MOSS LAKE GOLD MINES LTD.

INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

MARCH 31, 2010

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FIRST QUARTER REPORT
MARCH 31, 2010

This Management Discussion and Analysis ("MD&A") of the financial condition and results of the operations of Moss Lake Gold Mines Ltd.'s ("Moss Lake" or the "Company") is intended to supplement and compliment the Company's unaudited interim financial statements for the three months ended March 31, 2010. This MD&A Analysis dated May 31, 2010, should be read in conjunction with these interim statements as well as the annual audited financial statements of the Company and the related annual MD&A for the year ended December 31, 2009. These notes have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). This Management's Discussion and Analysis contains "forward-looking statements" that are subject to risk factors set out in the cautionary statement below. All figures are in Canadian dollars unless otherwise stated. Additional information on Moss Lake Gold Mines Ltd. can be found at www.mosslakegold.com or www.sedar.com. Moss Lake securities trade on the TSX - Venture Exchange under the symbol "MOK". As at March 31, 2010, the total number of issued and outstanding Moss Lake shares is approximately 45.1 million.

CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS

All statements, other than statements of historical fact, constitute "forward-looking statements" and are based on expectations, estimates and projections as at the date of this MD&A. The words "believe", "expect", "anticipate", "plan", "intend", "continue", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. The Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Moss Lake to be materially different from the Company's estimated future results, performance or achievements expressed or implied by the forward-looking statements and the forward-looking statements are not guarantees of future performance. Factors that could cause results or events to differ materially from current expectations expressed or implied are inherent to the gold mining industry and include, but are not limited to, those discussed in the section entitled "Risks and Uncertainties". The Company does not intend, and does not assume any obligation to update these forward-looking statements, whether as a result of new information, future events or results or otherwise except as required by applicable laws.

GENERAL BUSINESS OVERVIEW

Moss Lake Gold Mines Ltd. was formed in 1994 to consolidate ownership of the Moss Lake property. In 1999 it acquired the large adjoining Fountain Lake property. The Company began trading on the Toronto Stock Exchange in 1995. In 2000, the Company migrated to the TSX Venture Exchange. The principal asset of the Company is the Moss Lake gold deposit. This large, low grade resource's value is sensitive to the gold price.

BALANCE SHEET AND OPERATIONS

At March 31, 2010, assets totalled $2,741,114 compared to $2,728,084 at year-end 2009. During the first quarter of 2010 the Company spent $5,469 on royalties and $955 on exploration expenditures for the Moss Lake property and spent $nil on exploration expenditures on the Fountain Lake property. The Company reported a loss for the first quarter of $33,951 (2008: $32,301). The ongoing corporate and general expenses required to run a public company continue to be monitored closely.

During the first quarter of 2010, corporate and general expenses were $19,245 compared to $18,620 in the first quarter of 2009.

LIQUIDITY AND CAPITAL RESOURCES

The Company is an exploration and development company and has no revenue. At March 31, 2010, the Company had cash resources of $3,361 compared to $9,753 at year-end 2009. The Company had a working capital deficit of $476,004 at March 31, 2010 compared to $435,629 at year-end 2009.

On November 19, 2008, the Company obtained a $300,000 loan from majority shareholder Wesdome Gold Mines Ltd. ("Wesdome"). As consideration the Company issued to Wesdome a convertible unsecured promissory note ("the note") having a two year term and bearing interest at 10% per annum. The principal amount of the note is convertible into common shares at $0.25 per share.

Management is examining means to finance current obligations and ongoing evaluation work under terms favourable to shareholders.

TRANSACTIONS WITH RELATED PARTIES

Under the terms of management agreements, Wesdome, as manager, provides technical and administrative support and carries out exploration programs on the Moss Lake and the Fountain Lake Properties for an indefinite term. Wesdome is entitled to administrative fees, expressed as a percentage of allowable costs (as defined and including capital expenditures) of 7.5% during the exploration phase, 5% during the development and pre-production phase and 2.5% after commencement of commercial production. Administrative fees charged amounted to $NIL for the period ended March 31, 2010, and $715 for the year ended December 31, 2009, all of which were capitalized to exploration properties.

Payables and accruals at March 31, 2010, and December 31, 2009, included $191,122 and $156,725, respectively, due to Wesdome.

