ENDURANCE GOLD CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
For the three month period ended March 31, 2011

This Management's Discussion and Analysis ("MD&A"), prepared as of May 31, 2011 (the "Report Date"), reviews the activities of Endurance Gold Corporation and its US subsidiary ("Endurance", or the "Company") and compares the financial results for the three month period ended March 31, 2011 with the comparable period in 2010.

This MD&A should be read in conjunction with the unaudited interim consolidated financial statements for the three month period ended March 31, 2011 and the related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All monetary amounts are in Canadian dollars unless otherwise noted. Additional information relating to the Company is available for viewing on the Company's website at www.endurancegold.com or on SEDAR at www.sedar.com.

Overview

Endurance (formerly 6172342 Canada Ltd.) was incorporated under the provisions of the *Canada Business Corporations Act* on December 16, 2003 and continued into British Columbia on August 16, 2004. Endurance is a company focused on the exploration and development of mineral properties in North America. The Company's current commodity focus is on gold, rare earth and nickel. The Company's common shares have been listed and traded on the TSX Venture Exchange (the "Exchange") under the symbol "EDG" since August 4, 2005.

The Company's properties are in the exploration stage and the Company has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of the exploration and evaluation assets and upon future profitable production or proceeds from the disposition thereof.

The Company formed a 100% owned U.S. subsidiary, Endurance Resources Inc. ("ERI"), on October 28, 2008 to acquire and evaluate several exploration project opportunities in the United States.

Exploration Activities

The Company incurred $96,090 in exploration expenditures during the current three-month period. The costs were primarily related to the Company's expenditures on the Bandito Option in Yukon and the Rattlesnake-Natrona gold project in Wyoming.

Considerable effort has been directed at the evaluation of new acquisition opportunities for the Company with evaluations primarily focused on the Americas.

Bandito Property, Yukon, Canada (Option to earn 75%)

In August 2010, the Company entered into an option agreement with True North Gems Inc. ("TGX"), whereby the Company can earn up to a 75% interest in the Bandito property located in the Watson Lake district, Yukon Territory. Under the terms of the agreement, Endurance can earn an initial 51% joint venture interest in the Bandito property by completing a total of $125,000 ($25,000 paid) in cash payments by December 31, 2012 and also completing $1,000,000 in exploration expenditures by December 31, 2013 with an exploration work commitment of $25,000 in 2010. Endurance completed sufficient exploration expenditures during 2010 to fulfill and exceed its 2010 exploration work commitment. The excess work expenditures can be carried forward to meet the 2011 cumulative work requirement of $175,000.

Once Endurance earns its 51% interest, it has a further option that will allow Endurance to acquire an additional 24% interest (total 75%) by issuing TGX 200,000 shares of Endurance and by completing an additional $1,000,000 in exploration expenditures prior to December 31, 2015.

In March 2011, the Company announced that further staking and recording of an additional 108 claims increased the size of the Bandito property to a total of 253 claims or about 5,300 hectares. The new claims staked are located primarily within the area of mutual interest of the agreement with TGX.

The Bandito property is underlain by Proterozoic-aged sandstone, argillite and andesite-jasper breccias which have been intruded by Proterozoic-aged (650 Ma) multi-phased nepheline syenite (**Syenite**). The north trending Beaver River Thrust truncates the Proterozoic assemblage on the west edge of the property, with younger Paleozoic sediments on the north, east and west sides of the property. Compilation of historic mapping and petrographic studies indicate that an approximate nine-square kilometer area of the Syenite and host rocks has been altered through potassium and sodium metasomatism and the introduction of magnetite and hematite. Alteration is currently interpreted to be Proterozoic in age and occurs both within the Syenite, which is intensely sericite altered, and in the adjoining Proterozoic-aged sediments in which the host rocks have been variably altered to potassium feldspar, albite, carbonates, arfvedsonite, riebeckite, aegirine, magnetite, specular hematite, chlorite, rhodonite, sphene, zircon, monazite, xenotime, pyrochlore, fluorite, and apatite (**Fenite**). Some Syenite dikes and possible cupolas also intrude the country rock. The acquisition of additional mineral claims in 2010 and the first quarter was intended to adequately encompass the area of alteration and Fenite identified from historic mapping and anomalies identified in a regional geochemical stream sediment sampling program completed in 2010.

In 2006 TGX collected grab samples that assay up to 2.07% copper and 11.0% nickel from a 700 by 400 meter area of a hematite and iron oxide enriched crackle and diatreme breccia and altered hornfels sediments and syenites (**Gossan Target**) near the syenite intrusive contact and within the area of alteration noted above.

The Bandito property was also previously explored in 1980 and 1986 for uranium and rare earth elements (**REE**), with some encouraging results for REE in multiple samples over the nine square kilometer area associated with the altered nepheline syenite and Fenite. In addition, Endurance has recently located the REE results from a confirmatory sampling program conducted by James Allan of Unocal Canada and Molycorp in 1987. Based on a full compilation of the historic geology, geochemistry and geophysics, eleven (11) separate REE target areas have been identified on the Bandito property. The highlights of 1980, 1986, 1987 and 2006 REE and niobium analysis on the more significant targets are summarized as follows:

