the project by spending US$2.6M before 31 June 2013 and make annual payments of US$100,000 for the term of the Agreement. Triton must spend US$85,000 to earn 29% of the project.

Through interrogation of hydrogeochemical datasets generated in 2009, BW Mining and Triton identified a coherent nickel-cobalt anomaly west of the Mount Keith nickel mining district. Three tenements covering 523 sq km over the anomaly were granted to Triton in November 2010.

The Company reviewed several business development opportunities during the year to complement the existing portfolio of projects. Several of these opportunities are still under consideration.

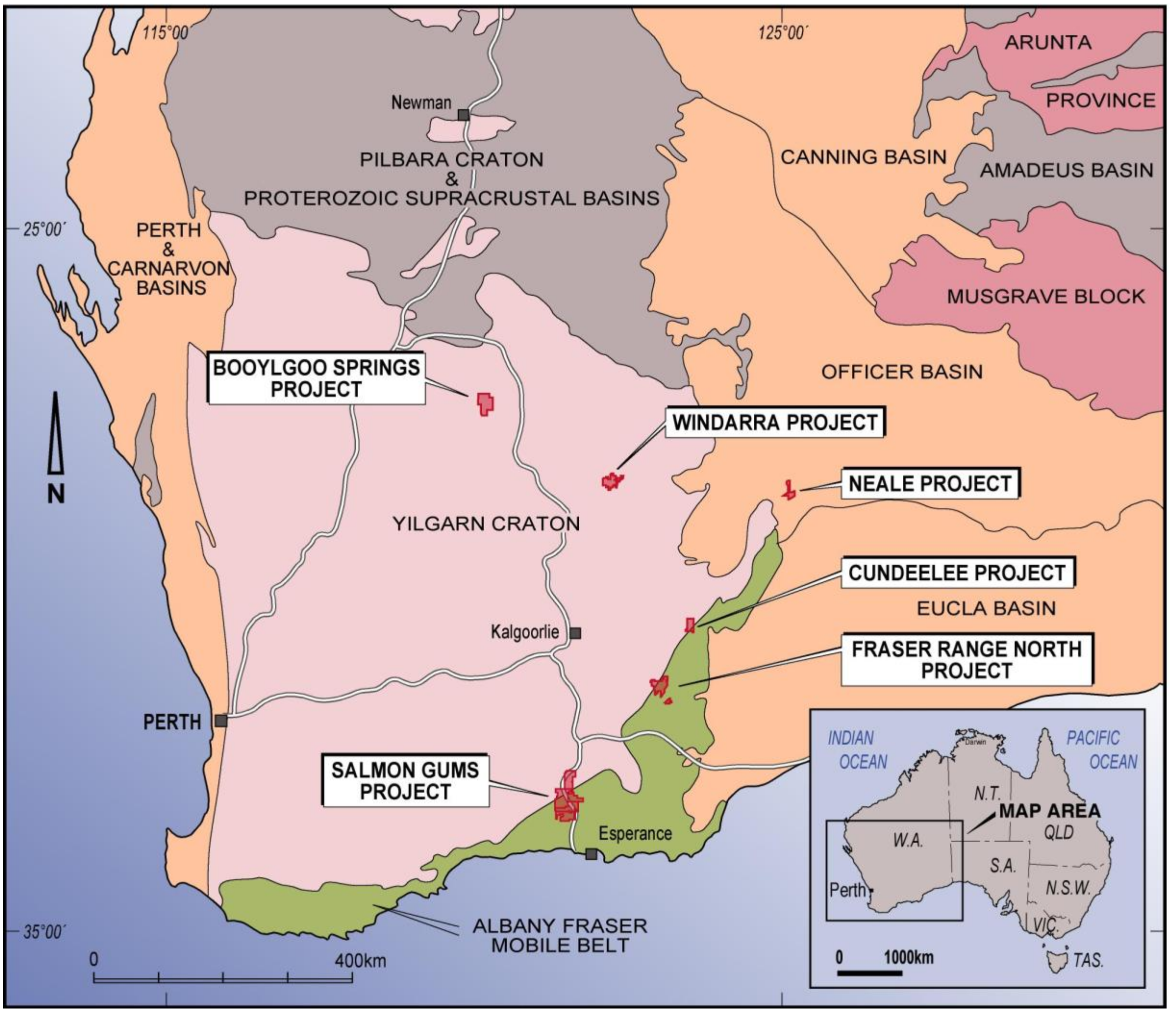

Figure 1. Location of Triton Gold Projects and Western Australian geological provinces.

Salmon Gums Project,
Albany-Fraser Province

Triton's strategy for staking areas in the Albany Fraser Province was to target the intersection of major large-scale faults within the older Yilgarn Craton and the collisional zone with the younger Albany-Fraser Province. Triton's Salmon Gums Project covers the intersection of the projected position of the large-scale Ida Fault and the Albany-Fraser Province (AFP).

The Company's exploration process at Salmon Gums and Fraser Range North has been to establish areas of anomalous gold and pathfinder elements in near surface calcrete soils. Ten coherent soil gold anomalies have been defined at Salmon Gums and were prioritised for drill testing on the basis of a number of geological parameters.

Following the grain harvest in December 2009 the exploration programme commenced at Salmon Gums including 12,223m of aircore drilling for 446 holes over the Lady Penrhyn, Sirius, Charlotte, Fishburn and Alexander prospects, and five diamond drill holes and 22 RC drill holes at Lady Penrhyn. The RC drill holes and two of the diamond drill holes were designed to test zones of anomalous geochemistry in the basement defined from the aircore drilling. The RC drilling produced ten one metre intersections at better than 100ppb Au in six holes, and the diamond hole SGD005 returned 2.1m at 1.22 ppm Au. The full details of these results are available in the June 2010 Quarterly Activities Report. The Company is encouraged by this anomalous gold in the unweathered basement, particularly given the low number and the wide spacing between the RC holes.

The Company's currently exploration programme includes electrical geophysical surveys over Lady Penrhyn to better map the architecture of basement rocks and to detect zones of sulphide accumulation. The targets delineated from the geophysical surveys (Figure 2) and the existing geological model are currently being drill tested.

Wide-spaced reconnaissance drilling on three untested soil gold anomalies are in progress and due to be completed in April. The objective of this drilling is to test for a basement source for the surface gold anomalies. The results of all drill programmes are anticipated to be available during the second quarter 2011.

Fraser Range North Project, Albany-Fraser Province

The Fraser Range North Project (Figure 3) covers the juncture of the Kurnalpi Terrane of the Yilgarn Craton with the Albany-Fraser Province. The Kurnalpi Terrane contains the large-scale Claypan and Pinjin Faults. Triton has completed several calcrete soil sampling programmes to define surface gold anomalies, of which five have been drill tested with wide-spaced holes prior to 2010.

Aircore drilling at Kicking Horse (12 holes) and Similkameen (11 holes) prospects completed in 2010 failed in their objective to intersect alteration or low level geochemical anomalism in the underlying basement to the surface gold anomalies.

Additional infill soil sampling in 2010 at the Nimpkish prospect confirmed a coherent surface gold anomaly covering approximately 4.5km by 3km with local high gold values up to 0.4g/t. Broad spaced air core drilling (60 holes for

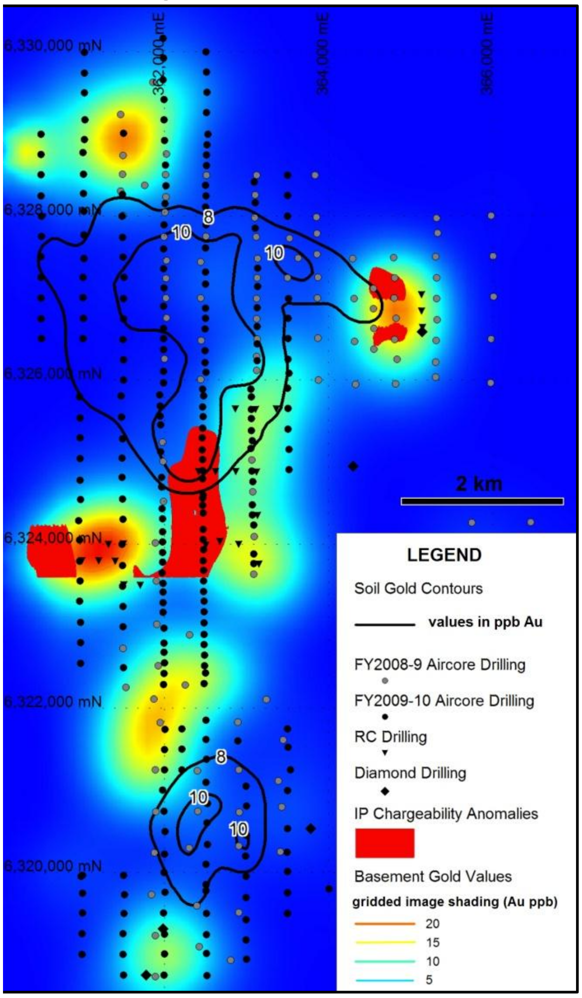

Figure 2. Lady Penrhyn prospect, Salmon Gums. Base image is maximum gold in basement; IP chargeability anomalies represent coherent +6ms chargeability.

1,895 metres) was conducted on 1-kilometre spaced north-south lines as a first-pass test for a gold mineralised system in the basement rocks. This drilling identified greenstone rock types including mafic schist, gneiss and porphyritic felsic intrusions, that are interpreted to be part of the Yilgarn Craton deformed during the convergence of the Albany-Fraser Province. Reworked parts of the Yilgarn Craton are considered highly prospective for significant gold mineralisation based on the relative position of the Tropicana deposit, and other major gold deposits globally.

Although alteration commonly associated with gold mineralisation was detected in the Nimpkish drill holes, no significant gold intersections were returned. Further exploration planned for 2011 will include infill drilling around areas of detected alteration and extending the drill coverage at Nimpkish to test the western and northern limits of the soil anomaly which terminate at the transition to surficial sediment cover related to salt lakes (Figure 3).

The Company believes the Nimpkish prospect has high prospectivity given the relatively large soil anomaly is situated over a significant zone of deformation as interpreted from the aeromagnetic data and confirmed in the previous drilling. The prospect is approximately 20km northeast of Sipa Resources' prospects (Theofrastus and Heraclitus), which returned encouraging gold intersections in 2010.

