



BEAR LAKE GOLD LTD.
(an exploration stage company)

CONSOLIDATED FINANCIAL STATEMENTS

For the 3rd Quarter ended June 30, 2011

(Unaudited – in Canadian dollars)

BEAR LAKE GOLD LTD.
(an exploration stage company)

Notice to Reader

The accompanying unaudited interim consolidated 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 unaudited interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim consolidated financial statements by an entity's auditor.

Bear Lake Gold Ltd.
(an exploration stage company)
Consolidated Balance Sheets

	June 30, 2011 (unaudited)	September 30, 2010 (audited)
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	487,355	3,406,876
Marketable securities	29,500	14,250
Amounts receivable	92,889	66,191
Short-term portion of investments (Note 3)	-	985,619
Prepaid expenses and deposits	12,791	30,951
	622,535	4,503,887
Investments (Note 3)	-	2,178,021
Reclamation bond	3,040	3,040
Plant and equipment (Note 4)	1,918,321	1,919,283
Mineral properties (Note 5)	9,430,019	9,430,019
Deferred exploration expenses (Note 5)	13,813,351	11,669,999
	25,787,266	29,704,249
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	307,526	485,316
Short-term portion of long-term debt (Note 6)	-	1,023,044
	307,526	1,508,360
Long-term debt (Note 6)	-	2,411,173
Minority interest	11,770	11,770
	319,296	3,931,303
SHAREHOLDERS' EQUITY		
Capital stock (Note 7)	66,768,663	66,768,663
Contributed surplus	8,733,180	8,170,624
Deficit	(50,033,873)	(49,166,341)
	25,467,970	25,772,946
	25,787,266	29,704,249

Going concern (Note 2)

Contingencies (Note 11)

Subsequent event (Note 14)

The accompanying notes are an integral part of the unaudited interim consolidated financial statements.

On behalf of the Board,

/s/ François Viens
François Viens, Director

/s/ Elaine Bennett
Elaine Bennett, Director

Bear Lake Gold Ltd.

(an exploration stage company)

Consolidated Operations and Comprehensive Loss (unaudited)

	3 rd quarter ended June 30,		Nine-months ended June 30,	
	2011	2010	2011	2010
	\$	\$	\$	\$
Expenses				
Stock-based compensation (Note 8)	96,354	63,224	490,286	78,054
Other remuneration	68,377	87,481	223,906	273,184
Management and administration	36,180	47,403	121,765	149,792
Professional fees	17,546	23,857	164,831	82,732
Office	21,408	26,372	70,571	105,924
Transfer agent and filing fees	9,190	8,183	32,511	29,961
Shareholder communications and travel	2,306	4,006	6,743	10,139
Other property costs	24,291	32,775	40,257	75,710
Depreciation	322	863	963	2,588
	275,974	294,164	1,151,833	808,084
Other items				
Interest income	(9,830)	(1,523)	(33,636)	(5,328)
Interest expense	5,387	11,727	39,557	31,679
Settlement of class-action and other related costs	-	(11,460)	-	286,795
Gain on sale of marketable securities	-	-	-	(1,383)
Unrealized loss (gain) on marketable securities	(9,000)	11,250	(15,250)	16,250
Part XII.6 tax on flow-through financing	-	-	362	-
Fair value adjustment of investments (Note 3)	(996)	50,000	(107,396)	(360,000)
Gain on disposal of investments (Note 3)	(167,938)	-	(167,938)	-
	(182,377)	59,994	(284,301)	(31,987)
Net loss and comprehensive loss	(93,597)	(354,158)	(867,532)	(776,097)
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.01)
Weighted average number of common shares - basic and diluted	110,223,879	91,381,091	110,223,879	90,517,210

The accompanying notes are an integral part of the unaudited interim consolidated financial statements.

Bear Lake Gold Ltd.