SUMMARY OF QUARTERLY RESULTS

	2010	2009		
	1st Quarter	**4th Quarter**	**3rd Quarter**	**2nd Quarter**
Interest income	$ -	$ -	$ 4	$ -
Net loss (in thousands)	(34)	(31)	(31)	(36)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	2009	2008		
	1st Quarter	**4th Quarter**	**3rd Quarter**	**2nd Quarter**
Interest income	$ 28	$ 376	$ 619	$ 5,273
Net income (loss) (in thousands)	(32)	231	(15)	(42)
Net income (loss) per share	(0.00)	0.00	(0.00)	(0.00)

ANALYSIS OF EXPLORATION PROPERTIES

	Cost	Write down	Total
Balance, December 31, 2009	$ 9,678,597	$(6,969,752)	$ 2,708,845
Advance royalties	**5,469**	**-**	**5,469**
Camp operations	**285**	**-**	**285**
Retention	**670**	**-**	**670**
Balance, March 31, 2010	**$ 9,685,021**	**$(6,969,752)**	**$ 2,715,269**

ANALYSIS OF CORPORATE AND GENERAL EXPENSES

Three months ended March 31	**2010**	2009
Insurance	**$ 1,439**	$ 1,967
Audit fees	**3,750**	3,750
Professional fees	**1,890**	1,300
Stock exchange fees	**5,500**	5,400
Stock transfer fees	**2,146**	2,109
Filing fees	**210**	110
Shareholders' information	**2,850**	1,700
Conventions	**1,220**	2,034
Advertising and promotion	**-**	203
Miscellaneous	**240**	47
	$ 19,245	$ 18,620

RESOURCE ESTIMATES

In November, 2006, the Company received a 43-101 Technical Report, including mineral resource estimates on the Moss Lake property, from independent consultants Watts, Griffis and McOuat Limited. To 840 feet depth the deposit is estimated to contain Inferred Resources of 56,114,000 tons grading 0.027 ounces Au per ton, or about 1.51 million ounces. When a 0.015 ounce per ton cut-off grade is applied within the mineralized envelope, an Inferred Resource of 38,968,000 tons at 0.035 ounces per ton, or about 1.36 million contained ounces, results. The lead Qualified Person for the report was John R. Sullivan, P.Geo.

CRITICAL ACCOUNTING ESTIMATES

While management believes that these estimates and assumptions are reasonable, actual results could vary significantly.

Exploration Properties

The Company has not yet determined whether its exploration properties contain reserves that are economically recoverable. The recoverability of the carrying values of exploration properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and future profitable production there from or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. Management conducts periodic reviews of its mineral properties to determine if write-downs are required. Management concluded that no write-downs were required in 2010 or 2009.

FINANCIAL INSTRUMENTS

On November 19, 2008, the Company obtained a $300,000 loan from Wesdome. As consideration the Company issued to Wesdome a convertible unsecured promissory note (the "note") due November 19, 2010 and bearing interest at 10% per annum. The principal amount of the note is convertible, at any time up to maturity, into common shares in the capital of the Company at $0.25 per share. If Wesdome converts the principal amount of the note into Moss Lake shares, Wesdome will acquire an additional 1.2 million Moss Lake shares increasing its ownership by 1% to 57% of the issued and outstanding shares of Moss Lake.

The liability component of the note, in the amount of $254,167, is calculated as the present value of the principal and interest, discounted at 20%, a rate of approximately the interest rate that would have been applicable to non-convertible debt at the time the note was issued. This portion of the note is accreted over its term to the full face value by charges to interest expense. The equity element of the note, in the amount of $45,833, is comprised of the value of the exchange option, being the difference between the face value of the note and the liability component.

The net value assigned to the liability and equity components on issuance was $243,788 and $43,962 respectively. Transaction costs were then apportioned to the debt and equity components based on their respective carrying amounts when the instrument was issued. This resulted in an allocation of these costs to the liability and equity components of $10,379 and $1,871 respectively.

At March 31, 2010, the face value of the note is $300,000 however the note is valued at $281,357 using an effective interest rate of 21.88% and includes accretion of the discount during the period totalling $7,309 (2009: $6,311), which is included in interest expense on long term debt.

The Company's other financial instruments consist of cash, receivables and payables. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The Company estimates that the fair value of these financial instruments approximate the carrying values.

FINANCIAL INSTRUMENTS – DISCLOSURES AND PRESENTATION

Financial instruments disclosures requires the Company to provide information about: a) the significance of financial instruments for the Company's financial position and performance and b) the nature and extent of risks arising from financial instruments to which the Company is exposed during the period and at the balance sheet date, and how the Company manages those risks.