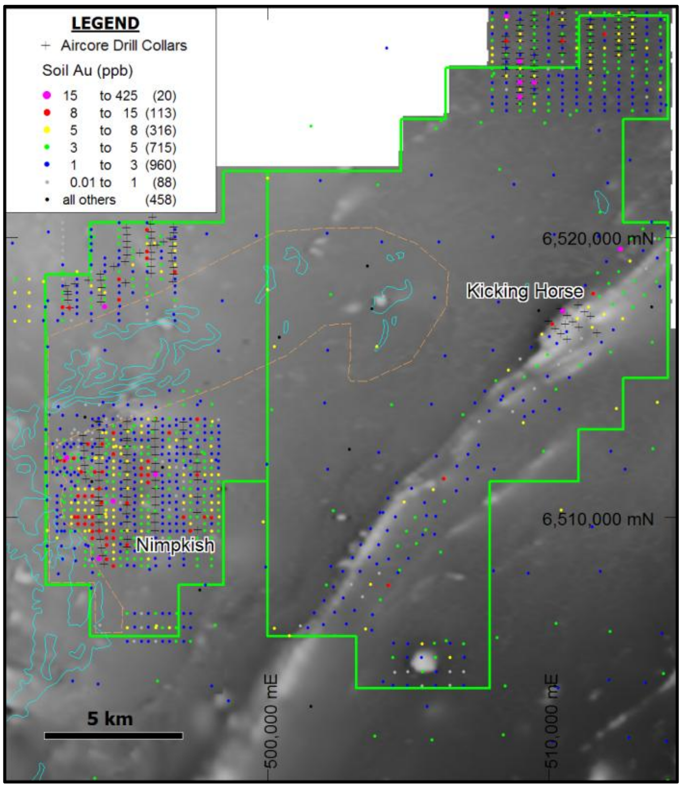

Figure 3. Fraser Range North aeromagnetics, soil gold values, drill collar locations, lake outlines and polygon representing area of focus for 2011 exploration (orange dashed line)

Cundeelee Project
Albany-Fraser Province

The Cundeelee Project covers Archaean granite and granitic gneiss of the Albany-Fraser Province, in a similar tectonic location to both the Fraser Range North and Salmon Gums Projects. The Cundeelee Project falls entirely within an Aboriginal Reserve. During the year the Company attempted to meet with the Aboriginal stakeholders to discuss heritage concerns and access options. The proposed meeting was cancelled on three separate occasions due to flooding or influenza transmission concerns. The Company is continuing to negotiate access to the project area.

Neale Project, Albany-Fraser Province

The Neale Project was granted on 23 December 2010 to Teck Australia who under the terms of the Tropicana Belt Alliance Agreement transferred the project management to Triton.

The Neale Project covers 186 sq km and is located 65km northeast of the Tropicana Gold deposit, and 14km east of Beadell Resources' Hercules prospect, where encouraging exploration drill results have recently been announced (Figure 4). The Company interprets the Project area to be within the collisional zone of the Yilgarn Craton and Albany-Fraser Province, with northeast striking shears interpreted from the open file aeromagnetic dataset. Surficial gold anomalies on the tenement have been demonstrated in auger calcrete sampling completed by Iluka Resources Ltd (open file data).

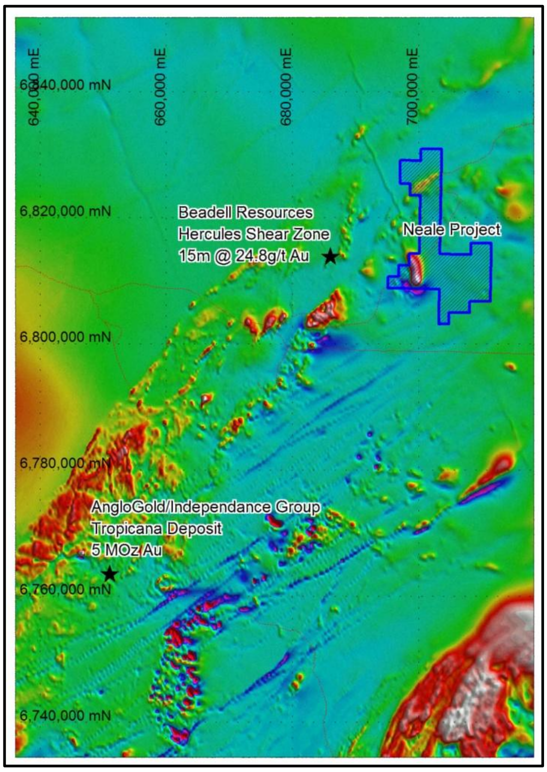

Figure 4. Location of the Neale Project on open file imaged aeromagnetic data.

The Company has commenced the process to obtain an Aboriginal heritage agreement with relevant parties and hopes to undertake a reconnaissance drill programme as soon as practicable.

Windarra Gold Exploration, Laverton

During 2010 Triton and Poseidon Nickel Ltd ("Poseidon") engaged contractors to undertake soil sampling on variably spaced grid lines over much of the project area. Triton's objectives were to test for surface gold and related pathfinder element anomalies and to use the soil lithogeochemical data to validate the basement geology map in areas of cover or subcrop (Figure 5). The data have been integrated with existing datasets to define structural and geochemical targets to be drill tested in 2011.

Triton also completed soil and vegetation sampling on the Pool Well tenements to assess the contact between granitoid rocks and the greenstone units that was considered to have a favourable orientation for dilation similar to other gold showings in the Laverton District. The programme did not identify any surficial anomalous gold that warrants further work.

Anomalous gold in soil samples in the granitoid complex to the north of the Lancefield gold camp are reported in open file data. This area had been considered to be prospective for gold mineralisation in narrow shears or fractures in the footwall position to the structural corridor that hosts Lancefield.

A limited mapping and soil resampling programme demonstrated that any gold in the granitoid complex is most likely related to zones of short-lived, low volume quartz veins deemed to have limited potential for economic accumulations of extractable gold. The prospectivity of this area has since been downgraded.

Triton looks forward to drill testing a number of gold exploration targets in 2011 that have been defined from surface geochemistry, structural interpretation of aeromagnetic data, and mineral mapping using multispectral data that is being collected by the Company from approximately 14,000m of historic RC drill chip samples. The drilling was completed by Poseidon since the purchase of the project from Western Mining Corporation.

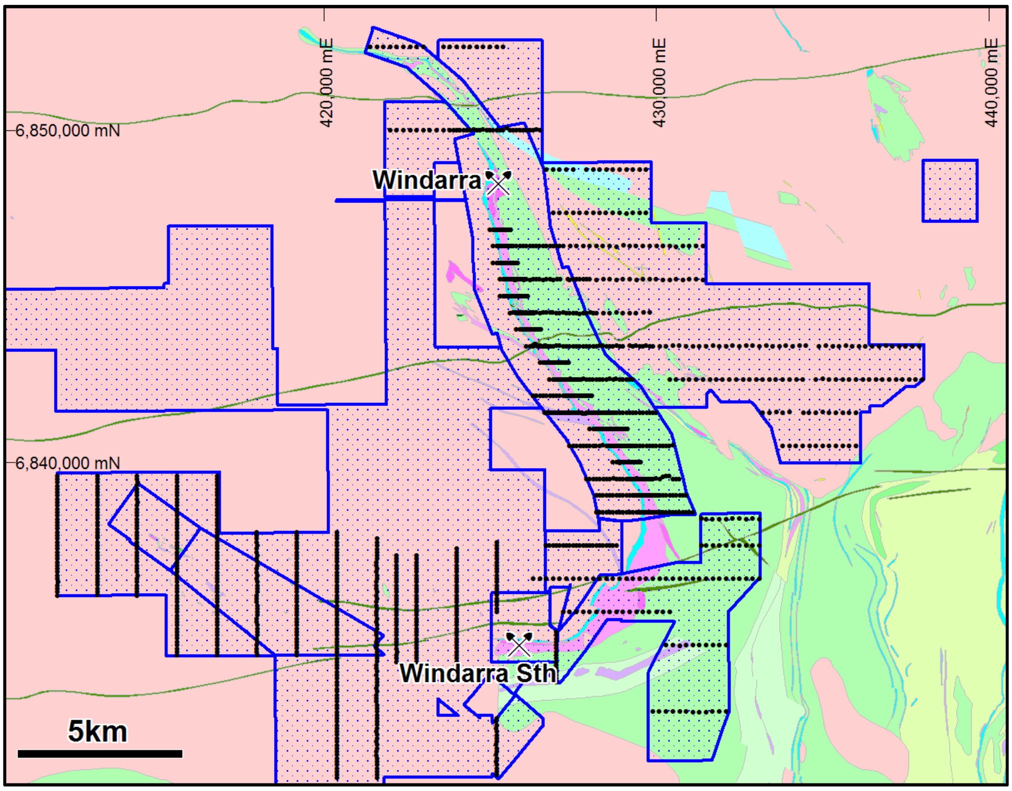

Figure 5. Windarra interpreted basement geology (source: Poseidon Nickel Ltd) and soil samples collected during 2010 regional programme.

Windarra Tailings

Under a Gold Rights Transfer Agreement ("Agreement") executed in March, 2009 Poseidon granted Triton right of access to the Windarra gold tailings to undertake technical evaluations and upon completion of a positive Feasibility Study the right to own and process the tailings. Under the Agreement Triton was required to complete a positive pre-feasibility study by 14th February 2011, eighteen months after listing on the Australian Securities Exchange.

Triton undertook drilling and resource estimation (by CSA Global) on the two tailings dams after listing in August 2009. CSA estimated an Indicated Resource of 4.5 Mt at 0.78g/t gold for 113,000 ounces, reported in accordance with the JORC Code (1994).

West Coast Projects Pty Ltd ("WCP") completed a Scoping Study in early 2010 that indicated the desirability of establishing a suitable metallurgical beneficiation process to produce a concentrate for gold leaching.

During 2010 WCP systematically analysed a series of composite samples using a strategy focused on selective extraction, classification, and density based separation mechanisms for grade improvement. Initial work successfully focused on the higher grade perimeter zone of the northern dam but subsequent tests on the central areas of the dam did not replicate the grade beneficiation results, reducing the potential tonnage available for economic treatment.

WCP completed estimates of capital and operating costs for a range of possible production scenarios however none of the options yielded a positive return on investment.

Options including augmentation of the Windarra material with gold tailings from the surrounding region, and toll treatment at third party processing facilities were considered.

Currency exchange rate movements have worked against the project economics. At inception in March 2009 the AUD/USD rate was 0.66 - had it been maintained the AUD price for gold in March 2011 would have been approximately $2,100 per ounce, favourably impacting the project.

Poseidon is currently considering a Triton proposal to extend the term of the rights under the 2009 Agreement to allow time for possible increases to the AUD gold price or synergies that could evolve in the event that Poseidon develops a new nickel plant and infrastructure at the site.

Tushtena, Alaska

Triton drilled four diamond drill holes at the Discovery Zone prospect at Tushtena, with funding from Panoramic Resources. The first hole of the programme failed to intersect the target of a down-dip extension of the narrow, but high grade gold zone identified in rock chip sampling in one of the costeans. Drill holes TUSH002 and TUSH003 were designed to test a conceptual gold target at depth well below the mineralisation intersected in historic drill holes at the site. The new holes intersected several wide, highly deformed fault zones with anomalous chemistry including gold and terminated in extremely broken ground interpreted to be adjacent to the prime target fault. Whilst the observed alteration was encouraging, significant gold was not intersected.

The fourth hole tested the tenor of the upper extensions of known high grade gold veins in the vicinity of a major thrust fault that demarcates the limit of the soil gold anomaly at the prospect.

The geological model has been revised and the Company is currently designing the 2011 exploration programme.

Booylgoo Springs, WA – Nickel Target

The Booylgoo Springs project (Figure 1) is located over a conceptual buried nickel sulphide target based on anomalous nickel and related elements in a regional hydrogeochemistry study. The project is west of the Mount Keith nickel mining camp and close to infrastructure. The mapped geology of the area is dominated by granite and transported cover sediments. Initial exploration in 2011 will include first-pass mapping and biogeochemical sampling.

Project Generation

During 2010, twelve projects within Australia and offshore, and including a gold production opportunity, were assessed. The Company continues to monitor progress and is maintaining contact with several of the project owners.