(an exploration stage company)

Consolidated Shareholders' Equity (unaudited)

	Number of shares	Capital stock \$	Contributed surplus \$	Deficit \$	Shareholders' equity \$
Balance at September 30, 2010	110,223,879	66,768,663	8,170,624	(49,166,341)	25,772,946
Stock-based compensation	-	-	342,658	-	342,658
Net loss for the period	-	-	-	(556,612)	(556,612)
Balance at December 31, 2010	110,223,879	66,768,663	8,513,282	(49,722,953)	25,558,992
Stock-based compensation	-	-	109,341	-	109,341
Net loss for the period	-	-	-	(217,323)	(217,323)
Balance at March 31, 2011	110,223,879	66,768,663	8,622,623	(49,940,276)	25,451,010
Stock-based compensation	-	-	110,557	-	110,557
Net loss for the period	-	-	-	(93,597)	(93,597)
Balance at June 30, 2011	110,223,879	66,768,663	8,733,180	(50,033,873)	25,467,970
Balance at September 30, 2009	90,085,270	63,791,894	7,461,908	(42,395,686)	25,858,116
Stock-based compensation	-	-	8,092	-	8,092
Net loss for the period	-	-	-	(209,750)	(209,750)
Balance at December 31, 2009	90,085,270	63,791,894	7,470,000	(42,605,436)	28,656,458
Stock-based compensation	-	-	6,738	-	6,738
Net loss for the period	-	-	-	(212,189)	(212,189)
Balance at March 31, 2010	90,085,270	63,791,894	7,476,738	(42,817,625)	28,451,007
Private placement	19,605,609	3,270,354	492,768	-	3,763,122
Shares in lieu of commission	433,000	50,931	27,009	-	77,940
Share issue costs	-	(372,424)	116,861	-	(255,563)
Stock-based compensation	-	-	63,224	-	63,224
Net loss for the period	-	-	-	(354,158)	(354,158)
Balance at June 30, 2010	110,123,879	66,740,755	8,176,600	(43,171,783)	31,745,572

The accompanying notes are an integral part of the unaudited interim consolidated financial statements.

Bear Lake Gold Ltd.
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Consolidated Cash Flows (unaudited)

	3 rd quarter ended June 30,		Nine-months ended June 30,	
	2011	2010	2011	2010
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss	(93,597)	(354,158)	(867,532)	(776,097)
Non-cash items				
Depreciation	322	863	963	2,588
Stock-based compensation	96,354	63,224	490,286	78,054
Unrealized loss (gain) on marketable securities	(9,000)	11,250	(15,250)	16,250
Gain on disposal of marketable securities	-	-	-	(1,383)
Fair value adjustment of investments	(996)	50,000	(107,396)	(360,000)
Gain on disposal of investments	(167,938)	-	(167,938)	-
Changes in non-cash working capital items				
Amounts receivable	(24,713)	147,890	(26,698)	148,330
Prepaid expenses and deposits	11,457	8,114	18,160	16,832
Accounts payable and accrued liabilities	(79,953)	(241,500)	48,966	(161,610)
	(268,064)	(314,317)	(626,439)	(1,037,036)
INVESTING ACTIVITIES				
Marketable securities	-	-	-	185,118
Investments	2,415,930	10,217	2,428,444	69,872
Mineral properties and deferred exploration expenses	(845,542)	(49,714)	(2,297,840)	(347,212)
	1,570,388	(39,497)	130,604	(92,222)
FINANCING ACTIVITIES				
Proceeds from credit facilities	-	-	-	260,833
Reimbursement of credit facilities	(2,411,172)	(10,217)	(2,423,686)	(36,602)
Issuance of shares and warrants, net of costs	-	3,585,499	-	3,585,499
	(2,411,172)	3,575,282	(2,423,686)	3,809,730
Net increase (decrease) in cash and cash equivalents	(1,108,848)	3,221,468	(2,919,521)	2,680,472
Cash and cash equivalents, beginning of period	1,596,203	683,993	3,406,876	1,224,989
Cash and cash equivalents, end of period	487,355	3,905,461	487,355	3,905,461
Interest paid	5,387	11,727	39,557	31,679
Changes in other non-cash items				
Accounts payable and accrued liabilities related to exploration projects	(588,239)	(3,770)	(226,756)	(137,824)
Stock-based compensation charged to deferred exploration expenses	14,203	-	72,270	-
Issuance of shares in lieu of broker commission	-	77,940	-	77,940
Issuance of broker warrants	-	116,861	-	116,861

The accompanying notes are an integral part of the unaudited interim consolidated financial statements.

Bear Lake Gold Ltd.