Sample Number	***Target Area***	***Sample Description*** (5)	***REE Results (ppm)*** (5)
1980 - Collected by Culbert and Beaty for E&B Exploration Inc. (1)			
CR-COD-2	*Potters Camp*	*chlorite fenite*	*8,820 ppm La; 7,775 ppm Ce; and 1,400 ppm Y*
CR-COD-4	*COD Ridge*	*fenite*	*3,465 ppm La; 4,235 ppm Ce; and 1,820 ppm Y*
CR-CE-4	*Anatase-Pyro*	*fenitized arenite*	*3,480 ppm La; 3,500 ppm Ce; and 840 ppm Y*
CR-TOD-5	*TOD Ridge*	*rhodonite skarn*	*3,550 ppm La; 3,400 ppm Ce; and 1,750 ppm Y*
1986 - Collected by Haynes for Consolidated Silver Standard Mines Ltd. (2)			
R2-15543	*Potters Camp trench 86-10*	*Channel in red syenite-fenite?*	*9,654 ppm TREE+Y over 7.5 meters*
R2-20599	*Potters Camp trench 86-11*	*Channel in red syenite*	*3,889 ppm TREE+Y over 3.2 meters*
R2-15546	*Potters tr. 86-10*	*Fenite*	*10,069 ppm TREE+Y*
R2-20581	*COD Ridge*	*no description*	*28,340 ppm TREE+Y*
R2-20591	*ODIN*	*no description*	*37,445 ppm TREE+Y*
R2-20635	*North-Sid-Beaver*	*(no description)*	*17,605 ppm TREE+Y*

Sample Number	***Target Area***	***Sample Description*** [(5)]	***REE and niobium (Nb) Results (ppm)*** [(5)]
1987 – Collected by James Allan for Unocal Canada and Molycorp [(3)]			
BA-24-1	*Potters Camp*	*red syenite*	*>10,000 ppm La; 8,800 ppm Ce; 2,400 ppm Y*
P-7	*COD Ridge*	*syenite*	*3,000 ppm La; 3,300 ppm Ce; 370 ppm Y;*
6606	*Potters Camp*	*red syenite*	*2,500 ppm La, 2,600 ppm Ce, 1,400 ppm Y*
BA-10	*Upper Thor*	*syenite*	*5,700 ppm Nb, 1,100 ppm Zr*
BA-33-2	*Gossan*	*red syenite*	*1,500 ppm Nb; 2,700 ppm La; 3,500 ppm Ce*
BA-35	*Gossan*	*red syenite*	*3,700 ppm La, 2,800 ppm Ce, 2,200 ppm Nb,*
2006 –collected by True North Gems, analyzed for REE in 2010 by Endurance Gold Corp. [(4)]			
GD-69A	*Gossan*	*albite fenite*	*0.558% TREO+Y, 1,925 ppm Nb,*
478706	*Gossan*	*red syenite*	*0.565% TREO+Y, 2,240 ppm Nb, (+Ni & Cu)*
478707	*Gossan*	*fenite breccia*	*0.432% TREO+Y, 1,805 ppm Nb, (+Ni & Cu)*
GD-4	*Anatase*	*fenite breccia*	*0.584% TREO+Y*

(1) no analytical technique or laboratory identified with the 1980 data sheets. La, Ce, and Y assumed to be analyzed by Chemex using x-ray fluorescence (marginal notes to data indicate thorium interference).
(2) 1986 data for all REE analyzed by x-ray fluorescence using Bondar-Clegg. Thorium and zirconium interference noted.
(3) Unocal 1987 data for La, Ce, Y, and Nb analyzed by x-ray fluorescence using Bondar-Clegg. Thorium and/or zirconium interference noted.
(4) True North 2006 samples analyzed in 2010 for complete REE series by fusion and ICPMS by ALS Minerals.
(5) All of the samples are grab samples, except as noted. Grab samples are selective by nature and are unlikely to represent average grades on the property.

Base metal analytical highlights of this confirmatory grab sampling at the Gossan Target include 11.0% nickel, 2.07% copper, 27.1% bismuth and one sample with1.88% lead. Elevated arsenic and antimony are often associated with this base metal mineralization. All of the high base metal results are associated with diatreme and/or crackle breccia in hornfels, Fenite and altered fine grained syenite. In addition, a zone of bismuth-nickel mineralization in altered albite-aegirine-iron oxide metasomatized rocks with 1.145% bismuth and highly anomalous nickel has been identified at the Anatase-Pyrochlore Dome target, about one kilometer from the nickel zone at the Gossan Target.

In addition to the eleven (11) rare earth targets, several additional targets have been identified on the Bandito Property that host potential for the discovery of nickel and copper mineralization of a similar style to the Gossan target. Targets include a combination of stream sediment anomalies, hematite cemented breccia, airborne magnetic and electromagnetic anomalies, and topographic-vegetation anomalies.

The earlier exploration activities did not systematically evaluate the Bandito property for its potential to host significant base or precious metal prospects. Furthermore the available information from historic activity is insufficient to evaluate whether zones of economically significant REE or niobium concentrations exist on the property.

A systematic exploration program of soil sampling, geological mapping, rock sampling and trenching is planned by Endurance for the summer of 2011, with the objective of prioritizing targets for drilling.

Rattlesnake-Natrona Gold Project, Wyoming, USA - (100% interest)

In 2009 and 2010, the Company, through ERI, has acquired a 100% interest in ten (10) properties totalling over 3,840 acres in the Rattlesnake Hills area of Wyoming.

Five of the ERI properties immediately adjoin Evolving Gold Corporation's Rattlesnake Hills property where gold mineralization has been discovered at the North Stock Target and Antelope Target. ERI's most prospective properties are located between 1.7 and 4.0 kilometres from the North Stock Target area on the Evolving Gold's property, the most significant of the new gold discoveries on the adjoining property. In May 2011, Evolving Gold announced a deal with Agnico-Eagle that provides Agnico-Eagle the option to earn a 70% interest in their adjoining property by carrying Evolving Gold through completion of a feasibility study. To earn the 70% interest, Agnico-Eagle is also required to make payments to Evolving Gold totaling $12 million, to purchase Evolving Gold's common shares for a total amount of $23 million, and to expend a minimum of $41 million on exploration/development work on the project.