Competent Persons Statement: *The information in this report that relates to Exploration Results based on information compiled by Mr Lance Govey, who is a Member of the Australian Institute of Mining and Metallurgy. Mr Govey is the Managing Director and a full-time employee of the company, and has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Govey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

Forward-Looking Statements: *This document may include forward-looking statements. Forward-looking statements include, but are not necessarily limited to, statements concerning Triton Gold Limited's planned exploration program and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate" "expect", "intend", "may", "potential", "should" and similar expressions are forward-looking statements. Although Triton Gold Limited believes that its expectations reflected in these are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.*

CORPORATE GOVERNANCE STATEMENT

As the framework of how the Board of Directors of Triton Gold Limited ("Company") carries out its duties and obligations, the Board has considered the eight principles of corporate governance as set out in the ASX Good Corporate Governance and Best Practice Recommendations.

The essential corporate governance principles are:
1 Lay solid foundations for management and oversight;
2 Structure the Board to add value;
3 Promote ethical and responsible decision-making;
4 Safeguard integrity in financial reporting;
5 Make timely and balanced disclosure;
6 Respect the rights of shareholders;
7 Recognise and manage risk;
8 Remunerate fairly and responsibly.

1. Lay solid foundations for management and oversight.

Recommendation 1.1: *Formalise and disclose the functions reserved to the Board and those delegated to management.*

Roles and Responsibilities:

The roles and responsibilities of the Board are to:
- Oversee control and accountability of the Company;
- Set the broad targets, objectives, and strategies;
- Monitor financial performance;
- Assess and review risk exposure and management;
- Oversee compliance, corporate governance, and legal obligations;
- Approve all major purchases, disposals, acquisitions and issue of new shares;
- Approve the annual and half-year financial statements;
- Appoint and remove the Company's Auditor;
- Appoint and assess the performance of the Managing Director and members of the senior management team;
- Report to shareholders.

Recommendation 1.2: *Companies should disclose the process for evaluating the performance of senior executives.*

The Board regularly reviews the performance of senior executives.

Recommendation 1.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 1.*

The evaluation of performance of senior executives takes place throughout the year.

CORPORATE GOVERNANCE STATEMENT

2. Structure the Board to add value.

Recommendation 2.1: *A majority of the Board should be independent Directors.*
Recommendation 2.2: *The Chairperson should be an independent Director.*
Recommendation 2.3: *The roles of the Chairperson and Chief Executive should not be exercised by the same individual.*
Recommendation 2.4: *The Board should establish a nomination committee.*
Recommendation 2.5: *Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.*
Recommendation 2.6: *Companies should provide the information indicated in the Guide to reporting on Principle 2.*

Membership
The Board's membership and structure is selected to provide the Company with the most appropriate direction in the areas of business controlled by the Company. The Board currently consists of five members: a Non-Executive Chairman, a Managing Director, and three Non-Executive Directors.

The Non-Executive Chairman and Non-Executive Directors are considered independent.

Chairman and Managing Director
The Company has a Non-Executive Chairman and a Managing Director.

Nomination Committee
The Company has a formal charter for the Remuneration and Nomination Committee whose members include Messrs Loney, Hall and Singleton.

Skills
The Directors bring a range of skills and backgrounds to the Board including geological, accountancy, finance, marketing, corporate governance, and stockbroking.

Experience
The Directors have considerable experience in business at both operational and corporate levels.

Meetings
The Board has five scheduled meetings per year and also meets when it is necessary.

Independent professional advice
Each Director has the right to seek independent professional advice at the Company's expense for which the prior approval of the Chairman is required, and is not unreasonably withheld.

3. Promote ethical and responsible decision-making.

Recommendation 3.1: *Establish a code of conduct to guide the Directors, the Chief Executive Officer (or equivalent), and any other Key Executives as to:*

3.1.1 The practices necessary to maintain confidence in the Company's integrity;
3.1.2 The practices necessary to take into account legal obligations and the reasonable expectations of shareholders;
3.1.3 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.2: *Disclose the policy concerning trading in Company securities by Directors, officers, and employees.*

Standards
The Company is committed to its Directors and employees maintaining high standards of integrity, and ensuring that activities are in compliance with the letter and spirit of both the law and Company policies. Each staff member will be issued with the Company's Policies and Procedures manual at the beginning of their employment with the Company.

Recommendation 3.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 3.*
A summary of both the Company's Code of Conduct and its Share Trading Policy is included on the Company's website.

4. Safeguard integrity in financial reporting.

Recommendation 4.1: *The Board should establish an audit committee.*

Recommendation 4.2: *Structure the audit committee so that it consists of:*

- *Only non-executive Directors;*
- *A majority of independent Directors;*
- *An independent Chairperson, who is not Chairperson of the Board;*
- *At least three members.*

Recommendation 4.3: *The audit committee should have a formal charter – Refer to Recommendation 4.1.*
Recommendation 4.4: *Companies should provide the information indicated in the Guide to reporting on Principle 4.*

Integrity of Company's Financial Position
The Company's Chief Executive Officer and Chief Financial Officer will report in writing to the Board that the consolidated financial statements of the Company for the half and full financial year present a true and fair view, in all material respects, of the Company's financial position and operational results in accordance with relevant accounting standards.

Audit Committee

The Company has a formal charter for an Audit and Governance Committee whose members include Messrs Loney, Singleton and Osborne. The Audit and Governance Committee provides an active role in the following activities:

- Review the Company's accounting policies;
- Review the content of financial statements;
- Review the scope of the external audit, its effectiveness, and independence of the external auditor;
- Ensure accounting records are maintained in accordance with statutory and accounting standard requirements;
- Monitor systems used to ensure financial and other information provided is reliable, accurate, and timely;
- Review the audit process with the external auditors to ensure full and frank discussion of audit issues;
- Present half and full year financial statements to the Board.

The Chairperson of the Audit and Governance committee is the Company Chairperson Mr John Loney. The Company has determined that Mr Loney is the most suitable director to chair the Audit and Governance committee due to his competency in corporate governance, accounting and finance and the limited size of the board.

CORPORATE GOVERNANCE STATEMENT

5. Make timely and balanced disclosure.

Recommendation 5.1: *Establish written policies and procedures designed to ensure compliance with ASX Listing Rules disclosure requirements, and to ensure accountability at a senior management level for that compliance.*

Being a listed entity on the Australian Stock Exchange (ASX), the Company has an obligation under the ASX Listing Rules to maintain an informed market with respect to its securities. Accordingly, the Company advises the market of all information required to be disclosed under the Rules which the Board believes would have a material affect on the price of the Company's securities.

The Company Secretary has been appointed as the person responsible for communication with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules, and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All shareholders have access to the annual report on the Company's website. Shareholders who have elected to receive a hardcopy will do so.

Recommendation 5.2: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 5.*

Disclosure is reviewed as a standard and routine agenda item at each Board meeting.

6. Respect the rights of shareholders.

Recommendation 6.1: *Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.*

Recommendation 6.2: *Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.*

The Company is committed to keeping shareholders fully informed of significant developments at the Company. In addition to public announcements of its financial statements and significant matters, the Company will provide the opportunity for shareholders to question the Board and management about its activities at the Company's annual general meeting.

The Company's auditor, MGI Perth Audit Services Pty Ltd, will be in attendance at the annual general meeting, and will also be available to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

7. Recognise and manage risk

Recommendation 7.1: *The Board or appropriate Board committee should establish policies on risk oversight and management.*

Recommendation 7.2: *The Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) to state in writing to the Board that:*

7.2.1 The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.
7.2.2 The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Recommendation 7.3: *The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a system of risk management and internal control and that the system is operating effectively in all material respects in relation to the financial reporting risks.*

Recommendation 7.4: *Provide the information indicated in the ASX Corporate Governance Council's Guide to reporting on Principle 7.*

The Board oversees the Company's risk profile. The financial position of the Company and matters of risk are considered by the Board on a regular basis. The Board is responsible for ensuring that controls and procedures to identify, analyse, assess, prioritise, monitor, and manage risk are in place, being maintained and adhered to.

The Chief Financial Officer and Chief Executive Officer have stated in writing to the Board that:

- The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.
- The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

8. Remunerate fairly and responsibly

Recommendation 8.1: *The Board should establish a Remuneration Committee.*

Recommendation 8.2: *Clearly distinguish the structure of Non-Executive Directors' remuneration from that of executives.*

Recommendation 8.3: *Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.*

CORPORATE GOVERNANCE STATEMENT

Principles used to determine the nature and amount of remuneration
The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate to the results delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice. The Remuneration and Nomination Committee ensures that executive rewards satisfy the following key criteria for good reward governance practices:

- Competitiveness and reasonableness;
- Acceptability to the shareholders;
- Performance linked;
- Transparency;
- Capital management.

The Company has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Remuneration Committee
The members of the Remuneration and Nomination committee include Messrs Loney, Hall, and Singleton.

Directors' Remuneration
Further information on Directors' and executives' remuneration is set out in the Directors' Report.

Departure from Best Practice Recommendations
From 1 January 2010 to 31 December 2010, the Company has complied with each of the Eight Essential Corporate Governance Principles and Best Practice Recommendations published by the ASX Corporate Governance Council except as disclosed above.

Your directors present their report on the Company and its controlled entities (the "Group" for the financial year ended 31 December 2010.

Directors

The following persons were Directors of Triton Gold Limited (the "Company") and were in office for the entire period unless otherwise stated:

Mr John Loney (Appointed on 15 October 2007)

Mr Allen Govey (Managing Director, Appointed on 17 May 2010)

Mr Gregory Hall (Non-Executive Director, Re-appointed on 18 May 2009)

Mr Trevor Osborne (Non-Executive Director, Appointed on 18 May 2009)

Mr David Singleton (Non-Executive Director, Appointed on 18 May 2009)

Company Secretary

Mr Brad Boyle (Appointed on 1 September 2009)

Mr Michael Raven (Corporate Secretary, Canada, Appointed on 17 July 2007)

Mr Boyle has extensive experience as an in-house counsel and company secretary. Mr Boyle currently represents a number of listed and unlisted companies.

Previously, Mr Boyle acquired a diverse range of corporate and private practice experience acting for mining, commercial and government clients across a broad range of sectors, including acting for the Australian Government Solicitor and Commonwealth Director of Public Prosecutions. He also has extensive litigation experience including representing clients in mediations as well as appearing in the Federal Court, Supreme Court, District Court, Lower courts and tribunals. Prior to being admitted as a lawyer, Mr Boyle was a member of the West Australian Police Service.

Mr Boyle is a Board Director for two Not-For-Profit organisations, a Chartered Company Secretary, having obtained a Graduate Diploma in Corporate Governance, and is a member of the Australian Institute of Company Directors.

Principal Activity

The principal activity of the Company and Group during the financial year was to acquire, explore and develop properties that are highly prospective for gold and other precious and base metals.

Results of Operations

The loss of the Consolidated Group for the financial year after tax amounted to $3,590,142 (2009: $1,254,401).

Significant Changes in the State of Affairs

On 6 April 2010, the Company appointed Mr Allen Govey as Chief Executive Officer of the Company, who was subsequently appointed Managing Director on 17 May 2010.

On 28 July 2010, the Company entered into a $2.6m farm-in agreement with Panoramic Resources Limited to fund the Tushtena Gold Project.

On 17 September 2010, the Company announced that it had gained 100% control over key tenements at its Salmon Gums project with the decline by Teck Australia Pty Ltd to farm-in.