Financial Instruments
Following is a table which sets out the fair values of recognized financial instruments using the valuation methods and assumptions described below:

	March 31 2010	December 31 2009
Financial assets		
Held for trading:		
Cash	**$ 3,361**	$ 9,753
Loans and receivables:		
Receivables	**22,484**	9,486
Financial liabilities		
Other financial liabilities		
Payables and accruals	**$ 220,492**	$ 180,820

Determination of Fair Value
The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between willing parties. The Company uses the following methods and assumptions to estimate fair value of each class of financial instruments for which carrying amounts are included in the Balance Sheet as follows:

Cash – The carrying amounts approximate fair values due to the short maturity of these financial instruments.

Receivables – The carrying amounts approximate fair values due to the short maturity of these financial instruments.

Other financial liabilities – Payables, accruals and the convertible promissory note are carried at amortized cost. The carrying amount of payables and accruals approximates fair values due to the short maturity of these financial instruments. The fair value of the convertible promissory note cannot be reliably measured.

The fair value hierarchy for financial instruments measured at fair value is Level 1 for cash. The Company does not have Level 2 or Level 3 inputs.

Financial Risk Management
The Company is exposed to a number of different risks arising from normal course business exposures, as well as the Company's use of financial instruments. These risk factors include: (1) market risks relating to interest rate risk; (2) liquidity risk; and, (3) credit risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and establishes and monitors risk management policies to: identify and analyze the risks faced by the Company; to set appropriate risk limits and controls; and to monitor risks and adherence to market conditions and the Company's activities.

1) Market Risk
Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. As a development stage company the market price movements that could adversely affect the value of the Company's financial assets, liabilities and expected future cash flows are limited to interest rate risk. Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk. Fluctuations in market rates of interest do not have a significant impact on the Company's results of operations due to the short term to maturity of the investments held.

2) Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from anticipated investing and financing activities. The Company believes it has access to sufficient capital through equity and debt capital markets. Senior management is also actively involved in the review and approval of planned expenditures.

The following table shows the timing of cash outflows relating to trade payables and accruals and convertible promissory note:

	<1 Year	1-2 Years	3-5 Years	Over 5 Years
Payables and accruals	$ 220,492			
Convertible promissory note	$ 281,357			

3) Credit Risk
Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company's accounts receivable consist primarily of deposits and government refunds. The Company estimates its maximum exposure to be the carrying value of cash and receivables. The Company manages credit risk by maintaining bank accounts with Schedule 1 Canadian banks and investing only in Guaranteed Investment Certificates. The Company's cash is not subject to any external restrictions.

ENVIRONMENT

Moss Lake is committed to a program of environmental protection at its exploration sites. Management believes that it was in material compliance with government regulations in 2010.

RISKS AND UNCERTAINTIES

The inherent risks which most profoundly affect the Company's activities are the price of gold and the ability of the Company to obtain financing necessary to establish economic ore reserves. The Company has continued to rely on the financial support of parent company, Wesdome Gold Mines Ltd. Although this cannot be counted upon in the future, Wesdome has been supportive of Moss Lake's efforts and has provided a backup source of capital.

CHANGES IN ACCOUNTING POLICIES

On January 1, 2009, the Company adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3064, "*Goodwill and Intangible Assets*". The new standard replaces the previous goodwill and intangible asset standard and revises the requirement for recognition, measurement, presentation and disclosure of intangible assets. The adoption of this standard did not have an impact on the Company's financial statements.

In March 2009, the CICA issued EIC Abstract 174, "*Mining, Exploration Costs"* ("EIC-174") which supersedes EIC Abstract 126, "*Accounting by Mining Enterprises for Exploration Costs*" ("EIC-126"), to provide additional guidance for mining exploration enterprises on the accounting for capitalization of exploration costs and when an impairment test of these costs is required. EIC-174 is applicable for the Company's interim and annual financial statements for periods ending on or after March 27, 2009 with retroactive application. The adoption of this policy did not have an impact on the Company's financial statements.

Future Accounting Changes

In January 2009, the CICA issued Handbook Section 1582, *"Business Combinations"* which requires all assets and liabilities of an acquired business be recorded at fair value at acquisition. Obligations for contingent consideration and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition related costs are expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. The standard applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period on or after January 1, 2011.