The Endurance properties were targeted to cover areas underlain by Tertiary phonolite (alkalic) intrusions, emplaced into Precambrian aged metavolcanics. This geological environment is identical to that hosting Evolving Gold's North Stock and Antelope Basin discoveries, where gold mineralization occurs in brecciated zones within and adjacent to the alkalic intrusions, and extends into the surrounding schists of the Precambrian country rock.

Mapping in 2009 and 2010 by Endurance has confirmed the presence of eight Tertiary alkalic intrusions on five of the Company's ten properties. Zones of intense brecciation and shearing were noted on one of the properties and two other properties contained areas of moderate iron staining indicative of weathered sulphide mineralization within or near to the intrusions. In 2009, a total of 73 rock samples and 43 soil samples were collected during the program. One grab sample of the brecciated material returned a gold analysis of 0.66 grams per tonne gold ("gpt Au"). Elsewhere, soil anomalies to up to 213 parts per billion ("ppb") Au were detected.

In 2010, detailed geological mapping was completed on most of the priority properties. In addition further rock sampling was completed on the five highest priority properties to gather additional geological information on the whole rock chemistry of the intrusives and to complete petrographic studies on the different rock units and breccia zones identified to date. Whole rock geochemistry confirms that the eight intrusives that outcrop on Endurance's BC, STP, TM and TMS properties are alkalic phonolites. Petrographic studies indicate that the phonolites host accessory magnetite. On one property, diatreme to crackle brecciated schists were observed in outcrop and petrographic studies of this breccia observed both a k-feldspar alteration assemblage cross cut by a latter quartz-iron oxide-albite-chlorite alteration assemblage. Iron oxide alteration includes the petrographic observation of specular hematite. This breccia and alteration is associated with the elevated gold values and is at the contact with an alkali phonolite intrusive. This geological setting has strong analogies to Evolving Gold's North Stock alkalic intrusive associated gold discovery.

In late 2009, a controlled source audio-magnetotelluric ("CSAMT") geophysical survey of 15.1 line kilometres was undertaken on the Company's BC and TMS properties by Quantec Geoscience USA Inc. The BC and TMS properties adjoin the Evolving Gold Property and are located four kilometres northwest and 1.7 kilometres northeast respectively of the northern end of Evolving Gold's North Stock discovery. On the BC property a strong CSAMT conductive anomaly (approximately 400 x 100 metres) correlates with the mapped contact of one of the two Tertiary phonolite (alkalic) intrusives mapped on the property. On the TMS property, a CSAMT resistive anomaly correlates with both an interpreted regional structure and the mapped contact of a 500 metre diameter Tertiary phonolite (alkalic) intrusive. On the Evolving Gold-Agnico Eagle North Stock discovery to the south, these similar intrusive margins are host to diatreme breccias containing significant gold mineralization.

The geologic setting of the Endurance properties and the Evolving Gold discovery are similar to a large scale alkalic intrusive hosted gold deposits within the Rocky Mountain alkalic gold province, that include Cripple Creek, in Colorado. The Cripple Creek district has produced 21 million ounces of gold to date.

The encouraging geological setting of the company's properties and the favourable exploration results generated on the Evolving Gold and Agnico-Eagle's property, justify further exploration activities on the Company's properties including additional geophysics and drilling.

McCord Gold Property, Alaska, USA - (100% interest)

In September 2010, ERI acquired by staking a 100% interest in 14 Alaska State mineral claims encompassing over 2,200 acres located in Fairbanks District in Alaska, USA.

The McCord property is located in the eastern extension of the Livengood gold district and immediately adjoins International Tower Hill's ("**ITH"**) Livengood Property on the eastern side. The McCord claims were located to cover the stream catchment area for two encouraging gold anomalies (110 ppb and 61 ppb Au) in stream sediment samples collected from McCord Creek in 1982 and re-analysed by the State of Alaska Division of Geological and Geophysical Surveys ("**DGGS"**) in 2005. The Livengood district has not been glaciated and therefore the stream sediment gold anomalies are interpreted to represent a source area within the McCord Creek drainage catchment.

The gold results on McCord Creek compare favourably with the best analytical gold values of 201 ppb, 73 ppb, and 72 ppb Au from ITH's Money Knob discovery area on the immediately adjoining ITH property in the same 2005 DGGS survey. In June 2010, as part of its preliminary economic assessment, ITH reported in-situ indicated resources *(at 0.50 gpt cut-off)* of 409 million tonnes grading 0.83 gpt Au for a total 10.9 million ounces of contained gold, centered on the Money Knob discovery (see the ITH website for complete disclosure).

No geological mapping has been completed by Endurance on the McCord property. The geology in the McCord Creek area is interpreted to consist of Proterozoic to Paleozoic sedimentary and volcanic rocks near an ophiolitic thrust assemblage of mafic volcanics.

A program of grid-based soil sampling and prospecting is proposed for the 2011 field season.

Vana Property, Alaska, USA- (100% interest)

In September 2010, ERI acquired by staking a 100% interest in 22 Alaska State mineral claims encompassing over 3,200 acres located in Fairbanks District in Alaska, USA.