On 15 December 2010, the Company completed a placement of 10 million shares at 13 cents per share to raise $1,300,000 before costs.

The Company has received a report which identifies that the Windarra Tailings Dam project (M38/1243 and AM70/261) is currently uneconomic. An impairment loss of $1,157,095 (2009: nil) has been booked in the consolidated statement of comprehensive income.

No other significant changes in the nature of the Company's and Group's activities have occurred during the year.

Going Concern Basis of Preparation

The 31 December 2010 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. For the year ended 31 December 2010 the Group recorded a net loss of $3,590,142 (2009: $1,254,401) and had a net working capital surplus of $2,147,474 (31 December 2009: surplus of $4,279,510).

The Company will require further funding during the 2011 and 2012 financial years in order to meet day to day obligations as they fall due and to progress on its exploration projects. Based on the Group's cash flow forecast the Board of Directors is aware of the Group's need to access additional working capital funds in the next 12 months to enable the Group to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due.

Directors are aware that the Group has the option, if necessary, to relinquish tenements in order to maintain its cash funds at appropriate levels. Based on these facts, the Directors consider the going concern basis of preparation to be appropriate for this financial report.

In the event that the Group is not successful in raising funds from the issue of new equity, there exists material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Dividends

No dividends were declared or paid during the year and the directors do not recommend the payment of a dividend.

Indemnities

The Company, for a premium of $11,007 has taken out an insurance policy to cover its Directors and Officers to indemnify them against any claims and negligence. The Company has agreed to indemnify the current directors and officers of its controlled entities for all liabilities to another person, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company shall meet the full amount of any such liabilities, including costs and expenses.

Significant Events After the Balance Sheet Date

On 28 January 2011, the Company issued 7,903,630 shares at 13 cents per share under a Share Purchase Plan to raise $1,027,471.

On 24 February 2011, the Company issued 5,173,293 shares at 13 cents per share as part of the shortfall of the Share Purchase Plan to raise $672,528.

On 22 February 2011, the Company issued 2,000,000 unlisted options in payment for corporate advisory and investor relations services rendered to the Company.

Since the end of the financial year, the directors are not aware of any other matter of circumstance not otherwise dealt with in this report or financial statements that has significantly or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of these proceedings.

The Group was not a party to any such proceedings during the year.

Information on Directors

Mr John Loney	– Chairman (Non-Executive) from 15 October 2007
Qualifications	– Fellow of Certified Practicing Accountants of Australia; Bachelor of Commerce from the University of Queensland; Fellow of Corporate Directors Association of Australia; Member of Australian Institute of Company Directors; Management courses at the Australian Graduate School of Management; Director's course at the University of New England.
Experience	– 31 years in the mining industry, including 19 years with Placer Dome including roles as Vice President of Risk Management and Assurance, Chief Financial Officer of Placer Dome Asia Pacific. Previously held management positions with the mining company Utah International Inc dealing in tax, treasury, insurance, financial planning and analysis as well as Company Secretary. Prior to this, Mr Loney obtained accounting, tax and audit experience and designation with the Australian Chartered Accounting firm Hungerford Spooner & Kirkhope (now KPMG Australia).
Interest in shares and options	– 93,039 ordinary shares – 74,430 options
Special responsibilities	– Member of Audit and Governance Committee, Nomination and Remuneration Committees
Directorships held in other listed entities	– None

Mr Allen Govey	– Managing Director from 17 May 2010
Qualifications	– BSc (Hons) University of New South Wales, MSc in Mining and Exploration Geology, James Cook University of North Queensland..
Experience	– Mr Govey has over 35 years experience in the minerals sector with a wide ranging involvement in successful exploration and mining geology within Australia, Indonesia and the Phillippines. Previously held positions with Red 5 Limited, Normandy Mining Group, Aztec Mining Group and CSR Limited.
Interest in shares and options	– 100,000 ordinary shares – 500,000 performance rights – 1,000,000 options
Special responsibilities	– None
Directorships held in other listed entities	– Previous director of Red 5 Limited

Information on Directors (continued)

Mr Trevor Osborne	– Non-Executive Director from 18 May 2009
Qualifications	– Mr Osborne holds a National Diploma in Agriculture (NDA) from Leeds University, UK.
Experience	– Mr Osborne has a diverse technical and business background that includes water drilling, electronic and electromagnetic industries. Mr Osborne invented and successfully developed an innovative power generating technology that was eventually marketed in 69 countries. With experience as a public director, Mr Osborne has also been involved in arranging a number of successful capital raisings in both industrial and mining ventures. Currently he is involved in gold projects in Indonesia and the United States where his role is to oversee and monitor the introduction of new gold extraction technologies.
Interest in shares and options	– Nil
Special responsibilities	– Member of Audit and Governance Committee
Directorships held in listed entities	– None

Mr Gregory Hall	– Non-Executive Director from 17 July 2007
Qualifications	– Mr Hall holds a Bachelor of Applied Science from the University of New South Wales, Australia.
Experience	– Mr Hall has more than 31 years experience in the exploration and mining industry, 26 years of them in Western Australia. Mr Hall's most recent position was Chief Geologist of Placer Dome Group, a post he held for more than five years. He was directly involved in discovering Rio Tinto's Yandi iron ore mine and Barrick Gold's Granny Smith mine, and took part in the discoveries of Keringal and Wallaby in Australia's Eastern Goldfields, as well as the definition of AngloGold Ashanti's Sunrise gold mine.
Interest in shares and options	– 1,355,310 ordinary shares – Nil options
Special responsibilities	– Member of Remuneration and Nomination Committee
Directorships held in listed entities	– Colossus Minerals Limited, Laurentian Gold Fields Limited, Montero Mining & Exploration Ltd and China Gold International Resources Corp Ltd, such companies are listed on the Toronto Stock Exchange, TSX –V and Hong Kong Stock Exchange.

Information on Directors (continued)

Mr David Singleton	– Non-Executive Director from 18 May 2009
Qualifications	– Mr Singleton holds BSc (Honours), Mechanical Engineering, University of London.
Experience	– Mr Singleton is the current Chief Executive Officer of Poseidon Nickel Ltd and has occupied that position since July 2007. Mr Singleton was the Chief Executive Officer and Managing Director of Clough Limited between August 2003 and January 2007. Prior to that he was the Group Head of Strategy, Mergers and Acquisitions for BAE Systems (formally British Aerospace) in London and prior to that the Chief Executive Officer of Alenia Marconi Systems, based in Rome, Italy.
Interest in shares and options	– Nil. Mr Singleton has no direct interest in the Company's shares or options. Poseidon Nickel Ltd, of which Mr Singleton is the Managing Director, holds 9,115,384 shares in the Company.
Special responsibilities	– Member of Audit and Governance Committee, Nomination and Remuneration Committee
Directorships held in listed entities	Poseidon Nickel Limited (ASX: POS). No other directorships of ASX listed entities in the past 3 years.

Directors' Meetings

The number of directors' meetings and meetings of committees of directors held in the year and the number of meetings attended by each of the directors of the Company during the financial year are:

	Board of Directors' Meetings		**Audit and Governance Committee Meetings**		**Remuneration and Nomination Committee Meetings**	
	Number attended	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**
Name						
Mr John Loney	6	6	5	5	1	1
Mr Allen Govey	4	4	0	0	0	0
Mr Gregory Hall	6	6	0	0	1	1
Mr Trevor Osborne	5	6	5	5	0	0
Mr David Singleton	6	6	5	5	1	1

Details of Key Management Personnel

Directors

Mr John Loney	Chairman (Non-Executive)
Mr Allen Govey	Managing Director (Executive)
Mr Gregory Hall	Director (Non-Executive)
Mr Trevor Osborne	Director (Non-Executive)
Mr David Singleton	Director (Non-Executive)

Executives

Mr Michael Raven	Corporate Secretary (Canada)
Mr Brad Boyle	Company Secretary & In-House Counsel
Mr Carl Young	Exploration Manager
Mr Jay Stephenson	Chief Financial Officer

Directors' Shareholdings, Contracts, and Benefits

The interest of each Director in the share capital of the Company at the date of this report and as contained in the register of Directors' shareholdings of the Company is shown in Note 22 of this annual report.

Since the end of the financial year no Director of the Company has received, or become entitled to receive, a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts) by reason of a contract made by the Company with the Director or with a firm of which the Director is a member, or a Company in which the Director has a substantial financial interest, other than as disclosed in Note 22 of the accounts.

REMUNERATION REPORT (audited)

(a) Principles Used to Determine the Nature and Amount of Remuneration

The following report determines the principles used to determine the nature and amount of remuneration. The Nomination and Remuneration Committee (Committee) is responsible for determining and reviewing compensation arrangements for the Directors and Key Management Personnel. The role also includes responsibility for share option schemes, superannuation entitlements, retirement and termination entitlements, fringe benefit policies, liability insurance policies and other terms of employment.

The Committee will review the arrangements having regard to performance, relevant comparative information and at its discretion may obtain independent expert advice on the appropriateness of remuneration packages. Remuneration packages are set at levels intended to attract and retain Key Management Personnel capable of managing the Company's activities.

The practices of negotiation and annual review of senior management and staff performance and remuneration are carried out by the Managing Director who makes recommendations to the Committee. The Chairman of the Committee, who makes recommendations to the full Board, undertakes the review of the Managing Director's performance and remuneration.

The Committee will meet at least annually or as required, usually on the anniversary date of each service agreement for the particular Director and/or Key Management Personnel. At these meetings, the particular Director and/or Key Management Personnel will declare his/her interest and not vote, and he/she will depart from the meeting, so as not to be present whilst the issue is being discussed.

The executive pay and reward framework has three components:

- base pay and bonuses from time to time;
- bonuses when applicable;
- long-term incentives through options (refer Note 22); and
- other remuneration such as superannuation.

The combination of these comprises the Key Management Personnel total remuneration.

(b) Details of Remuneration

Details of the nature and amount of each element of the emoluments of each of the key management personnel of the Company and the consolidated entity for the year ended 31 December 2010 are set out in the following tables. Details of job titles of other key management personnel can be found in the Key Management Personnel section of the Directors' report.