In January 2009, the CICA issued Handbook Section 1601,*"Consolidations"* and Section 1602, *"Non-controlling Interests"*. Section 1601 establishes standards for the preparation of financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in financial statements subsequent to a business combination. These standards apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. The changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company's transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the fiscal year commencing January 1, 2010.

The Company has commenced the process to transition from current Canadian GAAP to IFRS. The transition process consists of three primary phases: scoping and diagnostic phase; impact analysis, evaluation and design phase; and implementation and review phase.

- Scoping and diagnostic phase – A preliminary diagnostic review was completed at a high level which determined the financial reporting differences under IFRS and the key areas that may be impacted. The areas with the highest potential impact were identified to include the basis of related party transactions, impairment of assets, financial instruments and initial adoption of IFRS under the provisions of IFRS 1.

- Analysis, quantification and evaluation phase – In this phase, each area identified from the scoping and diagnostic phase will be addressed in order of descending priority. This phase involves specification of changes required to existing accounting policies, information systems and business processes, together with an analysis of policy alternatives allowed under IFRS and development of draft IFRS financial statement content. The Company anticipates that there will be changes in accounting policies and that these changes may materially impact the financial statements. The full impact on future financial reporting is not reasonably determinable or estimable at this time.

- Implementation and review phase – This phase includes execution of any changes to information systems and business processes and completing formal authorization processes to approve recommended accounting policy changes. It will also include the collection of financial information necessary to compile IFRS-compliant financial statements and audit committee approval of IFRS financial statements.

Having completed the scoping and diagnostic phase and commenced the analysis phase, the Company expects that the areas that will be significantly affected by the transition to IFRS will be as follows:

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

- Optional exemptions from specific aspects of certain IFRS standards in the preparation of the Company's opening balance sheet: and
- Mandatory exceptions to retrospective application of certain IFRS standards.

Additionally, to ensure financial statements contain high-quality information that is transparent to users, IFRS 1 contains disclosure requirements to highlight changes made to financial statement items due to the transition to IFRS.

Impairment (IAS36)
IFRS requires the use of a one-step impairment test (impairment testing is performed using discounted cash flows) rather than the two-step under Canadian GAAP (using undiscounted cash flow as a trigger to identify potential impairment loss). IFRS requires reversal of impairment losses (excluding goodwill) where previous adverse circumstances have changed; this is prohibited under Canadian GAAP.

Impairment testing should be performed at the asset level for long-lived assets and intangible assets. Where the recoverable amount cannot be estimated for individual assets, it should be estimated as part of a Cash Generating Unit ("CGU").

Share-based payments (IFRS 2)
Per IFRS, the forfeiture rate, with respect to share options, needs to be estimated by the Company at the grant date instead of recognizing the entire compensation expense and only record actual forfeitures as they occur. For graded-vesting features, IFRS requires each instalment to be treated as a separate share option grant, because each instalment has a different vesting period and hence the fair value of each instalment will differ.

Mineral property interest, exploration and evaluation costs (IFRS 6, IAS16, IAS38)
Under IFRS, the Company would be required to develop an accounting policy to specifically and consistently identify which expenditures on exploration and evaluation activities will be recorded as assets. Unlike IFRS, Canadian GAAP indicates that exploration costs may initially be capitalized if the Company considers that such costs have the characteristics of property, plant and equipment. Exploration and evaluation assets shall be classified as either tangible or intangible according to the nature of the assets acquired.

Information systems
No significant challenges are expected at this point to operate the accounting system under IFRS. The Company has yet to establish if historical data will have to be regenerated to comply with some of the choices to be made under IFRS 1. Once the extent of the adjustments needed to

convert to IFRS will be established, processes will be put in place to generate the dual accounting needed for 2010.

Internal controls
Management is responsible for ensuring that processes are in place to provide them with sufficient knowledge to support their certification of the financial statements and MD&A, more specifically assessing that the SEDAR filings are presenting fairly the results of the Company. Management will make sure that once the convergence process is completed, it can still certify its filings.

Impact on the business
The business processes of the Company are not expected to be effected significantly to operate under IFRS. The Company has no foreign currency transactions, no hedging activities, no debt or capital covenants. The Company doesn't expect that IFRS will have an impact on the requirements or business processes when it enters into flow-through financing. The Company has no compensation arrangements that will be affected by the IFRS implementation. The Company's Stock Option Plan is not affected by ratios or financial targets.