The Vana property is located adjacent to Tolovana Hot Springs Dome ("**THSD"**) which is 19 miles southwest of the community of Livengood, Alaska and ITH's Livengood deposit. The Vana claims were located to cover six stream catchment areas which together returned encouraging arsenic, bismuth, and silver geochemical anomalies in stream sediment samples that drain the Tolovana Hot Springs Dome. The stream sediments were collected in 1982 and re-analysed by the DGGS in 2005.

In the THSD area, nineteen stream samples were anomalous, with the highest reported values from the 2005 DGGS Survey at 141 ppm arsenic, 2.95 ppm bismuth and 1.13 ppm silver. Arsenic, bismuth and silver are often pathfinder geochemical elements associated with intrusive-related gold mineralization. These results encompass a combined catchment area of about five by three kilometers that is anomalous in the pathfinder elements for gold. The THSD area has not been glaciated and therefore, the stream sediment anomalies are interpreted to represent a source area within the combined catchment area around the Tolovana Hot Springs Dome.

No geological mapping has been completed by Endurance on the Vana property. The THSD area is underlain by Oligocene to Paleocene-aged granitic rocks.

A program of grid-based soil sampling and prospecting is proposed for the 2011 field season.

Fuego Property, Yukon – (100% interest)

In March 2011, Endurance acquired by staking a 100% interest in 16 mineral claims encompassing about 335 hectares located in the Watson Lake district, Yukon Territory. The claims were staked to cover a previously mapped intrusive syenite and/or trachyte breccia. The breccia on Fuego is similar to breccia mapped on the Bandito property.

A small program of prospecting, rock sampling and reconnaissance soil sampling is proposed for the 2011 field season.

Pardo Property, Ontario, Canada (100% interest, subject to farm-out dilution to 45%)

Endurance owns a 100% interest in the 3,312 hectares "Pardo" Property, located 65 kilometres northeast of Sudbury, in east-central Ontario. The original Vendors have retained a 3% net smelter return royalty, of which one-half can be purchased for $1,500,000 at any time.

The road accessible property covers a sequence of Proterozoic aged rocks of the Mississagi Formation, a basal unit of the Huronian Supergroup sedimentary assemblage that forms the 15,000 square kilometre Cobalt Embayment.

The Pardo Property covers the southern flank of a large Proterozoic sedimentary basin that is analogous in many ways to the Witwatersrand Basin in South Africa. The Witwatersrand Basin is the world's largest gold producing geological environment, with over 1.3 billion ounces of gold production since 1880. In terms of size, stratigraphy and depositional environment, the two basins have several similarities. The Cobalt Embayment is younger than the Witwatersrand Basin.

Gold mineralization defined to date on the Pardo Property is spatially associated with pyritic and quartz pebble bearing portions of the Mississagi Formation conglomerates, at or proximal to the unconformity.

The widespread occurrence of low grade gold mineralization associated with the basal conglomerate on the Pardo Property, and the potential size of the target, warrants further serious drilling programs.

Prior to 2009, Endurance completed approximately $1,000,000 in exploration on the claim block, including trenching and two drilling campaigns totaling 1,626 metres in 97 holes. Intercepts up to 2.01 gpt Au over 8.4 metres were returned from Endurance's drilling program.

In 2009, the Company entered into an option agreement with Mount Logan Resources Ltd., a private company that assigned its option to Ginguro Exploration Inc. ("Ginguro"). Ginguro can initially earn a 55% interest followed by a second option to earn up to a 70% interest in the Pardo Property. Until such time as Ginguro completes its earn-in (55% or 70%, as applicable), the Pardo Property claims will continue to be 100% owned by Endurance.

Under the terms of its option agreement with Endurance, Ginguro can earn an initial 55% interest in the property by completing $1,000,000 in exploration expenditures and making cash payments totaling $200,000 to Endurance over a three year period. On completion of its 55% earn-in, Ginguro has a one-time option to increase its ownership interest to 70%, by completing an additional $1,000,000 in exploration and making a further cash payment of $250,000 to Endurance.

Since acquiring the option in 2009, Ginguro has announced the completion of 17 drill holes in 2009 with an additional 137 drill holes completed in 2010. In addition Ginguro has completed metallurgical testwork on several large samples from surface pits and trenches on the Pardo property. Ginguro has identified a gold bearing channelized conglomerate "reef" that has now been expanded to approximately 3,600 meters long by 400 meters wide. The reef remains open along the channel extension. Based on the Ginguro drill program, the most significant gold intersections that outline the extent of the reef are summarized in a table on Endurance's web site at http://www.endurancegold.com/s/Pardo.asp. A map showing the location of these holes is also available at the same link.

Ginguro are currently compiling the results of the exploration completed in 2010 and completing the reports necessary to perfect their initial earn-in option.

Dogpaw Project, Ontario, Canada (24 claims 25% JV interest)

The Dogpaw Lake Property is located approximately 40 kilometres east of Kenora, in northwestern Ontario. The property is now comprised of 24 mining claims all situated within the Kenora Mining Division.

In 2007 Endurance entered into an option agreement with Metals Creek Exploration (MEK), whereby MEK could acquire a 75% interest in 14 claims comprising 60 units in the Dogpaw Lake area of northwestern Ontario. Since that date, MEK has increased the size of the property through staking within an area of mutual interest and it has earned its 75% interest through issuing 450,000 shares to EDG and completing $450,000 in exploration expenditures. In early 2010, the two companies completed a 75% MEK / 25% EDG joint venture agreement.