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Consolidated Deferred Exploration Expenses (unaudited)

	Larder Lake, Ontario	Unity, Idaho	3rd quarter ended June 30,	
			2011 Total	2010 Total
	\$	\$	\$	\$
Balance, beginning of period	12,512,367	1,029,481	13,541,848	16,405,490
Contractors and consultants	48,836	-	48,836	1,950
Drilling and assaying	95,288	-	95,288	-
Geology	4,938	-	4,938	-
Labour	75,092	-	75,092	11,299
Management and administration	23,335	-	23,335	7,134
Title and claim management	24,014	-	24,014	17,726
	271,503	-	271,503	38,109
Balance, end of period	12,783,870	1,029,481	13,813,351	16,443,599

	Larder Lake, Ontario	Unity, Idaho	Nine-months ended June 30,	
			2011 Total	2010 Total
	\$	\$	\$	\$
Balance, beginning of period	10,640,518	1,029,481	11,669,999	16,200,191
Contractors and consultants	96,321	-	96,321	28,632
Drilling and assaying	1,605,135	-	1,605,135	18,978
Geology	6,153	-	6,153	480
Labour	291,316	-	291,316	26,973
Management and administration	107,233	-	107,233	150,445
Title and claim management	37,194	-	37,194	17,900
	2,143,352	-	2,143,352	243,408
Balance, end of period	12,783,870	1,029,481	13,813,351	16,443,599

The accompanying notes are an integral part of the unaudited interim consolidated financial statements.

Bear Lake Gold Ltd.

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Notes to Consolidated Financial Statements

June 30, 2011 (unaudited)

1. GOVERNING STATUTES AND BASIS OF PRESENTATION

Bear Lake Gold Ltd. ("Bear Lake" or the "Company") is engaged in the acquisition and exploration of mineral properties. All financial results in these financial statements are expressed in Canadian dollars unless otherwise indicated.

The Company's mineral properties are in the exploration stage and it has not yet been determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and deferred exploration expenses is dependent upon the existence of economically recoverable reserves on these properties, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production from these reserves or sufficient proceeds from their disposal thereof. The Company will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Although the Company has taken steps to verify title to the mineral claims in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). They are consistent with the policies and practices used in the preparation of the Company's audited annual consolidated financial statements. These unaudited interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended September 30, 2010 and 2009, since they do not include all of the information and notes to the financial statements required by Canadian GAAP for annual consolidated financial statements. These unaudited interim consolidated financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary for a fair presentation of the respective interim periods presented.

Bear Lake Gold Ltd.

(an exploration stage company)

Notes to Consolidated Financial Statements

June 30, 2011 (unaudited)

2. GOING CONCERN

These consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. However, certain conditions as at June 30, 2011 may lend significant doubt as to the appropriateness of the going concern assumption. Specifically, i) the Company has not yet found a mineral property containing mineral deposits that are economically recoverable; ii) the Company has incurred a loss in the current and prior periods and has an accumulated deficit of \$50,033,873 at June 30, 2011 (\$49,166,341 at September 30, 2010); and iii) the Company does not have sufficient funds to pursue its exploration activities at the Larder Lake Property and meet its corporate administrative expenses for the next 12 months. However, the Company's exploration activities at the Larder Lake Property have considerable scope for flexibility in terms of the amount and timing of exploration expenditures.

At June 30, 2011, the Company had \$487,355 in cash and will require additional funding within the next 12 months to pursue its exploration activities at the Larder Lake Project and to meet its corporate administrative expenses for at least the next 12 months, through various means, including but not limited to equity financing. To this effect, the Company announced on August 11, 2011, plans to complete a non-brokered private placement of its securities to raise up to \$3.5 million, which detail is presented in Note 14.

These consolidated financial statements do not reflect any adjustments that would be necessary if the going concern assumption was not appropriate for these consolidated financial statements. If the going concern assumption was not appropriate for these consolidated financial statements, adjustments to the carrying values of assets and liabilities and balance sheet classification, which could be material, may be necessary.

Bear Lake Gold Ltd.

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Notes to Consolidated Financial Statements

June 30, 2011 (unaudited)

3. INVESTMENTS

On April 6, 2011, following the exercise of a put option, the Company transferred to its lender the ownership of all ineligible MAV III notes that it held (which fair value at that date was estimated at \$1,010,530), in full payment of the principal amount then owing under the Second Credit Facility described in Note 6. This transaction had no impact on the consolidated operations.