The International Accounting Standard Board currently has projects underway that are expected to result in new pronouncements and as a result, IFRS as at the transition date is expected to differ from its current form. The final impact of IFRS on the financial statements will only be determined once all applicable standards at the conversion date are known.

OUTLOOK

In 2009, work resumed on remodelling of the mineralized zones at Moss Lake to update the resource estimate. The results of this updated estimate are expected shortly. Preliminary studies by consultants Watts, Griffis and McOuat further recommend more metallurgical testwork, design of a conceptual site plan and hydrological studies be undertaken in order to provide information for reliable capital and operating cost assumptions.

Management is of the view that the Moss Lake deposit displays geometries favourable for the application of large scale open pit mining techniques. Furthermore, we believe that at $1,000 per ounce gold, we are on the cusp of seeing significant economic potential as the gold price rises.

OUTSTANDING SHARE DATA

As of May 31, 2010, the Company's share information is as follows:

Common shares issued	45,184,679
Common share purchase options	1,850,000
Common share purchase warrants	Nil

Moss Lake Gold Mines Ltd.
(A Development Stage Company)
Balance Sheets
(Unaudited

	March 31 2010	December 2009
Assets		
Current		
Cash	**$ 3,361**	$ 9,753
Receivables	**22,484**	9,486
	25,845	19,239
Exploration properties (Note 3)	**2,715,269**	2,708,845
	$ 2,741,114	$ 2,728,084

	March 31 2010	December 2009
Liabilities		
Current		
Payables and accruals	**$ 220,492**	$ 180,820
Convertible promissory note (Note 4)	**281,357**	274,048
	501,849	454,868
Shareholders' Equity		
Capital stock (Note 5)	**10,085,654**	10,085,654
Contributed surplus	**229,408**	229,408
Equity component of convertible promissory note (Note 4)	**43,962**	43,962
Deficit	**(8,119,759)**	(8,085,808)
	2,239,265	2,273,216
	$ 2,741,114	$ 2,728,084

Nature and continuation of operations (Note 1)
Environmental risks (Note 9)

See accompanying notes to the interim financial statements.

Moss Lake Gold Mines Ltd.

(A Development Stage Company)

Interim Statements of Operations, Comprehensive Income and Deficit

(Unaudited)

Three Months Ended March 31		**2010**		2009
Interest income	**$**	**-**	$	28
Costs and expenses				
Interest on long term debt (Note 4)		**14,706**		13,709
Corporate and general		**19,245**		18,620
		33,951		32,329
Net loss before income taxes				
Recovery of future income taxes				
Net loss and comprehensive loss		**(33,951)**		(32,301)
Deficit, beginning of period		**(8,085,808)**		(7,955,644)
Deficit, end of period	**$**	**(8,119,759)**	$	(7,987,945)
Net loss per common share (Note 6)				
Basic and fully diluted	**$**	**(0.00)**	$	(0.00)

Interim Statements of Shareholders' Equity

(Unaudited

	Capital Stock	Common Share Purchase Warrants	Contributed Surplus	Equity Component of Promissory Note	Deficit	Total Shareholders' Equity
Balance, December 31, 2008	$10,063,894	$ 20,000	$ 213,843	$ 43,962	$ (7,955,644)	$2,386,055
Net loss for year ended December 31, 2009	-	-	-	-	(130,164)	(130,164)
Exercise of warrants	17,325	-	-	-	-	17,325
Value attributed to warrants exercised	4,435	-	(4,435)	-	-	-
Common share purchase warrants expired	-	(20,000)	20,000	-	-	-
Balance, December 31, 2009	10,085,654	-	229,408	43,962	(8,085,808)	2,273,216
Net loss for period ended March 31, 2010	**-**	**-**	**-**	**-**	**(33,951)**	**(33,951)**
Balance, March 31, 2010	**$10,085,654**	**$ -**	**$ 229,408**	**$ 43,962**	**$ (8,119,759)**	**$2,239,265**

See accompanying notes to the interim financial statements.

Moss Lake Gold Mines Ltd.
(A Development Stage Company)
Interim Statements of Cash Flows
(Unaudited)

Three Months Ended March 31		**2010**		2009
Increase (decrease) in cash				
Operating activities				
Net loss	**$**	**(33,951)**	$	(32,301)
Accretion of discount on convertible promissory note		**7,309**		6,311
Change in receivables and payables		**26,674**		12,777
		32		(13,213)
Investing activities				
Additions to exploration properties		**(6,424)**		(6,413)
Increase (decrease) in cash		**(6,392)**		(19,626)
Cash, beginning of period		**9,753**		69,400
Cash, end of period	**$**	**3,361**	$	49,774

See accompanying notes to the interim financial statements.