Exploration focus is in the Flint Lake, Stephens Lake and Bag Lake areas. Prospecting in August 2010 by MEK within the Stephens Lake claim block resulted in the discovery of a new zone of mineralization with grab sample assays ranging from 1.68 to 11.04 gpt Au. During 2010, a program of line-cutting, prospecting and induced polarization ("IP") geophysics was active on the Dogpaw joint venture.

EDG participated in partially funding its 25% joint venture share of exploration programs on the MEK joint venture in 2009 and 2010.

Nechako Gold Property, British Columbia, Canada (75% JV interest)

The property is located 75 kilometres west of Quesnel, and covers an area of widespread low grade gold mineralization drill defined by Lac Minerals in the mid to late 1980's. The mineralization is primarily hosted in flat lying, hematitic coarse chert bearing conglomerates of the Skeena Group.

No exploration work was completed during the current period and no work is currently planned on the Nechako Gold Project. The property is currently owned 75% by Endurance, and 25% by Amarc Resources Ltd.

Other Properties, Canada (100% interest)

The Company has several other inactive exploration and evaluation assets in British Columbia and Ontario in which it owns a 100% interest without any vendor royalties.

Results of Operations

The Company adopted International Financial Reporting Standards ("IFRS") effective January 1, 2011. The financial information in this MD&A has been prepared using accounting policies consistent with IFRS and in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. Adoption of IFRS has not had a material effect on the financial position of the Company and further information is described in Notes 2 and 3 to the unaudited condensed consolidated interim financial statements and later in this MD&A.

Three months ended March 31, 2011

The Company's net loss for the three month period ended March 31, 2011 was $178,410 or $0.00 per common share, as compared to a net loss of $197,587 or $0.00 per common share for the same period in 2010.

The net loss in the current three month period is inclusive of interest income of $1,072 ($170 in 2010), a realized loss on sales of marketable securities of $214 ($nil in 2010); and an unrealized loss on marketable securities of $46,386 ($26,000 in 2010).

General and administrative expenses before other items for the three month period ended March 31, 2011, totaled $132,882 ($171,757 in 2010), a decrease of $38,875. The variance was mainly attributable to:

- Business development and property investigation expenses totaled $31,804 ($44,550 in 2010), a decrease of $12,746. During the current period, an additional $22,425 ($30,150 in 2010) in management fees were included in business development and property investigation expenses.
- Corporate communications totaled $6,932 ($230 in 2010), an increase of $6,702. The increase was mainly related to the expenses incurred associated with the redesign of the Company's website and also the increased activities during the current period.

- Management fees totaled $36,375 ($45,000 in 2010), a decrease of $8,625. During the current period, an additional $34,125 ($nil in 2010) in management fees were capitalized to exploration and evaluation assets and included in property investigation expenses.
- Office and administrative totaled $27,798 ($16,520 in 2010), an increase of $11,278, which amount includes a one-time cost of $8,153 for moving and associated costs with the relocation to the Company's new office. The increase was primarily due to the moving expenses and the costs associated with the renovations to the Company's new office during the current period. The Office and administrative expenses also included insurance expenses of $3,823 ($4,814 in 2010), rent expenses of $8,172 ($7,046 in 2010); travel expenses of $638 ($2,267 in 2010); an unrealized foreign exchange loss of $4,631 ($227 in 2010).
- Professional fees totaled $19,661 ($8,205 in 2010), an increase of $11,456, which includes an accrued amount of $15,000 ($nil in 2010) in audit fee related with its transition and adoption to IFRS reporting during the period. Otherwise, the professional fees would have been $3,544 lower than the same period in 2010.
- Stock-based compensation expense (a non-cash charge) of $nil ($48,150 in 2010), incurred as a result of the vesting of nil (750,000 in 2009) stock options granted during the current period.

Summary of Quarterly Results

Results for the eight most recent quarters ending with the last quarter for the three months ending on December 31, 2011 are summarized in the table below.

	IFRS					Canadian GAAP		
Quarter Ended:	**Mar. 31**	**Dec. 31**	**Sept. 30**	**June 30**	**Mar. 31**	**Dec. 31**	**Sept. 30**	**June 30**
Year:	**2011**	**2010**	**2010**	**2010**	**2010**	**2009**	**2009**	**2009**
Net sales or total revenue ($000s)	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil
Income (loss) from continuing operations:								
(i) in total (000s)	$ (178)	$ (58)	$ (83)	$ (103)	$ (198)	$ (123)	$ (43)	$ (36)
(ii) per share[(1)]	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Net income or loss:								
(i) in total (000s)	$ (178)	$ (58)	$ (83)	$ (103)	$ (198)	$ (123)	$ (43)	$ (36)
(ii) per share[(1)]	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

(1) Basic and diluted losses per share are the same, as the effect of potential issuances of shares under stock option agreements would be anti-dilutive.

- The net loss reported in the first quarter of 2011 includes a realized loss on sales of marketable securities of $214; an unrealized loss on marketable securities of $46,386; and an unrealized loss on foreign exchange of $4,631.
- The net loss reported in the fourth quarter of 2010 includes a realized loss on marketable securities of $7,605, an unrealized gain on marketable securities of $90,210; an unrealized loss on foreign exchange of $9,361 and an IFRS adjustment in the amount of $29,793 related to FT renouncement recorded under Canadian GAAP in first quarter of 2010.
- The net loss reported in the third quarter of 2010 includes an unrealized loss on marketable securities of $2,000 and an unrealized loss on foreign exchange of $8,289.
- The net loss reported in the second quarter of 2010 includes stock-based compensation of $30,900 incurred as a result of the vesting of 500,000 stock options, an unrealized gain on marketable securities of $6,000 and an unrealized gain on foreign exchange of $14,284.
- The net loss reported in the first quarter of 2010 includes an unrealized loss on marketable securities of $26,000, stock-based compensation of $48,150 incurred as a result of the vesting of 750,000 stock options.
- The net loss reported in the fourth quarter of 2009 includes a write-down of $80,417 in exploration and evaluation assets costs, an unrealized gain on marketable securities of $18,001 and an exploration mining tax credit of $36,474 from the B.C. government.
- The net loss reported in the third quarter of 2009 includes a realized loss on sales of marketable securities of $27,647, and an unrealized gain on marketable securities of $36,273.