On April 29, 2011, the Company sold all of its eligible MAV II notes for cash proceeds of \$2,415,930. This amount was applied to fully repay the principal amount then owing under the First Credit Facility described in Note 6, resulting in a non-cash gain on disposal of investments held in the amount of \$167,938, which was presented on the consolidated operations as Gain on disposal of investments.

Investments are detailed as follows:

	June 30,		September 30,
	2011		2010
	\$	\$	\$
Eligible notes - nominal amount			
MAV II Senior A-1 notes	1,883,015		1,883,015
MAV II Senior A-2 notes	1,059,785		1,059,785
MAV II Subordinated B notes	192,381		192,381
MAV II Subordinated C notes	97,160		97,160
	3,232,341		3,232,341
Fair value adjustment	(816,411)		(1,054,321)
Proceeds from sale of eligible notes	(2,415,930)	-	-
			2,178,020
Ineligible notes - nominal amount			
MAV III Class 34 tracking notes (a)	239,917		252,431
MAV III Class 35 tracking notes	264,702		264,702
MAV III Class 36 tracking notes	145,537		145,537
	650,156		662,670
Fair value adjustment	360,374		322,950
Transfer to lender following exercise of put option	(1,010,530)	-	-
			985,620
			3,163,640
Less: short-term portion of investments			985,619
			2,178,021

(a) The Company received an amount of \$6,396 in October 2010 and \$6,118 in January 2011 as partial redemption of the MAV III Class 34 tracking notes. These amounts were applied as a reduction of the Company's investments.

Bear Lake Gold Ltd.

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Notes to Consolidated Financial Statements

June 30, 2011 (unaudited)

4. PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	June 30, 2011 Net	September 30, 2010 Net
	\$	\$	\$	\$
Mining equipment at the Larder Lake Property	1,918,000	-	1,918,000	1,918,000
Office furniture and equipment	13,002	12,681	321	1,283
	1,931,002	12,681	1,918,321	1,919,283

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENSES

	Mineral Properties (a)	June 30, 2011 Deferred exploration expenses (a)	Mineral Properties (a)	September 30, 2010 Deferred Exploration Expenses (a)
	\$	\$	\$	\$
Larder Lake, Ontario	9,303,421	12,783,870	9,303,421	10,640,518
Unity, Idaho	126,598	1,029,481	126,598	1,029,481
	9,430,019	13,813,351	9,430,019	11,669,999

(a) Amounts presented are net of a write-down of mineral properties of \$575,000 and of deferred exploration expense of \$5,310,792 charged to operations during the year ended September 30, 2010, following the termination of an option agreement on certain claims located in Hope Bay, Nunavut.

Larder Lake, Ontario

At June 30, 2011, the Company owns a 100% interest in the Bear Lake, Cheminis, Cheminis North and Fernland properties which consists of 55 patented claims, 1 claim for surface rights and 2 licenses of occupation in McGarry and McVittie Townships near Kirkland Lake, Ontario; a 100% interest in the Barber Larder property which consists of 7 patented claims and 2 licenses of occupation in McGarry Township, Ontario; a 75% interest in the Swansea property which consists of 5 mining leases covering 28 claims in McVittie Township, Ontario ; a 100% interest in the McVittie McGarry properties which consists of 10 mining claims in McVittie Township, Ontario, 2 mining claims in McGarry Township, Ontario and 1 mining claim in Gauthier Township near Kirkland Lake, Ontario; and a 100% interest in the McVittie property which consists of 2 mining claims in McVittie Township, Ontario.

Royalty commitments on the Larder Lake properties consist of a 1% net smelter return royalty on the McVittie McGarry properties, of which the Company has the option to purchase 0.5% for an amount of \$500,000 and on which Eloro also owns directly a net smelter return royalty of 0.5%; and a 0.5% net smelter royalty on the McVittie property, of which the Company has the option to purchase 0.25% for an amount of \$250,000.

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Notes to Consolidated Financial Statements

June 30, 2011 (unaudited)

5. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENSES (continued)

Larder Lake, Ontario (continued)

Option agreement on the Swansea property

The Company, Newstrike Resources Ltd. ("Newstrike") and Odyssey Resources Limited ("Odyssey") had entered into an option agreement dated October 22, 2010 (the "Option") under which Odyssey had the option to acquire a 25% interest in the Swansea property (the "Property") by spending \$1.1 million on the Property by March 31, 2011. A cumulative amount of \$1,071,293 was spent by Odyssey on this project. However, given that no significant gold values were reported in any of the drill holes, Odyssey determined not to pursue the program and in March 2011 advised the owners that it was terminating the Option.