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Moss Lake Gold Mines Ltd. (the “Company”) is a publicly traded company, and is incorporated under the Business Corporations Act (Ontario). The Company’s common shares are listed on the TSX Venture Exchange (TSXV: MOK). The Company carries on business in one segment, being the acquisition, exploration and development of properties for the mining of precious and base metals in Canada (see Note 3 for developments to date). The Company has not earned any revenue to date from its operations and is therefore, considered to be in the development stage. The amounts shown as property acquisition costs do not necessarily represent present or future values. The Company is a subsidiary of Wesdome Gold Mines Ltd. (“Wesdome”), a publicly held company, which is listed on the Toronto Stock Exchange (TSX: WDO).

These interim financial statements have been prepared by management in accordance with Canadian accounting principles generally accepted in Canada. Certain information and disclosure normally required to be included in notes to annual financial statements have been condensed or omitted. The interim financial statements should be read in conjunction with the audited financial statements and the notes thereto in the Company’s annual report for the year ended December 31, 2009. The interim financial statements have been prepared following the same accounting policies and methods of computation as the audited financial statements for the year ended December 31, 2009.

Continuation of Operations
The Company has incurred significant losses and, at Mach 31, 2010, the Company had a deficit of $8.1 million and a working capital deficiency of $476,004. The recoverability of the carrying value of exploration properties is dependent upon the continued support of Wesdome, the preservation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to develop ore reserves, future profitable production therefrom or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. Management is required to secure financing to discharge its current and future obligations. While the Company has been successful in the past, there can be no assurance it will be able to raise sufficient funds in the near term. Changes in future conditions could require additional write-downs of the carrying values.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

These financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

In August 2009, the Canadian Institute of Chartered Accounts (“CICA”) issued an amendment to Section 1625, “*Comprehensive Revaluation of Assets and Liabilities*”. This amendment states that assets and liabilities may be comprehensively revaluated by means of push-down accounting when the conditions in the guidelines are met.

2. FUTURE ACCOUNTING CHANGES

In January 2009, the CICA issued Handbook Section 1582, *"Business Combinations"* which requires all assets and liabilities of an acquired business be recorded at fair value at acquisition. Obligations for contingent consideration and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition related costs are expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. The standard applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period on or after January 1, 2011.

In January 2009, the CICA issued Handbook Section 1601,*"Consolidations"* and Section 1602, *"Non-controlling Interests"*. Section 1601 establishes standards for the preparation of financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in financial statements subsequent to a business combination. These standards apply to interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

3. EXPLORATION PROPERTIES

	2010	2009
Cost of properties	**$ 6,481,081**	$ 6,481,081
Exploration expenditures	**2,746,783**	2,745,828
Settlement of advance royalties	**105,000**	105,000
Underlying advance royalties	**352,157**	346,688
	9,685,021	9,678,597
Write-down of carrying values	**(6,969,752)**	(6,969,752)
	$ 2,715,269	$ 2,708,845

The Company has interests in the following contiguous properties in the Moss Township west of Thunder Bay, Ontario:

Moss Lake Property
The Company has a 100% interest in this property consisting of 10 mining claims of 11 claim units and 2 mining leases of 15 units which were acquired in 1995. The Company is obligated to pay underlying advance royalties of $5,469 per quarter to certain original vendors until commercial production is achieved. Upon commencement of commercial production, the property is subject to an 8.75% net profits royalty, as defined, to these underlying vendors in lieu of the underlying advance royalty.

In addition, the property includes 3 mining claims of 15 contiguous claim units acquired in 1998. These units are subject to a 1% net smelter return royalty.

Fountain Lake Property
The Company has a 100% interest in this property consisting of 149 mining claims contiguous to the Moss Lake property to the east, west and south, and is subject to a 2.5% net smelter return royalty payable to certain original vendors of the property. This royalty is subject to a buyback clause whereby the royalty may be reduced to 1.5% net smelter return for consideration of $1.0 million.