REMUNERATION REPORT (audited) (continued)

(b) Details of Remuneration (continued)

Year 2010	Short-term benefits Cash Salary and fees	Post-employment benefits Super-annuation	Share-based Payment Options	Termination Payments	Total	Percent of Remuneration that is Performance Based
	$	$	$	$	$	%
Name						
Directors						
Mr John Loney	46,250	4,297	-	-	50,547	-
Mr Allen Govey	155,113	13,960	10,622	-	179,695	-
Mr Gregory Hall	96,100	2,700	-	-	98,800	-
Mr David Singleton**	30,000	-	-	-	30,000	-
Mr Trevor Osborne*	46,313	-	-	-	46,313	-
Company Secretary:						
Mr Bradley Boyle *	113,182	-	-	-	113,182	-
Mr Michael Raven	579	-	-	-	579	-
Key Management Personnel						
Mr Carl Young	150,000	13,500	1,822	-	165,322	-
Ms Emma Gofton	110,000	9,900	-	-	119,900	-
Mr Jay Stephenson*	78,000	-	-	-	78,000	-
	825,537	44,357	12,444	-	882,338	-

Year 2009	Short-term benefits Cash Salary and fees	Post-employment benefits Super-annuation	Share-based Payment Options	Termination Payments	Total	Percent of Remuneration that is Performance Based
	$	$	$	$	$	%
Name						
Directors						
Mr John Loney	46,922	4,223	-	-	51,145	-
Mr Marcus Willson	185,187	16,666	-	-	201,853	-
Mr Gregory Hall	52,135	2,755	-	-	54,890	-
Mr David Singleton	23,226	-	-	-	23,226	-
Mr Trevor Osborne*	38,024	332	-	-	38,356	-
Mr Graham Taylor	-	-	-	-	-	-
Company Secretary:						
Mr Bradley Boyle *	50,434	1,178	-	7,854	59,466	-
Mr Keong Chan	25,500	-	-	-	25,500	-
Mr Michael Raven	7,557	-	-	-	7,557	-
Key Management Personnel						
Mr Carl Young	155,269	13,524	-	-	168,793	-
Mr Richard May	33,680	1,715	-	15,476	50,871	-
Mr Jay Stephenson*	61,750	-	-	-	61,750	-
Ms Renee Balodis	8,121	703	-	9,286	18,110	-
	687,805	41,096	-	32,616	761,517	-

REMUNERATION REPORT (audited) (continued)

(b) Details of Remuneration (continued)

*Note: In addition to Director Fees, Mr Trevor Osborne is paid a daily rate of $750 for extra consulting and technical services to the Company when required. Messrs Stephenson and Boyle are engaged on a consultancy basis and remunerated through their respective companies. Fees paid to Messrs Stephenson and Boyle include the services of additional personnel.

**Note: This is paid to Poseidon Nickel Limited, a company where Mr. David Singleton is the Managing Director.

(c) Service Agreements

In April 2010 a service agreement was executed between the Company and Mr Allen Govey to provide services as Chief Executive Officer and Managing Director.

There are no other service agreements in place for Executive or Non-Executive Directors.

(d) Share-based Compensation

During the year equity instruments were granted to Directors and key employees as follows:

- On 6 April 2010, Mr Allen Govey (Managing Director) received 500,000 performance rights, each convertible into one ordinary share exercisable before 6 April 2017. The performance rights will not vest and are not capable of exercise until the following performance hurdles and performance period are satisfied:

    1. The completion of three years service with the Company as Chief Executive Officer,
    2. Any of the following:
        - Discovery of drill intersections defined as 50gmAU-metres; or
        - Commercial production of the Windarra tailings project; or
        - Teck Cominco entering a joint venture with the Company in Albany Fraser projects.

- On 29 April 2010, Mr Allen Govey (Managing Director) received 1,000,000 options exercisable at 29.5 cents before 29 April 2015. The options have a vesting period of three years.
- On 23 July 2010, Mr Carl Young received 200,000 options exercisable at 15.8 cents before 23 July 2015. The options have a three year vesting period.

(e) Equity Instruments Issued on Exercise of Remuneration Options

There were no equity instruments issued during the period to Directors or other key management personnel as a result of options exercised that had previously been granted as compensation.

This concludes the audited Remuneration Report.

Environmental Regulation

The Group holds various exploration licences to regulate its exploration activities in Australia and Alaska. These licences include conditions and regulations with respect to rehabilitation of areas disturbed during the course of exploration activities. However, the Board believes that it has adequate systems in place for the management of its environmental requirements and is not aware of any breach of environmental requirements as they apply to the Group.

Loans to Directors

No loans have been made to Directors of the Group and the specified executives of the consolidated entity, including their personally-related entities.

Shares under Option

Unissued ordinary shares of Triton Gold Limited under option at the date of this report are as follows:

Expiry date	Exercise Price	Number under option
31/12/2013	$0.25	28,731,250
15/10/2012	C$0.81	74,430
15/05/2011	C$0.67	1,142,500
15/05/2011	C$1.01	3,722
23/07/2015	$0.158	200,000
29/04/2015	$0.295	1,000,000
		31,151,902

No option holder has any right under the options to participate in any other share issue of the Company or of any other entities.

Shares Issued on the Exercise of Options

There were no ordinary shares of the Company issued during or since the end of the financial year ended 31 December 2010 on the exercise of options.

Likely Developments and Expected Changes

Further information about likely developments in the operations of the Group and the expected results of those operations in future years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

Non–Audit Services

The board of directors, in accordance with advice from the Audit and Governance Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. MGI Perth Audit Services Pty Ltd provided $7,500 of accounting services for the year ended 31 December 2010.

Auditors' Independence Declaration

The auditor's independence declaration for the year ended 31 December 2010 has been received and can be found on page 68 of the annual report.

Signed in accordance with a resolution of the Board of Directors.

John T Loney

John Loney
Chairman

Perth, 28 March 2011

TRITON GOLD LIMITED
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 A$	2009 A$
Revenue	4	107,782	72,253
Profit on disposal of plant and equipment		18,864	-
Accountancy expenses		(59,082)	(67,344)
Computer expenses		(32,598)	(30,111)
Consultants fees		(297,731)	(203,812)
Depreciation	8	(34,244)	(22,857)
Directors' fees		(151,132)	(128,391)
Employee benefits expenses		(531,012)	(302,497)
Share based payments expense		(12,444)	-
Insurance		(34,517)	(43,779)
Investor relations		(183,173)	(82,081)
Legal costs		(32,617)	(48,375)
Loss on disposal of plant and equipment		(2,050)	-
Rent and utilities		(105,494)	(67,713)
Travel and accommodation		(62,619)	(33,714)
Exploration and evaluation expenditure not capitalised		(101,256)	(18,454)
Impairment loss on exploration and evaluation assets	9	(2,033,887)	(98,339)
Other administration expenses		(141,640)	(204,957)
Results from operating activities		**(3,688,850)**	**(1,280,171)**
Financial income		100,624	61,186
Financial expense		(1,916)	(35,416)
Net financing income		98,708	25,770
Loss before income tax		(3,590,142)	(1,254,401)
Income tax expense	12	-	-
Net loss for the year		**(3,590,142)**	**(1,254,401)**
Movement in fair value of available for sale assets		60,260	150,158
Total comprehensive loss for the year attributed to the equity holders of Triton Gold Limited		**(3,529,882)**	**(1,104,243)**
		Cents	**Cents**
Loss per share attributable to ordinary equity holders – basic and diluted	19	(4.35)	(2.48)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

TRITON GOLD LIMITED
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	Note	2010 A$	2009 A$
ASSETS			
Current Assets			
Cash and cash equivalents	**5**	2,128,311	4,477,289
Trade and other receivables	**6**	299,016	255,224
Total Current Assets		**2,427,327**	**4,732,513**
Non-Current Assets			
Financial assets	**7**	290,491	230,231
Property, plant and equipment	**8**	146,764	38,634
Intangible assets	**9**	4,405,874	4,425,931
Total Non-Current Assets		**4,843,129**	**4,694,796**
TOTAL ASSETS		**7,270,456**	**9,427,309**
LIABILITIES			
Current Liabilities			
Trade and other payables	**10**	223,868	433,145
Provisions	**11**	55,985	19,858
Total Current Liabilities		**279,853**	**453,003**
TOTAL LIABILITIES		**279,853**	**453,003**
NET ASSETS		**6,990,603**	**8,974,306**
EQUITY			
Issued capital	**13**	15,279,304	13,745,569
Reserves	**14**	262,507	189,803
Accumulated losses		(8,551,208)	(4,961,066)
TOTAL EQUITY		**6,990,603**	**8,974,306**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

TRITON GOLD LIMITED
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010

	Ordinary Share Capital	Available For Sale Reserve	Foreign Currency Translation Reserve	Option Premium Reserve	Retained Losses	Total
CONSOLIDATED	**$A**	**$A**	**$A**	**$A**	**$A**	**$A**
Balance at 1 January 2009	**6,917,635**	**-**	**39,645**	**-**	**(3,706,665)**	**3,250,615**
Comprehensive Income:						
Loss for the year	-	-	-	-	(1,254,401)	(1,254,401)
Other Comprehensive Income						
Unrealised gain on available-for-sale financial assets net of deferred tax liability	-	150,158	-	-	-	150,158
Total Comprehensive Income for the year	-	150,158	-	-	(1,254,401)	(1,104,243)
Transactions with owners recorded directly in equity						
Issue of shares	8,023,000	-	-	-	-	8,023,000
Share issue costs	(1,195,066)	-	-	-	-	(1,195,066)
Total contributions by and distributions to owners	6,827,934	-	-	-	-	6,827,934
Balance at 31 December 2009	**13,745,569**	**150,158**	**39,645**	**-**	**(4,961,066)**	**8,974,306**
Balance at 1 January 2010	**13,745,569**	**150,158**	**39,645**	**-**	**(4,961,066)**	**8,974,306**
Comprehensive Income:						
Loss for the year	-	-	-	-	(3,590,142)	(3,590,142)
Other Comprehensive Income						
Unrealised gain on available-for-sale financial assets net of deferred tax liability	**-**	60,260	**-**	**-**	**-**	60,260
Total Comprehensive Income for the year	**-**	60,260	**-**	-	(3,590,142)	(3,529,882)
Transactions with owners recorded directly in equity						
Issue of shares	1,598,735	-	-	-	-	1,598,735
Share issue costs	(65,000)	-	-	-	-	(65,000)
Options issued during the year	-	-	-	12,444	-	12,444
Balance at 31 December 2010	**15,279,304**	**210,418**	**39,645**	**12,444**	**(8,551,208)**	**6,990,603**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 A$	2009 A$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		107,782	2,254
Payments to suppliers and employees		(1,652,993)	(1,455,854)
Interest received		100,624	61,186
Net Cash inflow / (outflow) From Operating Activities	**20**	**(1,444,587)**	**(1,392,414)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(151,198)	(10,505)
Proceeds from disposals of plant and equipment		25,637	-
Payments for exploration and evaluation assets		(2,013,830)	(1,625,893)
Net Cash inflow / (outflow) From Investing Activities		**(2,139,391)**	**(1,636,398)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		1,300,000	7,023,000
Capital raising costs paid		(65,000)	(1,195,066)
Net Cash inflow / (outflow) From Financing Activities		**1,235,000**	**5,827,934**
Net Increase / (Decrease) in Cash and Cash Equivalents		**(2,348,978)**	**2,799,122**
Cash and cash equivalents at the beginning of the financial year		4,477,289	1,678,167
Cash and Cash Equivalents at the end of the financial year	**5**	**2,128,311**	**4,477,289**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE: 1. REPORTING ENTITY

The consolidated financial statements cover Triton Gold Limited and the controlled entities as a consolidated group ("Group"). Triton Gold Limited is a company limited by shares, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

Statement of Compliance
This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The consolidated financial report of the Group complies with International Financial Reporting Standards and Interpretations adopted by the International Accounting Standards Board. The consolidated financial statements were authorised for issue by the Board of Directors on 18 March 2011.

Historical Cost Convention
These financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets which are measured at fair value.

Functional and Presentation Currency
Both the functional and presentation currency for the Company and its controlled entities are in Australian Dollars.

Going Concern Basis of Preparation
The 31 December 2010 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business. For the year ended 31 December 2010 the Group recorded a loss after tax of $3,529,882 (2009: $1,104,243) and had a net working capital surplus of $2,147,474 (31 December 2009: surplus of $4,279,510).

The Company will require further funding during the 2011 and 2012 financial years in order to meet day to day obligations as they fall due and to progress on its exploration projects. Based on the Group's cash flow forecast the Board of Directors are aware of the Group needs to access additional working capital funds in the next 12 months to enable the Group to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due.

