

STINA RESOURCES LTD.

FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010

(Unaudited – Prepared by Management)

STINA RESOURCES LTD.

BALANCE SHEETS (Unaudited)

	June 30 2010 \$ (unaudited)	September 30 2009 \$ (audited)
ASSETS		
CURRENT ASSETS		
Cash	249,585	543,267
Short-term investments	1,025,000	1,300,000
Accounts receivable	<u>11,030</u>	<u>2,695</u>
	1,285,615	1,845,962
RECLAMATION BOND (Notes 2 and 3)	21,768	21,768
MINERAL PROPERTY INTERESTS (Note 3)	4,573,506	3,965,458
	<u>5,880,889</u>	<u>5,833,188</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	34,755	73,917
Asset retirement obligation (Note 3)	21,768	21,768
Due to related parties (Note 5)	<u>59,516</u>	<u>62,516</u>
	<u>116,039</u>	<u>158,201</u>
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 4)	9,340,860	9,327,410
CONTRIBUTED SURPLUS (Note 6)	464,776	261,031
DEFICIT	<u>(4,040,786)</u>	<u>(3,913,454)</u>
	5,764,850	5,674,987
	<u>5,880,889</u>	<u>5,833,188</u>

COMMITMENTS (NOTE 3 and 10)
SUBSEQUENT EVENTS (NOTE 11)

APPROVED ON BEHALF OF THE BOARD

signed: Sidney Mann Director

signed: Edward Gresko Director

- See Accompanying Notes -

STINA RESOURCES LTD.

INTERIM STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT (Unaudited)

THREE AND NINE MONTHS ENDED JUNE 30, 2010 AND 2009

	Three months ended June 30, 2010 \$	Nine months ended June 30, 2010 \$	Three months ended June 30, 2009 \$	Nine months ended June 30, 2009 \$
EXPENSES				
Accounting, audit and legal	1,196	30,533	7,495	42,520
Consulting fees	19,612	67,612	12,228	38,485
Exchange (gain) loss	834	502	622	1,064
Office and sundry	12,094	27,110	710	8,469
Regulatory fees and shareholder communications	100	11,291	18,550	24,287
Rent	3,000	10,000	2,748	4,408
Salaries and benefits	9,000	29,487	-	-
Stock based compensation (Note 4)	-	206,595	-	46,484
Transfer agent	1,685	6,476	612	5,793
Travel and promotion	6,825	29,099	-	12,300
Loss from continuing operations	(54,346)	(418,705)	(42,965)	(183,810)
OTHER ITEMS				
Interest income	582	2,873	-	-
LOSS BEFORE INCOME TAX PROVISION	(53,764)	(415,832)	(42,965)	(183,810)
Future income tax recovery (Note 2 p)	-	288,500	-	-
NET LOSS FROM CONTINUED OPERATIONS	(53,764)	(127,332)	(42,965)	(183,810)
DISCONTINUED OPERATIONS (Note 7)				
Income (loss) from discontinued operations	-	-	(5,228)	(7,991)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	(53,764)	(127,332)	(48,193)	(191,801)
DEFICIT, beginning of period	(3,987,022)	(3,913,454)	(3,733,107)	(3,589,499)
NET INCOME (LOSS)	(53,764)	(127,332)	(48,193)	(191,801)
DEFICIT, end of period	(4,040,786)	(4,040,786)	(3,781,300)	(3,781,300)
INCOME (LOSS) PER SHARE				
Continuing operations – basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.01)
Discontinued operations – basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	20,764,797	20,619,046	15,285,567	15,023,875

- See Accompanying Notes -

STINA RESOURCES LTD.

INTERIM STATEMENTS OF CASH FLOWS (Unaudited)