4. CONVERTIBLE PROMISSORY NOTE

On November 19, 2008, the Company obtained a $300,000 loan from Wesdome. As consideration the Company issued to Wesdome a convertible unsecured promissory note (the "note") due November 19, 2010 and bearing interest at 10% per annum. The principal amount of the note is convertible, at any time up to maturity, into common shares in the capital of the Company at $0.25 per share. If Wesdome converts the principal amount of the note into Moss Lake shares, Wesdome will acquire an additional 1.2 million Moss Lake shares increasing its ownership by 1% to 57% of the issued and outstanding shares of Moss Lake.

The liability component of the note, in the amount of $254,167, is calculated as the present value of the principal and interest, discounted at 20%, a rate of approximately the interest rate that would have been applicable to non-convertible debt at the time the note was issued. This portion of the note is accreted over its term to the full face value by charges to interest expense. The equity element of the note, in the amount of $45,833, is comprised of the value of the exchange option, being the difference between the face value of the note and the liability component.

The net value assigned to the liability and equity components on issuance was $243,788 and $43,962 respectively. Transaction costs were then apportioned to the debt and equity components based on their respective carrying amounts when the instrument was issued. This resulted in an allocation of these costs to the liability and equity components of $10,379 and $1,871 respectively.

At March 31, 2010, the face value of the note is $300,000 however the note is valued at $281,357 using an effective interest rate of 21.88% and includes accretion of the discount during the period totalling $7,309 (2009: $6,311), which is included in interest expense on long term debt.

5. CAPITAL STOCK

Authorized:
The authorized capital of the Company consists of an unlimited number of preference shares and common shares without par value. The preference shares may, from time to time, be issued in one or more series the rights, privileges, restrictions and conditions of which may be determined by the Board of Directors. No preference shares have been issued.

Common Shares Issued:

	Shares	Amount
Balance, December 31, 2008	45,115,379	$ 10,063,894
Exercise of warrants	69,300	17,325
Value attributed to warrants exercised	-	4,435
Balance, December 31, 2009 and March 31, 2010	**45,184,679**	**$ 10,085,654**

5. CAPITAL STOCK (continued)

Prior to November 15, 2009, 69,300 common share purchase broker warrants were exercised. These warrants entitled the holder to purchase one common share of the Company at a price of $0.25 per share.

Common Share Purchase Plan
The Company has a common share purchase plan (the "Plan") under which the Board of Directors may grant options to purchase common shares of the Company to qualifying employees, officers or directors providing on-going services to the Company. The aggregate number of common shares which may be reserved for issuance under the Plan is limited to 10% of the Company's issued and outstanding common shares from time to time. As at March 31, 2010, 2,668,468 common shares are available for grant under the Plan.

The following table reflects the continuity for the three months ended March 31, 2010 and 2009 of options granted under the plan.

	Shares		Weighted Average Exercise Price	
	2010	2009	**2010**	2009
Outstanding, beginning period	**1,850,000**	1,950,000	**$ 0.289**	$ 0.287
Granted	**-**	-	**$ -**	$ -
Expired	**-**	-	**$ -**	$ -
Outstanding, end of period	**1,850,000**	1,950,000	**$ 0.289**	$ 0.287

The following information applies to options outstanding and exercisable at March 31, 2010.

Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Number Exercisable
$0.25	800,000	1.25 years	800,000
$0.30	100,000	1.75 years	100,000
$0.25	500,000	2.25 years	500,000
$0.40	450,000	2.75 years	450,000
	1,850,000		1,850,000

There have been no options granted since 2007. The estimated fair value of the options is expensed over the vesting period. The fair value of compensation and contributed surplus relating to stock options was $Nil for March 31, 2010 and December 31, 2009.

6. LOSS PER COMMON SHARE

Loss per common share is based on a weighted average number of shares outstanding of 45,184,679 for March 31, 2010 and 45,115,377 for 2009. The effect of common share purchase options, warrants and convertible notes on the net loss in 2010 and 2009 is not reflected as to do so would be anti-dilutive.

7. RELATED PARTY INFORMATION

Other than amounts owing, interest paid and shares issued to Wesdome on the convertible promissory notes (Notes 4 and 5) the Company had the following transactions and balances with related parties.

Under the terms of management agreements, Wesdome, as manager, provides technical and administrative support and carries out annual exploration programs on the Moss Lake and the Fountain Lake Properties for an indefinite term. Wesdome is entitled to administrative fees, expressed as a percentage of allowable costs (as defined and including capital expenditures) of 7.5% during the exploration phase, 5% during the development and pre-production phase and 2.5% after commencement of commercial production. Administrative fees charged at March 31, 2010 and December 31, 2009 amounted to $Nil and $715, respectively, all of which were capitalized to exploration properties. These transactions were in the normal course of operations and were measured at the exchange amounts.