Directors are aware that the Group has the option, if necessary to relinquish tenements in order to maintain its cash funds at appropriate levels. Based on these facts, the Directors consider the going concern basis of preparation to be appropriate for this financial report.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Preparation (continued)

Going Concern Basis of Preparation (continued)
In the event that the Group is not successful in raising funds from the issue of new equity, there exists material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Critical Accounting Estimates and Judgments
The preparation of financial statements in conformity with AASBs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 7 – Impairment of Financial Instruments
Note 9 – Capitalisation of Exploration and Evaluation Assets
Note 22 – Valuation of Share-based Payments
Note 24 – Recoverability of Intercompany Receivables

(b) Principles of Consolidation

Business Combinations
For every business combination, the Group identifies the acquirer, which is the combining entity that obtains control over the other combining entities. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred from the acquirer.

Subsidiaries
Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Principles of Consolidation (continued)

Subsidiaries (continued)
Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are carried at cost less impairment in the Company financial statements.

(c) Income Tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Income Tax (continued)
Tax Consolidation
Triton Gold Limited and its Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. As a consequence, all members of the tax-consolidated group are taxed as a single entity from that date. The head entity within the tax-consolidated group is Triton Gold Limited.

Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the stand-alone taxpayer approach to allocation. Current tax liabilities and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Taxation Office that it had formed an income tax-consolidated group to apply from 1 July 2006. The tax-consolidated group has entered into a tax funding agreement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amount recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to, the head entity.

(d) Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings. The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Depreciation

Property, plant and equipment are depreciated on a straight line basis at rates calculated to allocate the cost less the estimated residual value over the estimated useful life of each asset.

Class of Fixed Asset	**Useful Life**
Plant and Equipment	3 – 6 years
Leasehold Improvements	2 – 5 years

The assets' carrying values are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Profit and loss on disposal are determined by comparing proceeds with the carrying amount. These amounts are included in the income statement.

(f) Financial Instruments

Non-Derivative Financial Instruments

Recognition

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: loans and receivables and available-for-sale financial assets.

Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments (continued)

Cash and Cash Equivalents
Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Available-for-Sale Financial Assets
Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The Group's investments in equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Derivative Financial Instruments

Recognition
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the income statement immediately unless the derivative is designed and effective as a hedging instrument, in which event, the timing of the recognition in the income statement depends on the nature of the hedge relationship.

Fair Value
The fair values of quoted investments are based on current bid prices. If the market for financial assets is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis and option pricing models.

(g) Impairment

Non-Financial Assets
The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment (continued)

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial Assets (including Receivables)
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Group considers evidence of impairment for receivables and held-to-maturity investment securities at a specific asset level.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment (continued)

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss.

The cumulative loss that is removed from other comprehensive income and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

(h) Foreign Currency Translation - Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transaction. Monetary items denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the initial transaction.

Translation differences on monetary items are recognised in the income statement except when deferred in equity and qualifying cash flow hedges and qualifying net investment hedges.

(i) Employee Benefits

Short-Term Benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other Long-Term Employee Benefits
Provision is made for the liability due to employee benefits arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within one year together with benefits arising out of wages and salaries, sick leave and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions made to defined employee superannuation funds are charged as expenses when incurred.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(k) Revenue

Revenue from the provision of a service is recognised when the customer receives the service. All revenue is stated net of the amount of goods and services tax (GST).

(l) Finance Income and Finance Costs

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax, except:

(i) Where the amount of GST incurred is not recoverable from the relevant taxation authority, it is recognised as part of the cost of the acquisition of an asset or as part of an item of expenditure.

(ii) Receivables and payables are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Australian Accounting Standards or as a result in changes in accounting policy.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)
(o) Intangibles

Exploration and Evaluation Assets

Exploration and evaluation costs, including costs of acquiring licenses, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in the Statement of Comprehensive Income.

Exploration and evaluation assets are only recognised if the rights of tenure to the area of interest are current and either:

(i) The expenditures are expected to be recouped through the successful development and exploitation of the area of interest, or

(ii) Activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment when:

(i) Sufficient data exists to determine technical feasibility and commercial viability, and

(ii) Facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see Impairment accounting policy (g)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from intangible assets to mining property and development assets within property, plant and equipment.

(p) Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Share-based Payment Transactions

The grant-date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the that the employees unconditionally become entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

(r) New Accounting Standards and Interpretations

During the current year the Group has adopted all of the new and revised Australian Accounting Standard and Interpretations applicable to its operations which became mandatory. The adoption of these standards impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the Group.

AASB 2009-5 Further amendments to Australian Accounting Standards arising from the Annual Improvements Process affects various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which became mandatory for the Group's 31 December 2010 financial statements, have had no significant impact on the financial statements.

AASB 2009-8 Amendments to Australian Accounting Standards - Group Cash-settled Share-based Payment Transactions resolves diversity in practice regarding the attribution of cash-settled share-based payments between different entities within a group. As a result of the amendments *AI 8 Scope of AASB 2* and *AI 11 AASB 2 - Group and Treasury Share Transactions* will be withdrawn from the application date. The amendments, which became mandatory for the Group's 31 December 2010 financial statements, have had no significant impact on the financial statements.

NOTE: 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) New Accounting Standards and Interpretations (continued)

AASB 3 Business Combinations (2008) and AASB 127 Consolidated and Separate Financial Statements (2008) deals with the acquisitions of non-controlling interests occurring in financial years starting on or after 1 July 2009. Under this standard, acquisitions of non-controlling interests will be accounted for as transactions with equity holders in their capacity as equity holders and therefore no goodwill will be recognised as a result of such transactions. Previously, goodwill was recognised arising on the acquisition of a non-controlling interest in a subsidiary; and that represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of exchange. The amendments, which became mandatory for the Group's 31 December 2010 financial statements, have had no significant impact on the financial statements.

A number of new standards, amendments to standards and interpretations which are effective for annual periods beginning after 1 January 2010 have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except for *IFRS 9 Financial Instruments*, which becomes mandatory for the Group's 2013 financial statements and could change the classification and measurement of financial assets. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

(s) Segment Reporting

Determination and Presentation of Operating Segments
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments operating results are reviewed regularly by the Board of Directors on a monthly basis to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Group's headquarters), head office expenses, and income tax assets and liabilities.
Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

(t) Removal of Parent Entity Financial Statements

The Group has applied amendments to the *Corporations Act 2001* that remove the requirement for the Group to lodge parent entity financial statements. Parent entity financial statements have been replaced by the specific parent entity disclosures in Note 24.

NOTE: 3. DETERMINATION OF FAIR VALUES

Equity Instruments
The fair value of available-for-sale financial assets is determined by reference to their quoted closing bid price at the reporting date.

Other Receivables, Trade and Other Payables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non-Derivative Financial Liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Share-Based Payment Transactions
The fair value of the employees' share options is measured using an Option Valuation Model. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility (based on an evaluation of the Company's historic volatility, particularly over the historic period commensurate with the expected term), expected term of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk -free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

	2010 A$	2009 A$
NOTE: 4. REVENUE		
Operating Activities		
Other income	107,782	72,253
Total Revenue	**107,782**	**72,253**
NOTE: 5. CASH AND CASH EQUIVALENTS		
Current		
Cash at bank and in hand	32,203	90,240
Short-term bank deposits	2,096,108	4,387,049
Total Cash and Cash Equivalents in the Statement of Cash Flows	**2,128,311**	**4,477,289**

	2010 A$	2009 A$

NOTE: 6. TRADE AND OTHER RECEIVABLES

	2010 A$	2009 A$
Current		
Trade and other receivables	160,037	28,744
GST receivable	138,979	226,480
Total Current Trade and Other Receivables	**299,016**	**255,224**

NOTE: 7. FINANCIAL ASSETS

	2010 A$	2009 A$
Non-Current		
Listed investments at fair value	290,491	230,231
Total available-for-sale financial assets	290,491	230,231
Total Financial Assets	**290,491**	**230,231**

The fair value of listed investments is based on quoted prices in active markets.

NOTE: 8. PROPERTY, PLANT AND EQUIPMENT

	2010 A$	2009 A$
Plant and equipment		
At cost	293,189	187,056
Less: Accumulated depreciation	(146,425)	(148,422)
Total Plant and Equipment	**146,764**	**38,634**
Movements in carrying amounts		
Balance at beginning of year	38,634	50,985
Additions	151,197	11,126
Disposals	(8,823)	(620)
Depreciation expense	(34,244)	(22,857)
Carrying amount at end of year	**146,764**	**38,634**

	2010 A$	2009 A$

NOTE: 9. INTANGIBLE ASSETS

	2010 A$	2009 A$
Exploration at cost:		
Balance at the beginning of the year	4,425,931	1,599,074
Expenditure during the year	2,013,830	2,925,196
Amounts written off during the year	(2,033,887)	(98,339)
Balance at the end of the financial year	**4,405,874**	**4,425,931**

	2010 A$	2009 A$
Reconciliation of expenditure during the year:		
Acquisition of Windarra (Mining Force) tenements	-	1,313,617
Exploration of tenements	1,954,031	1,465,610
Holding costs of tenements	59,799	145,969
Total Exploration Expenditure	**2,013,830**	**2,925,196**

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation or sale of the areas of interest. Management reassesses the carrying value of the Group's tenements at each half year, or at a period other than that, should there be any indication of impairment.

The impairment loss on exploration and evaluation assets was in relation to the Windarra Tailings Dam and the Sunday, Webb and Rattle Dam projects. The Sunday, Webb and Rattle Dam projects were impaired due to the Directors' decision to abandon these projects. The Windarra Tailings Dam has been impaired following a report being received identifying the project to be currently uneconomic.

NOTE: 10. TRADE AND OTHER PAYABLES

	2010 A$	2009 A$
Current		
Creditors	67,912	30,181
Accruals	130,673	306,464
Other Payables	25,283	96,500
Total Trade and Other Payables	**223,868**	**433,145**

NOTE: 11. PROVISIONS

	2010 A$	2009 A$
Current		
Provision for Annual Leave	55,985	19,858
Total Provisions	**55,985**	**19,858**

NOTE: 12. INCOME TAX

	2010 A$	2009 A$
Income tax expense		
Current income tax expense	-	-
Under/ (over) provision of prior year's tax	-	-
Deferred tax expense	-	-
Total income tax expense	-	-
Reconciliation between tax expense and pre-tax loss:		
Accounting loss before income tax	(3,590,142)	(1,254,401)
At the domestic income tax rate of 30%	(1,077,043)	(376,320)
Expenditure not allowed for income tax purposes		
-Tax losses and temporary differences not brought to account	1,077,043	376,320
Income tax expense reported in the Income statement	**-**	**-**
Unused tax losses	10,034,918	5,407,963
Potential tax benefit @ 30%	3,010,475	1,622,389
Tax losses offset against tax liabilities	(1,396,782)	(1,384,720)
Unrecognised tax benefit	1,613,693	237,669

Potential deferred tax assets net of deferred tax liabilities attributable to tax losses (for both the Consolidated and Parent Entity) have not been brought to account because the Directors do not believe it is appropriate to regard realisation of the future income tax benefits as probable as at the date of this report.