- The net loss reported in the second quarter of 2009 includes an unrealized gain on marketable securities of $15,980.

The Company's operations and business are not driven by seasonal trends, but rather the achievement of project milestones such as the achievement of various geological, technical, environmental and socio-economic objectives as well as receipt of financings to fund these projects.

The operating results of junior exploration companies typically demonstrate wide variations from period to period. These variances arise from fluctuations in such costs as stock-based compensation, exploration costs expensed or written down, professional fees, listing and transfer agent fees, corporation communications and office expenses. Management of the Company believe that meaningful information about our operations cannot be derived from an analysis of quarterly fluctuations unless the reader examines in more detail the information presented in the quarterly and annual financial statements. See "Results of Operations".

Liquidity and Capital Resources

The exploration and evaluation assets of the Company are in the exploration stage and, as a result, the Company has no operations that generate cash flow. The Company finances its activities primarily by the sale of its equity securities or from the sale of an interest in its properties in whole or in part.

The Company does not use debt financing to fund its property acquisitions and exploration activities and has no current plans to use debt financing.

The Company has no stand-by credit facilities, or any off-balance sheet arrangements and it does not use hedges or other financial derivatives.

Cash and Financial Conditions

The Company's cash position was $973,553 at March 31, 2011 ($534,882 at December 31, 2010), an increase of $438,671. The increase in cash position was primarily due to a non-brokered private placement of 4,500,000 flow-through shares completed in March 2011. The Company had working capital of $902,645 at March 31, 2011, as compared to $649,429 at December 31, 2010.

The Company's current working capital position may not provide it with sufficient liquidity to meet its current and future exploration activities. The development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the equity markets. There can be no assurance that the Company will succeed in obtaining additional financing. Failure to raise additional financing on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in its properties.

Investing Activities

During the three month period ended March 31, 2011, the Company's cash flow used for investing activities was $24,401 ($9,677 in 2010) in exploration and evaluation assets, all of which represented acquisition and exploration costs that were capitalized.

Financing Activities

During the three month period ended March 31, 2011, the Company closed a non-brokered private placement raising gross proceeds of $540,000 by issuing 4,500,000 flow-through shares at a price of $0.12 per flow-through share. A total of 220,000 flow-through shares were subscribed by two directors of the Company**.** The gross proceeds from the sale of the flow-through shares will be used to fund the Company's exploration activities on the Bandito Property in the Yukon and possibly other Canadian properties.

During the three month period ended March 31, 2010, shareholders including three directors of the Company acquired a total of 7,960,000 common shares of the Company through the exercise of 7,960,000 of the 8,000,000 share purchase warrants that otherwise would have expired on March 30, 2010. The Company received $796,000 from the exercise of the warrants. The warrants were issued primarily to insiders in connection with a non-brokered private placement transaction of 8,000,000 Units in March 2009. Each Unit consisted of one common share and one share purchase warrant, exercisable at a price of $0.10 per share until March 30, 2010.

Outstanding share data as at the Report Date:

On the Report Date, the Company had 51,972,586 common shares outstanding or 57,212,586 shares on a fully diluted basis as follows:

	No. of Shares	Exercise Price	Expiry Date
Employees Stock Options	3,500,000	$0.10 - $0.21	Oct. 11, 2012 to Apr. 28, 2016
Warrants	1,500,000	$0.30	Sept. 14, 2011
Brokers Warrants	240,000	$0.30	Sept. 14, 2011

Transactions with related parties

Included in accounts payable and accrued liabilities is $32,195 (2010 - $24,902) due to related parties. Amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayment.

During the three month period ended March 31, 2011, the Company entered into the following related party transactions:

a) Paid to Mclvor Geological Consulting, a private company controlled by the late President, Duncan Mclvor, an aggregate amount of $nil (2010 - $30,000) for administration management fees.

b) Paid to Cooper Jack Investments Limited, a private company controlled by the current President and director, Robert Boyd, an aggregate amount of $55,350 (2010 - $30,150), of which $11,700 (2010- $nil) was capitalized as geological project management fees, $23,175 (2010 – $nil) was expensed as administration management fees, and $20,475 (2010 - $30,150) was expensed as business development and property investigation.

c) Paid to T.P. Cheng & Company Ltd., a private company controlled by officer Teresa Cheng $15,000 (2010 - $15,000) for administration management fees.

d) Paid or accrued to Adera Company Management Ltd., a private company controlled by director, J. Christopher Mitchell, an aggregate amount of $2,850 (2010 - $nil) for consulting fees included in business development and property investigation.

e) Paid to First Point Minerals Corp., a TSX Venture Exchange listed company, with a common director, J. Christopher Mitchell, $4,698 (2010 - $7,046) for rent included in office and administration.

The amounts charged to the Company for the transactions provided have been determined by negotiations amongst the parties. These transactions were in the normal course of operations and were measured at the same value as if the transactions had occurred with non-related parties.