Unity, Idaho

On July 31, 2007, the Company entered into an option agreement, with subsequent amendments, with Unity GoldSilver Mines Inc. (a privately-held company) ("Unity") to earn a 60% interest in the Unity mineral property located in Idaho, USA. To earn its interest, the Company must incur US\$1,000,000 in exploration and development work and complete a positive feasibility study by February 28, 2013 (as amended by the parties on May 31, 2011). During the earn-in period, the Company will manage all exploration-related activities. The Company has not conducted any work on this property during the 3rd quarter and nine-month periods ended June 30, 2011 and 2010.

Bear Lake Gold Ltd.

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Notes to Consolidated Financial Statements

June 30, 2011 (unaudited)

6. CREDIT FACILITIES

On April 6, 2011, the amount owing under the Second Credit Facility, which then totaled \$1,010,530, was repaid in full by the Company through the transfer by the Company to its lender of the ownership of all of the ineligible MAV III notes that it held (as detailed in Note 3), following the exercise of a put option held by the Company to that effect.

On April 29, 2011, the Company sold all of its eligible MAV II notes for cash proceeds of \$2,415,930. This amount was used to fully repay the principal amount then owing under the First Credit Facility of \$2,411,172.

	June 30, 2011	September 30, 2010
	\$	\$
Revolving credit facilities (a)		
First Credit Facility		2,411,173
Second Credit Facility (b)	-	1,023,044
	-	3,434,217
Due within the next year	-	1,023,044
	-	2,411,173

(a) On April 6, 2009, the Company, through its wholly-owned subsidiary Maximus Ventures Ltd. ("Maximus"), entered into two credit facility agreements. The term facilities bore interest at prime less 1%, subject to the respect of certain conditions.

(b) Cash proceeds from the sale of the MAV II and III notes are automatically applied to the amount of the outstanding related borrowings. During the nine-month period ended June 30, 2011, the Company received a total amount of \$12,514 (\$26,385 during the same period in 2010) as partial redemption of some of the notes held. Amounts received were applied as a reduction of the related borrowings.

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Notes to Consolidated Financial Statements

June 30, 2011 (unaudited)

7. CAPITAL STOCK

Issuance of shares

In June 2010, the Company had completed a non-brokered private placement for total gross proceeds of \$3,763,122, including a total of 11,705,600 "flow-through" common shares ("FT Shares") at a price of \$0.20 per FT Share. The gross proceeds from the sale of the FT Shares were used to incur Canadian Exploration Expenses on the Larder Lake Property. At June 30, 2011, all flow-through funds have been expended.

Warrants

	3 rd quarter ended June 30, 2011	Nine-months ended June 30, 2011
Number of warrants		
Balance, beginning of period	16,789,022	19,521,243
Expired	(4,318,182)	(7,050,403)
Balance, end of period	12,470,840	12,470,840

At June 30, 2011, the outstanding number of warrants exercisable into common shares is as follows:

	Number of warrants September 30, 2010		Number of warrants June 30, 2011		Price per Share	Expiry date
	Issued	Expired	Issued	Expired	\$	
Private placement – October 2008 (a)	2,991,495	-	2,991,495	-	0.40	2011-10-23
Private placement – June 2010 (b)	7,900,009	-	7,900,009	-	0.30	2012-06-22
In lieu of cash commission – June 2010	433,000	-	433,000	-	0.30	2012-06-22
Finder's warrants – June 2010	1,146,336	-	1,146,336	-	0.25	2012-06-22
Private placement – June 2009 (c)	3,787,879	(3,787,879)	-	-	-	-
Broker warrants - June 2009 (c)	530,303	(530,303)	-	-	-	-
Broker warrants - October 2008 (d)	699,225	(699,225)	-	-	-	-
In lieu of cash commission (d)	616,330	(616,330)	-	-	-	-
As debt settlement (d)	1,416,666	(1,416,666)	-	-	-	-
	19,521,243	(7,050,403)	12,470,840	-	0.32	

(a) Following TSXV approval, the expiry date of the October 2008 warrants was extended from October 23, 2010 to October 23, 2011.