The benefits of these tax losses will only be obtained if:

(i) Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
(ii) The conditions for deductibility imposed by tax legislation continue to be compiled with; and
(iii) No changes in tax legislation adversely affect the Group in realising the benefit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)
NOTE: 12. INCOME TAX (continued)

	2010 A$	2009 A$
Deferred income tax		
Balance Sheet		
Deferred income tax relates to the following:		
Deferred Tax Liabilities		
Exploration and evaluation assets	1,321,763	1,327,779
Available for sale financial assets	63,125	45,047
Foreign exchange reserve	11,894	11,894
Deferred Tax Assets – tax losses		
Deferred tax assets used to offset deferred tax liabilities	(1,396,782)	(1,384,720)
	-	-

NOTE: 13. ISSUED CAPITAL

Issued and paid up capital	**Number of Shares**		**A$**	
	2010	**2009**	**2010**	**2009**
Ordinary shares, issued and fully paid	93,543,836	81,481,409	15,279,304	13,745,569

Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

NOTE: 13. ISSUED CAPITAL (continued)

Movements in ordinary shares issued

		Number of Shares	Issue Price $A	Total $A
Balance 1 January 2009		**27,533,039**		**6,917,635**
15 May 2009	Seed Capital Issued	9,000,000	0.05	450,000
18 May 2009	Additional Penalty Shares Issued	2,025,216	-	-
18 May 2009	Shares Issued – acquisition of Mining Force Pty Ltd	26,870,885	0.05	1,000,000
18 May 2009	Consolidation Adjustment	(16,730,231)		-
14 Aug 2009	Initial Public Offering	32,482,500	0.20	6,496,500
11 Sep 2009	Options Exercised	10,000	0.25	2,500
7 Oct 2009	Issue of Shares and Options to Investor Relations Company **	125,000	0.33	41,000
3 Dec 2009	Issue of Shares for services	165,000	0.20	33,000
	Capital raising costs	-		(1,195,066)
Balance 31 December 2009		**81,481,409**		**13,745,569**
1 Jan 2010	Issue of Shares for services	165,000	0.20	33,000
29 Jan 2010	Issue of Shares and Options to Investor Relations Company **	125,000	0.20	25,000
8 Apr 2010	Issue of Shares for services	680,520	0.16	108,998
27 May 2010	Issue of Shares for services	483,873	0.1565	75,737
8 Oct 2010	Issue of Shares for services	608,034	0.0921	56,000
21 Dec 2010	Share Placement	10,000,000	0.13	1,300,000
	Capital raising costs	-		(65,000)
Balance 31 December 2010		**93,543,836**		**15,279,304**

** The company agreed to issue up to 1 million shares and 2 million options to an investor relations company over a period of 24 months from August 2009.

NOTE: 13. ISSUED CAPITAL (continued)

Movements in options

		Number of Options	Exercise Price
Total 31 December 2008		**9,675,577**	
18 May 2009	Options Issued – acquisition of Mining Force Pty Ltd	13,435,443	$0.25
18 May 2009	0.7443 Consolidation Adjustment	(5,909,488)	-
14 Aug 2009	Initial Public Offering	16,241,250	$0.25
11 Sep 2009	Options Exercised	(10,000)	$0.25
7 Oct 2009	Issue of Options for Services	250,000	$0.25
11 Dec 2009	Cancellation of Options	(744,300)	C$0.67
21 Dec 2009	Expiry of Options	(301,442)	C$0.67
Total 31 December 2009		**32,637,040**	
29 Jan 2010	Issue of Options for Services	250,000	$0.25
29 Apr 2010	Issue of Options to Director	1,000,000	$0.295
29 Jul 2010	Issue of Options to Employees	200,000	$0.158
Total 31 December 2010		**34,087,040**	

On 14 February 2011 a further 4,935,138 options expired.

Capital Management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

The capital structure of the Group consists of equity attributable to equity holders of the parent comprising issued capital, reserves and accumulated losses.

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital positions of the Group at 31 December 2009 and 31 December 2010 are as follows:

	2010 $A	2009 $A
Cash and cash equivalents	2,128,311	4,477,289
Trade and other receivables	299,016	255,224
Trade and other payables	(223,868)	(433,145)
Provisions	(55,985)	(19,858)
Working Capital Position	**2,147,474**	**4,279,510**

The Group is not subject to any externally imposed capital requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (continued)

NOTE: 14. RESERVES

	2010 $A	2009 $A
Available-for-sale reserve	210,418	150,158
Foreign exchange reserve	39,645	39,645
Option premium reserve	12,444	-
Total Reserves	**262,507**	**189,803**

NOTE: 15. CONTROLLED ENTITIES

Parent Entity	**Country of Incorporation**
Triton Gold Limited	Australia

The Company was previously known as Australian Mineral Fields Inc and was incorporated in the British Virgin Islands ('BVI'). It continued from BVI to Australia on 17 July 2007 and changed its name to Australian Mineral Fields Ltd. On 18 May 2009 the company changed its name to Triton Gold Limited.

Subsidiaries	Country of Incorporation	Percentage Owned
Triton Gold (Operations) Pty Ltd	Australia	100%
Triton Gold (Mt Thirsty) Pty Ltd	Australia	100%
Triton Gold (Project A) Pty Ltd	Australia	100%
Triton Gold (Project B) Pty Ltd	Australia	100%
Triton Gold (Project C) Pty Ltd	Australia	100%
Triton Gold (Grenville) Pty Ltd	Australia	100%
Triton Gold (Sunday) Pty Ltd	Australia	100%
Triton Gold (Windarra) Pty Ltd	Australia	100%
Triton Gold (Alaska) Pty Ltd	Alaska	100%

NOTE: 16. SEGMENT REPORTING

Triton has identified its operating segments based on the internal reports that are provided to the Board of Directors on a monthly basis. Management has identified the operating segments based on internal reporting as being Australia and Alaska.

Triton operates in two principal locations, Australia and Alaska. There are a number of exploration projects located in Western Australia at various stages of development. The Tushtena project is located in Alaska.

Segment assets include the cost to acquire the tenement and the capitalised exploration costs of those tenements.

NOTE: 17. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at year end.

NOTE: 18. COMMITMENTS FOR EXPENDITURE

(i) Operating Lease Commitments

	2010 $A	2009 $A
Payable – minimum lease payments		
-Not longer than one year	43,503	46,765
-Longer than one year, but not longer than five years	-	23,382
-Longer than five years	-	-
Total	**43,503**	**70,147**

(ii) Exploration Expenditure Commitments

In order to maintain the current rights of tenure to mining tenements, the Group has the following exploration expenditure requirements up until the expiry of the leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable as follows.

	2010 $A	2009 $A
Not longer than one year	1,695,245	1,435,662
Longer than one year, but not longer than five years	2,716,357	1,472,719
Longer than five years	1,356,758	882,571
Total	**5,768,360**	**3,790,952**

If the Group decides to relinquish certain leases and/or does not meet the obligations, assets recognised in the balance sheet may require review to determine the appropriateness of carrying values. The sale, transfers or farm-out of exploration rights to third parties will reduce or extinguish the above obligations.

NOTE: 19. EARNINGS PER SHARE (EPS)

(i) Basic earnings per share

Basic earnings per share are calculated by dividing the profit/(loss) attributable to equity holders of the Group by the weighted average of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. The diluted earnings per share are the same as the basic earnings per share, as the exercise price of the options outstanding is higher than the average market price of the Company's ordinary shares since listing.

a. Reconciliation of earnings to loss	**2010 $A**	**2009 $A**
Net loss attributable to ordinary equity holders	(3,590,142)	(1,254,401)
Earnings used to calculate basic EPS	**(3,590,142)**	**(1,254,401)**
b. Weighted average number of ordinary shares outstanding during the year used to calculate basic EPS		
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	82,548,281	50,681,775

NOTE: 20. CASH FLOW INFORMATION

	2010 $A	2009 $A
Reconciliation of Cash Flow from Operating Activities with Loss after Income Tax		
Loss after income tax	(3,590,142)	(1,254,401)
Non-cash flows in loss		
- Laurentian share income	-	(70,000)
- Profit on disposal of plant and equipment	(16,814)	-
- Depreciation	34,244	22,857
- Amortisation of setup costs	697	-
- Share based payments expense	12,444	-
- Impairment losses	2,033,887	98,339
Changes in assets & liabilities:		
- (Increase)/decrease in accounts receivable	(44,488)	(236,700)
- Increase/(decrease) in creditors & accruals	89,458	58,260
- Increase/(decrease) in provisions	36,127	(10,769)
Cash Flow from Operating Activities	**(1,444,587)**	**(1,392,414)**

NOTE: 21. RELATED PARTY TRANSACTIONS

Loans are made by the parent entity to wholly owned subsidiaries to fund exploration activities. Loans outstanding between the Company and its subsidiaries are non-interest bearing, unsecured, and are repayable upon notice having regard to the financial stability of the Company.

As at 31 December 2010, loans to subsidiaries totalled $11,234,699 (31 December 2009: $7,372,428) and investments in subsidiaries totalled $1,449,469 (31 December 2009: $1,449,469). The company made the following provisions for non-recovery of these loans and investments as at 31 December 2010:

Provision for Loss on Intercompany Loans $6,199,770 (2009: $3,711,567)

Provision for Loss on Investments $1,083,658 (2009: $860,879)

The provisions have been based on the subsidiaries' net liabilities positions, where applicable.

NOTE: 22. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

Names and positions held of parent entity directors in office at any time during the financial year are:

Mr John Loney	Chairman, Non-Executive – appointed 15th October 2007
Mr Gregory Hall	Director, Non-Executive - appointed 17 July 2007, resigned 18 May 2009, re-appointed 18 May 2009.
	Interim Managing Director & Chief Executive Officer from 9 November 2009 to 17 May 2010
Mr Allen Govey	Chief Executive Officer – appointed 6 April 2010
	Managing Director – appointed 17 May 2010
Mr Trevor Osborne	Director, Non-Executive – appointed 18 May 2009
Mr David Singleton	Director, Non-Executive – appointed 18 May 2009

(b) Key management personnel

Names and positions held of key management personnel in office at any time during the financial year are:

Mr Brad Boyle	Company Secretary, In-House Counsel (Appointed 1 September 2009)
Mr Michael Raven	Corporate Secretary, Canada, (Appointed on 17 July 2007)
Mr Carl Young	Exploration Manager (Appointed 1 September 2008)
Mr Jay Stephenson	Chief Financial Officer (Appointed 31 January 2009)

(c) Key management personnel compensation

	2010 $	2009 $
Short term employee benefits (including termination payments)	825,537	720,421
Share based payments	12,444	-
Post employment benefits	44,357	41,096
	882,338	**761,517**

NOTE: 22. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(d) Equity instruments disclosure relating to key management personnel:

Number of shares held by Parent Entity Directors and other Key Management Personnel of the Group, including their personally related entities, are set out below.