Significant Accounting Policies

The accounting policies set out below are expected to be adopted for the year-ending December 31, 2011 and have been applied consistently to all periods presented in these condensed interim financial statements and in preparing the opening IFRS balance sheet at January 1, 2010 for the purpose of the transaction to IFRS, unless otherwise indicated.

(a) ***Basis of consolidation***

The condensed interim consolidated financial statements include the consolidated financial statements of the parent company, Endurance Gold Corporation, and its subsidiary as listed below:

	Jurisdiction	Nature of Operations	Equity Interest 2011	Equity Interest 2010
Endurance Resources Inc.	Virginia, USA	Exploration	100%	100%

The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated.

(b) ***Foreign currencies***

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiary is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of comprehensive loss or income.

(c) ***Financial instruments***

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired, as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing such financial assets in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss or income.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statements of comprehensive loss or income.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statements of comprehensive loss or income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired, as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing such financial liabilities in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of comprehensive loss or income.

Other financial liabilities: This category includes accounts payable and accrued liabilities, all of which are recognized at amortized cost.

The Company has classified its cash and cash equivalents and marketable securities as fair value through profit and loss. The Company's receivables and reclamation bond are classified as loans and receivables. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

(d) ***Cash and cash equivalents***

Cash equivalents include money market instruments which are readily convertible into cash or have maturities at the date of purchase of less than ninety days.

(e) ***Exploration and evaluation assets***

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation assets are recognized and capitalized, in additional to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, and payments made to contractors. Costs not directly attributable to exploration and evaluation assets activities, including general administrative costs, are expensed in the period in which they occur.

The Company may occasionally enter into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain mineral property expenditures which would have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess accounted for as a gain on disposal.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation assets expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation assets expenditures, in excess of estimated recoveries, are written off to the statement of comprehensive loss or income.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mine under construction". Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized costs. Exploration and evaluation assets are classified as intangible assets.

(f) ***Reclamation bonds***

Cash which is subject to contractual restrictions on use is classified separately as reclamation bonds. Reclamation bonds are classified as loans and receivables.

(g) ***Equipment***

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses. Amortization is recognized using the declining balance method at the following annual rates:

Computer and office equipment	30%
Computer software	45%
Exploration equipment	20%
Furniture and fixtures	20%
Vehicles	30%

Equipment that is withdrawn from use, or has no reasonable prospect of being recovered through use or sale, is regularly identified and written off.

Assets are measured at historical cost less accumulated amortization and impairment losses. Amortization is charged on the declining balance basis over the useful lives of these assets. Residual values, amortization methods and useful economic lives are reviewed and adjusted if appropriate, at each reporting date.

Subsequent expenditures relating to an item of equipment are capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance.

As at March 31, 2011, the Company does not own any equipment.

(h) ***Impairment of equipment and intangible assets (excluding goodwill)***

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(i) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it is probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(j) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

(k) Flow-through shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share subscription agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's fiscal period is disclosed separately as flow-through share proceeds in Note 11 to the Condensed Interim Consolidated Financial Statements for the three months ended March 31, 2011.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the "Look-back" Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

(l) Share-based payment transactions

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

(m) ***Loss per share***

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributed to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(n) ***Provision for environmental rehabilitation***

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. At March 31, 2011, the Company does not have any provision for environmental rehabilitation.

(o) ***Related party transactions***

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(p) ***Provisions***

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligations, provided that a reliable estimate can be made of the amount of the obligation. Provisions for environmental restoration, legal claims, onerous leases and other onerous commitments are recognized at the best estimates of the expenditures required to settle the Company's liability.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. An amount equivalent to the discounted provision is capitalized within tangible fixed assets and is depreciated over the useful lives of the related assets. The increase in the provision due to passage of time is recognized as interest expense.

(q) Significant accounting judgments and estimates

The preparation of the Company's condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of amounts receivable and prepayments which are included in the condensed interim consolidated statement of financial position;
- the carrying value of the marketable securities and the recoverability of the carrying value which are included in the condensed interim consolidated statement of financial position;
- the inputs used in accounting for share purchase option expense in the condensed interim consolidated statement of comprehensive loss;
- the provision for income taxes which is included in the condensed consolidation interim statement of comprehensive loss and composition of deferred income tax assets and liabilities included in the condensed interim consolidated statement of financial position at March 31, 2011;
- the inputs used in determining the various commitments and contingencies accrued in the condensed interim consolidated statement of financial position.

(r) Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements were issued by the International Accounting Standards Board ("IASB") or the IFRS Interpretation Committee that were mandatory for accounting periods beginning after January 1, 2011 or later periods.

The Company has early adopted the amendment to IFRS 1 which replaces references to a fixed date of "January 1, 2004" with the "date of transition to IFRS". This eliminates the need for the Company to restate de-recognition transactions that occurred before the date of transition to IFRS. The amendment is effective for year-ends beginning on or after July 1, 2011; however, the Company has early adopted the amendment. The impact of the amendment and early adoption is that the Company only applies IAS 39 de-recognition requirements to transactions that occurred after the date of transition.

The following new standards, amendments and interpretations, that have not been early adopted in these interim financial statements, will or may have an effect on the Company's future results and financial position:

- IFRS 9 Financial Instruments

  IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortization costs and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. The standard is effective for annual periods beginning on or after January 1, 2013.

- IFRS 1: Severe Hyperinflation (Effective for periods beginning on or after July 1, 2011).

- IAS 12: Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12 (Effective for periods beginning on or after January 1, 2012).

- Amendments to IFRS 9: Financial Instruments (Effective for periods beginning on or after January 1, 2013).