Payables and accruals at March 31, 2010 and December 31, 2009 included $191,122 and $156,725 respectively, due to Wesdome.

8. FINANCIAL INSTRUMENTS – DISCLOSURES AND PRESENTATION

Financial instruments disclosures requires the Company to provide information about: a) the significance of financial instruments for the Company's financial position and performance and b) the nature and extent of risks arising from financial instruments to which the Company is exposed during the period and at the balance sheet date, and how the Company manages those risks.

Financial Instruments

Following is a table which sets out the fair values of recognized financial instruments using the valuation methods and assumptions described below:

	March 31 2010	December 2009
Financial assets		
Held for trading:		
Cash	**$ 3,361**	$ 9,753
Loans and receivables:		
Receivables	**22,484**	9,486
Financial liabilities		
Other financial liabilities		
Payables and accruals	**$ 220,492**	$ 180,820
Convertible promissory note	**281,357**	274,048

8. FINANCIAL INSTRUMENTS – DISCLOSURES AND PRESENTATION (continued)

Determination of Fair Value
The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between willing parties. The Company uses the following methods and assumptions to estimate fair value of each class of financial instruments for which carrying amounts are included in the Balance Sheet as follows:

Cash – The carrying amounts approximate fair values due to the short maturity of these financial instruments.

Receivables – The carrying amounts approximate fair values due to the short maturity of these financial instruments.

Other financial liabilities – Payables, accruals and the convertible promissory note are carried at amortized cost. The carrying amount of payables and accruals approximates fair value due to the short maturity of these financial instruments. The fair value of the convertible promissory note is based on the quoted market price.

The fair value hierarchy for financial instruments measured at fair value is Level 1 for cash. The Company does not have Level 2 or Level 3 inputs.

Financial Risk Management
The Company is exposed to a number of different risks arising from normal course business exposures, as well as the Company's use of financial instruments. These risk factors include: (1) market risks relating to interest rate risk; (2) liquidity risk; and, (3) credit risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and establishes and monitors risk management policies to: identify and analyze the risks faced by the Company; to set appropriate risk limits and controls; and to monitor risks and adherence to market conditions and the Company's activities.

1) Market Risk
Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. As a development stage company the market price movements that could adversely affect the value of the Company's financial assets, liabilities and expected future cash flows are limited to interest rate risk. Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk. Fluctuations in market rates of interest do not have a significant impact on the Company's results of operations due to the short term to maturity of the instruments held.

8. FINANCIAL INSTRUMENTS – DISCLOSURES AND PRESENTATION (continued)

2) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from anticipated investing and financing activities. The Company believes it has access to sufficient capital through equity and debt capital markets. Senior management is also actively involved in the review and approval of planned expenditures.

The following table shows the timing of cash outflows relating to trade payables and accruals and convertible promissory note:

	<1 Year	1-2 Years	3-5 Years	Over 5 Years
Payables and accruals	$ 220,492			
Convertible promissory note	$ 281,357			

3) Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company's accounts receivable consist primarily of deposits and government refunds. The Company estimates its maximum exposure to be the carrying value of cash and receivables. The Company manages credit risk by maintaining bank accounts with Schedule 1 Canadian banks and investing only in Guaranteed Investment Certificates. The Company's cash is not subject to any external restrictions.

9. ENVIRONMENTAL RISKS

Moss Lake is committed to a program of environmental protection at its exploration sites. Management believes that it was in material compliance with government regulations in 2010.

10. INDEMNITIES

The Company has agreed to indemnify its directors and officers, and certain of its employees in accordance with the Company's by-laws. The Company maintains insurance policies that may provide coverage against certain claims.

11 CAPITAL RISK MANAGEMENT

The Company's objectives of capital management are intended to safeguard its ability to support the Company's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The capital of the Company consists of the items included in shareholders' equity and debt obligations net of cash. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets. In order to maintain or adjust its capital structure, the Company may issue new shares, issue new debt or issue new debt to replace existing debt with different characteristics.

Management intends to undertake an equity financing to discharge its current and future obligations.

The Company is not subject to any externally imposed capital requirements such as loan covenants or capital ratios.

There were no changes to the Company's approach to capital management during the current period.