(b) The June 2010 Warrants are subject to a right of accelerated expiry at the Company's option where the closing price of the common shares on the TSXV exceeds \$0.50 for twenty consecutive trading days.

(c) These warrants expired unexercised on June 4, 2011.

(d) These warrants expired unexercised on October 23, 2010.

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Notes to Consolidated Financial Statements

June 30, 2011 (unaudited)

8. STOCK OPTIONS

Stock options

The following table sets out the activity in stock options:

	3 rd quarter ended June 30, 2011	Nine-months ended June 30, 2011
Number of Options		
Balance, beginning of period	9,421,000	4,271,000
Granted	-	5,250,000
Expired	-	(100,000)
Number of options outstanding, end of period	9,421,000	9,421,000

The Company granted on October 18, 2010 an aggregate of 5,250,000 stock options to directors, officers, employees and consultants of the Company. Of this total, 1,630,000 options are subject to the achievement of certain performance objectives and vest only if the 20-day volume weighted average price of the Company's common shares on the TSXV is \$0.90 per share or above; and 700,000 are subject to the achievement of certain defined performance objectives. The balance of 2,920,000 options vest over a two-year period. The options have a five-year term and are exercisable at a price of \$0.30, the closing price of the Company's stock on October 15, 2010. The fair value of the options granted during the period was estimated at \$0.26 per option by applying the Black-Scholes option pricing model, using an expected time-period of 5 years, a semi-annual weighted-average risk-free interest rate of 1.95%, a volatility rate of 162% and a 0% dividend factor.

At June 30, 2011, an amount of \$325,077 remains to be charged as stock-based compensation, related to unvested stock options granted on October 18, 2010 (nil at September 30, 2010).

Stock-based compensation costs were presented as follows:

	3 rd quarter ended June 30,		Nine-months ended June 30,	
	2011	2010	2011	2010
	\$	\$	\$	\$
Consolidated Balance sheets				
Deferred exploration expenses	14,203	-	72,270	-
Consolidated Operations				
Stock-based compensation	96,354	63,224	490,286	78,054
	110,557	63,224	562,556	78,054

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Notes to Consolidated Financial Statements
June 30, 2011 (unaudited)

8. STOCK OPTIONS (continued)

Stock option transactions are detailed as follows:

Grant date	Exercise price	Balance, Sept 30, 2010	Granted	Exercised	Expired	Balance, June 30, 2011	Number of options exercisable	Residual exercise period
	\$							(in years)
2008 Stock Option Plan								
Sept 20, 2008	0.70	100,000	-	-	-	100,000	100,000	2.3
Jan 30, 2009	0.28	1,872,500	-	-	-	1,872,500	1,872,500	2.6
April 21, 2010	0.24	13,500	-	-	-	13,500	13,500	3.8
October 18, 2010	0.30	-	5,250,000	-	-	5,250,000	973,333	4.3
Maximus Stock Option Plan								
Mar 28, 2006	0.60	100,000	-	-	(100,000)	-	-	-
Nov 14, 2006	0.64	450,000	-	-	-	450,000	450,000	0.4
Dec 27, 2006	0.80	500,000	-	-	-	500,000	500,000	0.5
May 23, 2007	0.58	100,000	-	-	-	100,000	100,000	0.9
Dec 14, 2007	0.84	175,000	-	-	-	175,000	175,000	1.5
Jan 4, 2008	0.80	400,000	-	-	-	400,000	400,000	1.5
Jan 25, 2008	0.76	187,500	-	-	-	187,500	187,500	1.6
Mar 4, 2008	0.68	372,500	-	-	-	372,500	372,500	1.7
	0.53	4,271,000	5,250,000	-	(100,000)	9,421,000	5,144,333	

9. DILUTED EARNINGS PER SHARE

Excluded from the calculation of the diluted earnings per share for the 3rd quarter and nine-month period ended June 30, 2011 are 12,470,840 warrants (10,041,898 in 2010) and 9,421,000 stock options (6,115,000 in 2010) because to include them would be anti-dilutive.

Bear Lake Gold Ltd.