Financial Instruments and Risk

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

As at March 31, 2011, the Company's financial instruments are comprised of cash and cash equivalents, marketable securities, receivables, reclamation bond, accounts payable and accrued liabilities. The carrying value of receivables, accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments.

Financial instruments measured at fair value on the statement of financial position are summarized in levels of fair value hierarchy as follows:

March 31, 2011

Assets	Level 1	Level 2	Level 3	Total
Cash	$ 973,553	$ -	$ -	$ 973,553
Marketable securities	67,200	-	-	67,200
Total	$ 1,040,753	$ -	-	$ 1,040,753

Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meets its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash, marketable securities, receivables and reclamation bond.

The Company's cash and marketable securities are held through a Canadian chartered bank and a brokerage firm, which are high-credit quality financial institutions. The Company's receivables primarily consist of harmonized sales tax rebates due from the Government of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2011, the Company had a cash balance of $973,553 to settle current liabilities of $179,682. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign currency rate risk

While the Company is domiciled in Canada and its capital is raised in Canadian dollars, a portion of its business is conducted in the United States of America. As such, it is subject to risk due to fluctuations in the exchange rates between the Canadian and US dollars. At March 31, 2011, the Company has cash denominated in US dollars of US$207,037 and accounts payable and accrued liabilities of US$3,000. Each 1% change in the Canadian dollar versus the U.S. dollar will result in a gain/loss of approximately $2,000.

Management believes the foreign exchange risk derived from currency conversions is insignificant and therefore does not hedge its foreign exchange risk.

Sensitivity analysis

The carrying value of cash, marketable securities, receivables, reclamation bond, accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturities of these financial instruments.

Based on management's knowledge of and experience in the financial markets, management does not believe that the Company's current financial instruments will be materially affected by credit risk, liquidity risk or market risk.

The Company manages its cash and cash equivalents, common shares as capital. The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the on-going business objectives including, but not limited to pursuing the exploration of its exploration and evaluation assets, funding of future growth opportunities, and pursuit of new acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company manages its capital structure by issuing new shares, adjusting capital spending or disposing of assets. In addition, management of the Company's capital structure is facilitated through its financial and operational forecasting processes. The forecast of the Company's future cash flows is based on estimates of commodity prices, forecast capital and operating expenditures, and other investing and financing activities. The forecast is regularly updated based on new commodity prices and other changes, which the Company views as critical in the current environment.

Capital Management

The Company's working capital as at March 31, 2011 was $902,645 (December 31, 2010 - $649,429; January 1, 2010 - $475,862). The Company's capital management objectives, policies and processes have not been changed over the period presented. The Company is not subject to any externally imposed capital requirements.

Risk Factors Relating to the Company's Business

As a company active in the mineral resource exploration and development industry, the Company is exposed to a number of risks.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of exploration and evaluation assets. The Company has implemented comprehensive safety and environmental measures designed to comply with government regulations and ensure safe, reliable and efficient operations in all phases of its operations. The Company maintains liability insurance, where reasonably available, in such amounts it considers prudent. The Company may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons.

All of the Company's properties are still in the exploration stage. Mineral exploration and exploitation involves a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid. Few properties that are explored are ultimately developed into producing mines.

Mineral exploration in various jurisdictions may involve consultation with First Nations groups. The Company endeavours to consult with such groups on a good faith basis, however, there are no guarantees the consultation process will result in decisions acceptable to all parties. The risk of unforeseen aboriginal title claims and disputes could affect the Company's existing operations as well as development projects and future acquisitions.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, extreme weather events, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in mineral exploration and exploitation activities. The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Substantial expenditures are required to establish mineral reserves and resources through drilling, to develop metallurgical processes to extract the metal from the material processed and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

There is no assurance that commercial quantities of ore will be discovered. Even if commercial quantities of ore are discovered, there is no assurance that the properties will be brought into commercial production or that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. The commercial viability of a mineral deposit once discovered is also dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of the Company.

There can be no assurance that the Company's mineral exploration activities will be successful. In the event that such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with other companies with greater technical and financing resources than itself with respect to acquire properties of merit, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Commitments

The Company entered into a new office lease agreement commencing March 1, 2011 and ending February 28, 2015. Minimum lease payments are as follows:

2011	$ 31,271
2012	42,392
2013	46,079
2014	47,274
2015	8,045
	$ 175,061

Outlook

As the result of the recently completed non-brokered FT private placement on March 16, 2011, Endurance is currently in a sound financial condition. Additional exploration expenditures are expected for the Bandito Property in Yukon, the Rattlesnake-Natrona property, and the Alaska properties in 2011. Management is also evaluating numerous other potential mineral exploration projects for acquisition. The Company will need to raise additional funds in the short term to significantly advance its US property portfolio in 2011, to fund exploration on new acquisitions, and to meet its future estimated overhead and exploration expenditures. Additional funding would also allow for the acquisition and aggressive funding of potential new acquisitions, in a climate where opportunities exist but must be evaluated efficiently in a competitive environment. The Company is working to secure those funds from conventional equity financing sources, from private investors, through farm-outs of existing properties in the Company's portfolio and from strategic partnerships. Failure to raise such funds on a timely basis could cause the Company to suspend its operations and eventually to forfeit or sell its interest in its properties.

Forward-Looking Statements

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the Securities Acts in British Columbia and Ontario. This includes statements concerning the Company's plans at its exploration and evaluation assets, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs; inability to fund the Company's share of costs incurred under joint venture agreements to which it is a party, and reduction or elimination of its joint venture interest as a result; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs on the Company's proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each management's discussion and analysis of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.