Ordinary shares	Balance at Start of the year	Received during the year on the exercise of options	Issued during the year	Balance at the end of the year
Directors				
Mr John Loney	93,039	-	-	93,039
Mr Allen Govey	-	-	100,000	100,000
Mr Gregory Hall	1,355,310	-	-	1,355,310
Mr Trevor Osborne	-	-	-	-
Mr David Singleton	-	-	-	-
Executives				
Mr Carl Young	148,860	-	-	148,860
Mr Bradley Boyle	93,037	-	-	93,037
Mr Michael Raven	168,668	-	-	168,668
Mr Jay Stephenson	-	-	-	-

(e) Option holdings

Directors	Balance at Start of the year	Received during the year	Other changes during the year	Balance at the end of the year
Mr John Loney	74,430	-	-	74,430
Mr Allen Govey	-	1,000,000	-	1,000,000
Mr Gregory Hall	372,150	-	-	372,150
Mr Trevor Osborne	-	-	-	-
Mr David Singleton	-	-	-	-
Executives				
Mr Carl Young	-	200,000	-	200,000
Mr Bradley Boyle	-	-	-	-
Mr Michael Raven	111,645	-	-	111,645
Mr Jay Stephenson	-	-	-	-

NOTE: 23. FINANCIAL RISK MANAGEMENT

Risk management has focused on limiting liabilities to a level which could be extinguished by sale of assets if necessary.

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group is engaged in mineral exploration and evaluation, and does not currently sell products and derives only limited revenue from interest earned.

Risk management is carried out by the Board as a whole.

The Group holds the following financial instruments:

	2010 $A	2009 $A
Financial assets		
Cash and cash equivalents	2,128,311	4,477,289
Trade and other receivables	299,016	255,224
Other financial assets	290,491	230,928
	2,717,818	**4,963,441**
Financial liabilities		
Trade and other payables	223,868	433,145
	223,868	**433,145**

The fair value of the Group's financial assets and liabilities approximate their fair value.

(a) Market risk

(i) Price risk
The Group is currently exposed to equity securities by way of shares held in listed companies.

The price risk for listed securities is immaterial in terms of the possible impact on profit or loss or total equity as a result of a 10% increase/decrease in the price of traded securities.

The Group is not currently exposed to commodity price risk.

(ii) Fair value interest rate risk
Refer to (d) below.

(iii) Foreign exchange risk
At 31 December 2010, the Group had USD10,786 (2009: USD10,883) of net USD denominated assets and therefore is not exposed to significant foreign exchange risks.

NOTE: 23. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Credit exposure represents the extent of credit related losses that the Group may be subject to on amounts to be received from financial assets. Credit risk arises principally from trade and other receivables including intercompany loans. The objective of the Group is to minimise the risk of loss from credit risk. Although revenue from operations is minimal, the Group trades only with creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is insignificant. The Group's maximum credit risk exposure is limited to the carrying value of its financial assets as indicated on the balance sheet.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2010 $A	**2009 $A**
Cash and cash equivalents	2,128,311	4,477,289
Trade and other receivables	299,016	255,224
Other financial assets	290,491	230,928
	2,717,818	**4,963,441**

The maximum exposure to credit risk for loans and receivables at the reporting date by geographic region was:

	Carrying amount	
	2010 $A	**2009 $A**
Australia	299,016	255,224
Canada	-	-
	299,016	**255,224**

The Group's most significant customer, an Australian Exploration Company accounts for $145,873 of the loans and receivables carrying amount at 31 December 2010 (2009: Nil).

NOTE: 23. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Impairment losses

The ageing of loans and receivables at the reporting date was:

	Gross 2010 $A	Impairment 2010 $A	Gross 2009 $A	Impairment 2010 $A
Not past due	280,176	-	255,224	-
Past due 0 - 30 days	18,840	-	-	-
Past due 31- 120 days	-	-	-	-
More than one year	-	-	-	-
	299,016	**-**	**255,224**	**-**

There were no allowances made for impairment in respect of loans and receivables during the year.

(c) Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. The objective of the economic entity is to maintain sufficient liquidity to meet commitments under normal and stressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the lack of material revenue, the Group aims at maintaining flexibility in funding by maintaining adequate reserves of liquidity.

The Group did not have access to any undrawn borrowing facilities at the reporting date.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements.

Consolidated	Carrying Amount $A	Contractual Cash flows $A	< 3 months $A	3 -6 months $A	6-24 months $A
Trade and Other Payables	223,868	223,868	223,868	-	-

NOTE: 23. FINANCIAL RISK MANAGEMENT (continued)

(d) Cash flow and fair value interest rate risk

From time to time the Group has significant interest bearing assets, but they are as a result of the timing of equity raising and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the exposure to interest rates is limited to the cash and cash equivalents balances.

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities is set out in the following table.

2010	**Floating interest rate $A**	**Fixed interest maturing in 1 year or less $A**	**Non-bearing interest $A**	**Total $A**
Financial Assets				
Cash and cash equivalents	2,092,266	25,000	11,045	2,128,311
Receivables	-	-	299,016	299,016
	2,092,266	**25,000**	**310,061**	**2,427,327**
Weighted Average interest rate	4.34%	5.80%		
Financial Liabilities				
Trade and other creditors	-	-	223,868	223,868
	-	**-**	**223,868**	**223,868**
Weighted average interest rate			-	-

2009	**Floating interest rate $A**	**Fixed interest maturing in 1 year or less $A**	**Non-bearing interest $A**	**Total $A**
Financial Assets				
Cash and cash equivalents	4,477,289	-	-	4,477,289
Receivables	-	-	255,224	255,224
	4,477,289	**-**	**255,224**	**4,732,513**
Weighted Average interest rate	2.95%			
Financial Liabilities				
Trade and other creditors	-	-	433,145	433,145
	-	**-**	**433,145**	**433,145**
Weighted average interest rate			-	-

NOTE: 23. FINANCIAL RISK MANAGEMENT (continued)

(d) Cash flow and fair value interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased or decreased the Group's equity and profit or loss by $20,922 (2009: $44,773).

(e) Financial risk management

The Group's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable and payable and loans to and from subsidiaries. The main purpose of non-derivative financial instruments is to raise finance for the Group's operations. The Group does not speculate in the trading of derivative instruments.

(f) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary assets and financial liabilities approximates their carrying values.

(g) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.
The different levels have been defined as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 : inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1 $A	Level 2 $A	Level 3 $A	Total $A
31 December 2010				
Investment in securities	290,491	-	-	290,491
	290,491	**-**	**-**	**290,491**
31 December 2009				
Investment in securities	230,928	-	-	230,928
	230,928	**-**	**-**	**230,928**

NOTE: 24. PARENT ENTITY DISCLOSURES

(a) Financial Position of Triton Gold Limited		2010 $A	2009 $A
ASSETS			
Current Assets			
Cash and cash equivalents		2,070,849	4,387,049
Trade and other receivables		37,594	7,583
Total Current Assets		**2,108,443**	**4,394,632**
Non-Current Assets			
Loans to subsidiaries	(b)	5,034,929	3,660,861
Financial assets	(b)	365,811	588,590
Property, plant and equipment		-	89
Total Non-Current Assets		**5,400,740**	**4,249,540**
TOTAL ASSETS		**7,509,183**	**8,644,172**
LIABILITIES			
Current Liabilities			
Trade and other payables		109,033	60,284
Total Current Liabilities		**109,033**	**60,284**
TOTAL LIABILITIES		**109,033**	**60,284**
NET ASSETS		**7,400,150**	**8,583,888**
EQUITY			
Issued capital		15,279,304	13,745,569
Reserves		12,444	-
Accumulated losses		(7,891,598)	(5,161,681)
TOTAL EQUITY		**7,400,150**	**8,583,888**

NOTE: 24. PARENT ENTITY DISCLOSURES (continued)

(b) Loans to Subsidiaries and Financial Assets

Loans are made by the parent entity to wholly owned subsidiaries to fund exploration activities. Loans outstanding between the company and its subsidiaries are non-interest bearing, unsecured, and are repayable upon notice having regard to the financial stability of the Company.

Investments in subsidiaries are accounted for at cost.

	2010	2009
	$A	$A
Loans to subsidiaries	11,234,699	7,372,428
Provision for loss on intercompany loans	(6,199,770)	(3,711,567)
Trade and other receivables	5,034,929	3,660,861
Investments in subsidiaries	1,449,469	1,449,469
Provision for loss on investments	(1,083,658)	(860,879)
Financial Assets	365,811	588,590

The provisions have been based on the subsidiaries' net asset positions, where applicable.

(c) Financial Performance of Triton Gold Limited

Loss for the year	(2,729,917)	(4,607,600)
Other comprehensive income	-	-
Total Comprehensive Income	(2,729,917)	(4,607,600)

(d) Guarantees entered into by Triton Gold Limited for the debts of its subsidiaries

There were no guarantees entered into by Triton Gold Limited for the debts of its subsidiaries as at 31 December 2010 (2009: none).

(e) Contingent liabilities of Triton Gold Limited

Triton Gold Limited had no contingent liabilities as at 31 December 2010 (2009: none).

(f) Commitments of Triton Gold Limited

Triton Gold Limited had no exploration expenditure commitments as at 31 December 2010 (2009: none). However the operating lease commitments of the Group detailed in Note 18 are in the name of Triton Gold Limited.

NOTE: 25. AUDITOR'S REMUNERATION

Details of the amounts paid to the auditor of the Group, MGI Perth Audit Services, and its related practices for audit and non-audit services provided during the year are set out below.

	2010 $A	2009 $A
Auditors Services		
Audit and review of financial reports (MGI Perth Audit Services)	35,250	21,710
Other Services		
Investigating Accountant's Report (MGI Perth Corporate Finance Pty Ltd)	-	13,625
Accounting and taxation advice	7,500	-

NOTE: 26. EVENTS AFTER THE BALANCE SHEET DATE

On 28 January 2011, Triton Gold Limited issued 7,903,630 shares at 13 cents per share under a Share Purchase Plan to raise $1,027,471.

On 24 February 2011, Triton Gold Limited issued 5,173,293 shares at 13 cents per share as part of the shortfall of the Share Purchase Plan to raise $672,528.

On 22 February 2011, the Company issued 2,000,000 unlisted options in payment for corporate advisory and investor relations services rendered to the Company.

Other than the items above, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction, or event of a material and unusual nature not otherwise dealt with in the financial statements, likely in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of the operations or the state of affairs of the Group in future financial years.

DIRECTORS' DECLARATION

1 In the opinion of the directors of Triton Gold Limited ('the Company'):

(a) the financial statements and notes and the Remuneration report in the Directors' report, set out on pages 30 to 66, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of its financial position as at 31 December 2010 and performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a);

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable on the basis reported in Note 2a.

2 The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 December 2010.

Signed in accordance with a resolution of the directors:

John S Loney

John Loney
Chairman

Perth , 28 March 2011

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Lead auditor's independent declaration under section 307C of the Corporations Act 2001

To the directors of Triton Gold Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2010 there have been:

(i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

MGI Perth Audit Services Pty Ltd

TJ Spooner **CA FCA(UK) ACIS**
Director

Perth, 28 March 2011

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Independent auditor's report to the members of Triton Gold Limited

Report on the financial report

We have audited the accompanying financial report of Triton Gold Limited, which comprises the consolidated statement of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2(a), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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Opinion

In our opinion:

(a) the financial report of Triton Gold Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial positions as at 31 December 2010 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(a) in the financial report, which indicates that the consolidated entity incurred a net loss of $3,590,142 and will require further funding within the next twelve months from the date of this report to fund its planned exploration program. These conditions, along with other matters as set forth in Note 2(a), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the remuneration report

We have audited the remuneration report included of the directors' report for the year ended 31 December 2010. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the remuneration report of Triton Gold Limited for the year ended 31 December 2010, complies with Section 300A of the Corporations Act 2001.

MGI PAS

MGI Perth Audit Services Pty Ltd

TJ Spooner CA FCA(UK) ACIS
Director

Perth, 28 March 2011