(an exploration stage company)

Notes to Consolidated Financial Statements

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10. RELATED PARTY TRANSACTIONS

During the 3rd quarter and the nine-month period ended June 30, 2011, the Company paid or accrued administration expenses of \$27,327 and \$81,981 respectively to Reunion Gold Corporation (\$34,875 and \$124,710 during the same periods in 2010), a company with a common director and management, providing administrative services.

During the 3rd quarter and the nine-month period ended June 30, 2011, the Company also paid or accrued consulting fees of nil and \$19,000 respectively (nil during the same periods ended June 30, 2010) to a company controlled by a director of the Company, for geological services related to the option agreement on the Swansea property (Note 5), which amount was charged back to Odyssey. Odyssey and the Company are related by virtue of a common director and management.

At June 30, 2011, accounts payable and accrued liabilities included an amount of \$11,875 due to Reunion Gold Corporation (nil at September 30, 2010).

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

11. CONTINGENCIES

Emergency order

The Ontario Ministry of Northern Development, Mines and Forestry ("MNDMF") issued an Emergency Order on December 4, 2009 to five companies, including Bear Lake, with claims in McGarry Township, in the area where the Upper and Lower Kerr Mine Tailings Ponds are located. The MNDMF had found that a dam and spillway on a claim which is not held by the Company was in need of immediate repair. In light of this situation, the MNDMF undertook and completed in early 2010 the design and construction of a temporary spillway. In April 2010, the MNDMF confirmed to each of the five companies that their obligations under the Emergency Order had thus been cancelled but that the costs for the work conducted by the MNDMF constituted a debt due to the Crown by the five companies. The MNDMF is also looking to the five companies for a plan and schedule indicating how and when the mine hazards associated with the Upper and Lower Kerr Mine Tailings Ponds will be rehabilitated. The Company believes that it does not have any liability related to the dam and spillway referred to in the Emergency Order, on the basis that these are located on property owned and controlled by others. The Company has been conducting appropriate preventive work on its claims and has informed the MNDMF of the work done by the Company. At this time, the Company cannot estimate the potential cost for dealing with this issue, but it does not believe that it will be significant. Expenses in the amount of nil and \$15,966 were incurred respectively during the 3rd quarter and the nine-month period ended June 30, 2011, regarding this matter. Such expenses include mainly technical consulting fees.

Statement of claim

On May 25, 2010, the Company was served with a statement of claim initiated by a former supplier of the Company, whereby damages totalling \$3.25 million are being sought. The Company is of the view that this claim has no merit and is vigorously defending itself in this matter before the Ontario Superior Court of Ontario. The Company does not believe that potential costs for dealing with this issue will be significant.

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Notes to Consolidated Financial Statements

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12. SEGMENTED INFORMATION

The Company has one reportable operating segment being the acquisition and exploration of mineral properties. Plant and equipment, mineral properties and deferred exploration expenses are located in the following geographic locations:

	June 30, 2011	September 30, 2010
	\$	\$
Canada	24,005,612	21,863,222
United States of America	1,156,079	1,156,079
	25,161,691	23,019,301

13. COMPARATIVE FIGURES

Certain comparative figures provided for the 3rd quarter ended June 30, 2010 have been reclassified to conform to the presentation adopted for the period ended June 30, 2011.

14. SUBSEQUENT EVENT

Private placement

On August 11, 2011, the Company announced plans to complete a non-brokered private placement of its securities comprised of Units and Flow-through Units priced at \$0.15 per Unit or Flow-through Unit, to raise up to \$3.5 million (the "Financing"). Each Unit will consist of one common share of Bear Lake and one whole common share purchase warrant (a "Warrant"), with each Warrant exercisable to acquire one common share at \$0.20 for a period of 24 months from the closing date of the Financing. Each Flow-through Unit will consist of one common share of Bear Lake issued on a flow through basis (a "FT Share") and one-half of one Warrant. The Warrants will be subject to a right of accelerated expiry at the Company's option where the closing price of its common shares on the TSX Venture ("TSXV") has exceeded \$0.50 for twenty consecutive trading days at any time after six months' from closing of the Financing. Approximately 18% of the Financing is being subscribed for by insiders of Bear Lake. Closing of the Financing is expected to take place on or about August 23, 2011.

The Company intends to use the gross proceeds of the sale of FT Shares for exploration on its Larder Lake project and the balance of the Financing for exploration and general corporate purposes and the Company may pay finder's fees to qualified finders in connection with the Financing.