THREE AND NINE MONTHS ENDED JUNE 30, 2010 AND 2009

	Three months ended June 30, 2010 \$	Nine months ended June 30, 2010 \$	Three months ended June 30, 2009 \$	Nine months ended June 30, 2009 \$
CASH FLOWS FROM (USED FOR)				
OPERATING ACTIVITIES				
Net loss for the period from continuing operations	(53,764)	(127,332)	(42,965)	(183,810)
Add non-cash items:				
Stock based compensation	-	206,595	-	46,484
Recovery of future income tax asset	-	(288,500)	-	-
	(53,764)	(209,237)	(42,965)	(137,326)
Net changes in other non-cash operating accounts				
Accounts receivable	5,422	(8,334)	464	(1,609)
Bank overdraft	-	-	27,326	27,326
Accounts payable	(903)	(39,163)	11,956	11,884
	(49,245)	(256,734)	(3,219)	(99,725)
Net cash flows used in discontinued operations	-	-	(20,227)	(36,273)
	(49,245)	(256,734)	(23,446)	(135,998)
INVESTING ACTIVITIES				
Short term investments	175,000	275,000	-	-
Exploration of mineral interests	(176,891)	(311,048)	(2,290)	(11,895)
	(1,891)	(36,048)	(2,290)	(11,895)
FINANCING ACTIVITIES				
Issuance of share capital	-	2,100	-	132,300
Share subscription	-	-	-	-
Due to(from) related parties	-	(3,000)	5,250	(5,400)
	-	(900)	5,250	126,900
INCREASE (DECREASE) IN CASH	(51,136)	(293,682)	(20,486)	(20,993)
CASH, beginning of period	300,721	543,267	23,208	23,715
CASH, end of period	249,585	249,585	2,722	2,722
Supplementary cash flow information				
Interest paid	-	-	-	-
Income taxes paid	-	-	-	-
	-	-	-	-

- See Accompanying Notes -

STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

1. NATURE OF OPERATIONS

The Company's primary operation is mineral exploration and development. The Company was also engaged in the health food and supplement products industry, but discontinued these operations at the end of September 2009 (refer to Note 7). The Company's shares are traded on the TSX Venture Exchange (the "Exchange").

The Company is in the process of exploring and evaluating its mineral property interests in the Yukon Territory, Canada and Nevada, USA. The Company presently has no proven or probable reserves, and on the basis of information to date, has not yet determined whether these properties contain economically recoverable resources. The amounts recorded as mineral property interests represent costs incurred to date and do not necessarily represent present or future values. The recoverability of these amounts is dependent upon the existence of economically recoverable reserves, the ability of the Company to arrange appropriate financing to complete the development of its mineral property interests, and upon future profitable production or proceeds from disposition.

The Company has sustained operating losses since inception and has an operating deficit since inception totaling \$4,040,786. These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize the carrying value of its assets and discharge its liabilities in the normal course of business for the foreseeable future. The ability of the Company to continue as a going concern is dependent upon the Company raising sufficient equity financing, issuing debt or securing related party advances to complete the evaluation and development of its mineral property interests, the discovery of economically recoverable reserves, and upon future profitable production or proceeds from disposition of its resource property interests. Management anticipates that the Company may need to seek out additional equity financing to continue with the exploration programs on its mineral properties during the 2010 fiscal period, as current cash reserves may not be sufficient to continue its property acquisitions, planned exploration programs and continue operations for the ensuing twelve months. Management is not able to assess the likelihood or timing of improvements in the equity markets for raising capital for future acquisitions, exploration or expenditures. This uncertainty represents a liquidity risk and may impact the Company's ability to continue as a going concern in the future.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Consolidation and discontinued operations

These consolidated financial statements include the accounts and operations of the Company and the Company's wholly-owned subsidiary, Northern Seas Products Ltd. ("Northern Seas"). The Company discontinued its Northern Seas operations at the end of September 2009 and has written off the remaining inventory, equipment and doubtful accounts. For all periods presented, the results of operations and cash flows of Northern Seas have been reported on a discontinued operations basis. All intercompany balances and transfers were eliminated upon consolidation up to the date of dissolution of Northern Seas.

STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

2. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

b) Short-term investments

Short-term investments include money market based investments and guaranteed investment certificates where initial maturity is more than ninety days. These investments may be redeemed at the Company's option without significant penalty. These investments bear interest at the Bank of Montreal Prime rate less 1.85%. The carrying value approximates the fair value of these investments.

c) Mineral property interests

Where specific exploration programs are planned and budgeted by management, mineral exploration costs are capitalized and carried at cost until the properties to which they relate are advanced to the development stage, placed into commercial production, sold, abandoned or determined by management to be impaired in value.

Management evaluates the carrying value of each mineral property interest for impairment on a reporting period basis, or as events and changes in circumstances warrant, and makes a determination based on exploration activity and results, estimated future cash flows, and availability of funding as to whether the carrying value has been impaired.

When future cash flows are not reasonably determinable, mineral interests are evaluated for impairment based on management's intentions and determination of the extent to which future exploration programs are warranted and likely to be funded.

Costs incurred for acquisition, including option payments under acquisition agreements, are capitalized until such time as the related interest is placed into production, sold, abandoned, or where management has determined that an impairment in value has occurred. For mineral property interests under option, the Company records only the costs incurred or committed in respect of work programs or amounts due in the reporting period for payment requirements necessary to maintain the options in good standing.

Proceeds of dispositions of partial mineral interest on properties are credited as a reduction of carrying costs. No profit is realized until all the related costs have been offset by disposition proceeds. If a property is placed into commercial production, accumulated costs to production will be amortized based on units of production.

d) Income taxes

The Company follows Canadian Institute of Chartered Accountants (CICA) Handbook Section 3465 in accounting for corporate income taxes. The guidance focuses on the amount of income taxes payable or receivable that will arise if an asset is realized or a liability is settled for its carrying amount. The resulting future income tax asset or liability is recorded based on substantially enacted income tax rates. In the case of unused tax losses, flow-through resource expenditures and pools, income tax reductions and certain items that have a tax basis but cannot be identified with an asset or liability on the balance sheet, the recognition of future income tax assets is determined by reference to the likely realization of such benefits at the balance sheet date.

STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

2. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

e) Foreign exchange

Balance sheet items denominated in U.S. dollars are translated into Canadian dollars at exchange rates prevailing at the balance sheet date for monetary items and at exchange rates in effect at the transaction date for non-monetary items. Income statement items are translated at actual rates or average rates prevailing during the year. Realized gains and losses from foreign currency transactions are included in operating results in the period in which they occur.

f) Administrative expenditures

Administrative expenditures are expensed in the year incurred.

g) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of assets, useful lives for depreciation and amortization, asset retirement obligations, inventory costing and the determination of the fair value of financial instruments and stock-based compensation. Financial results as determined by actual events could differ from those estimates.

h) Long-lived assets

The carrying values of long-lived assets with fixed or determinable lives are reviewed for impairment whenever events or changes in circumstances indicate the recoverable value may be less than the carrying amount. Recoverable value determinations are based on management's estimates of undiscounted future net cash flows expected to be recovered from specific assets or groups of assets through use or future disposition. Impairment charges are recorded in the period in which determination of impairment is made by management.

Assets with indefinite or indeterminable lives are not amortized and are reviewed for impairment on a reporting basis using fair value determinations by management's estimate of recoverable value. Assets held and available for sale or not in use are segregated and reported at the lower of cost and recoverable amount.

i) Basic and diluted loss per share

The Company follows CICA Handbook section 3500, in calculating earnings (loss) per share. The standard requires the use of the treasury stock method for computing diluted earnings (loss) per share, which assumes that proceeds obtained from the exercise of options or warrants, would be used to purchase common shares at the average market price during the period. Loss per share is calculated using the weighted average number of shares outstanding during the year.

Diluted earnings or loss per share is equal to basic earnings or loss per share for all periods presented as the effect of all stock options and warrants outstanding have been excluded as they are anti-dilutive.

STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

2. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

j) Financial instruments

The Company follows CICA Handbook Section 3855, financial instruments. The Section prescribes when a financial instrument is to be recognized on the balance sheet and at what amount. Under the Section, financial instruments must be classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. All financial instruments are required to be measured at fair value on initial recognition, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as held for trading, available for sale, held to maturity, loans and receivables, or other liabilities.

Financial assets and liabilities classified as held for trading are required to be measured at fair value, with gains and losses recognized in earnings.

Financial assets classified as held to maturity, loans and receivables and financial liabilities (other than those held for trading) are required to be measured at amortized cost using the effective interest method of amortization.

Available for sale financial assets are required to be measured at fair value, with unrealized gains and losses recognized in other comprehensive income. The Company did not have any assets classified as available for sale for the period.

The Company classifies its financial instruments as follows:

Cash and short-term investments are classified as held-for-trading. Cash is measured at its face value, representing fair value. Short-term investments are measured using the Bank of Montreal's posted GIC rates.

Accounts receivable, accounts payables and amounts due to the related parties are classified as loans and receivables and other financial liabilities, respectively. These financial instruments are recorded at amortized cost. The fair value of these instruments approximates their carrying value due to their implied short-term maturity.

Net smelter royalties, buy-out options and similar future entitlements or commitments are not considered to have measurable value until such time as the mineral property interests to which they relate have reached the development or mining feasibility stage.

k) Comprehensive income (loss)

The Company follows CICA Handbook Section 1530, comprehensive income. Comprehensive income (loss) is defined as the change in equity from transactions and other events from non-owner sources. Section 1530 establishes standards for reporting and presenting certain gains and losses not normally included in net income or loss, such as unrealized gains and losses related to available for sale securities and gains and losses resulting from the translation of self-sustaining foreign operations, in a statement of comprehensive income.

For all periods presented, the Company has no items required to be reported in comprehensive income. Accordingly, no statement of comprehensive income (loss) has been presented.

STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

2. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

l) Asset retirement obligations

The Company follows CICA Handbook section 3110, relating to the recognition and disclosure of asset retirement obligations and associated asset retirement costs. Management reviews the anticipated obligations and retirement costs of long-lived assets for known obligations under contract, common practice, or laws and regulations. The Company is currently in the exploration stage on its Nevada mineral property interest and has not determined whether significant site reclamation or environmental remediation costs will be required. The Company records liability for site reclamation, when determinable, on a systematic accrual basis in the period in which such costs, if any, can be reasonably determined.

During 2008, the Company posted a reclamation bond with the Nevada government for any site remediation. Effective October 1, 2008, the Company has recorded the reclamation bond as an asset retirement obligation.

m) Stock-based compensation

The Company follows the accounting guidelines of the CICA Handbook section 3870, Stock-based Compensation and Other Stock-Based Payments. Under the guidelines, all new or repriced stock-based awards are measured and recognized using the fair-value method. The standard also encourages the use of the fair-value method for all direct awards of stock, stock appreciation rights, and awards that call for settlement in cash or other assets. The fair value of options and other stock-based awards to employees or non-employees, issued or altered in the period, have been determined using the Black-Scholes option pricing model.

n) Non-monetary transactions

All non-monetary transactions are measured at the fair value of the asset surrendered or the asset or services received, whichever is more reliable, unless the transactions lacks commercial substance. The commercial substance requirement is met when the future cash flows are expected to change significantly as a result of the transaction.

o) Related party transactions

All monetary transactions occurring with related parties in the normal course of operations are measured at the exchange value which is determined by management to approximate fair value. Non-monetary transactions in the normal course of operations that have commercial substance and do not involve the exchange of property or product held for sale are also measured at the exchange value. All other related party transactions are valued at the carrying value.

p) Flow-through shares

Canadian tax legislation permits an enterprise to issue flow-through shares, whereby the tax deduction for qualified resource expenditures is claimed by the investor rather than the Company. Recording these expenditures for accounting purposes gives rise to certain taxable temporary differences on the tax basis and carrying amount of related capitalized expenditures. Upon renunciation of qualifying expenditures and the filing of prescribed tax forms, CICA Emerging Issues Committee pronouncement EIC 146 requires that, to the extent that there are available tax loss carry forwards and other discretionary deductions available to offset the future tax liability, such offsetting amount is recorded as a future income tax recovery in the period of renunciation.

STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

2. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

q) Newly adopted accounting policies

Section 3064, Goodwill and Intangible Assets

The new standard establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets, including those developed internally. At the same time the CICA accounting standards board amended section 1000, Financial Statement Concepts, to clarify the criteria for recognition of an asset. Therefore items that no longer meet the definition of an asset are no longer recognized with assets. The new standard and amended standard were both effective for annual and interim periods beginning on or after October 1, 2008. The adoption of this standard has not had a significant effect on the Company's financial position, results of operations or cash flows.

Section 3031, Inventories

In June 2007, the CICA issued this Section which prescribes the accounting treatment for inventories. In particular, this Section provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value and potential recovery through a reversal of a write-down. This Section does not apply to the measurement of inventories held by producers of minerals and mineral products to the extent that they are measured at net realizable value. The mandatory effective date is for annual and interim financial statements for years beginning on or after January 1, 2008. This new requirement has been adopted by the Company effective October 1, 2008 and did not have a significant effect on the Company's financial position, results of operations or cash flows.

EIC-174, Mining Exploration Costs

In March 2009, the CICA approved EIC 174, Mining Exploration Costs. The guidance clarified that an enterprise that has initially capitalized exploration costs has an obligation in the current and subsequent accounting periods to test such costs for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The guidance is effective as of the date of the abstract. This guidance has not had a significant impact on the reported amounts of assets or operations.

r) Recent accounting pronouncements, not yet adopted

Transition to International Financial Reporting Standards

In 2006, Canada's Accounting Standards Board (AcSB) ratified a strategic plan that will result in the convergence of Canadian GAAP, as used by public companies, with International Financial Reporting Standards over a transitional period. The AcSB has developed and published a detailed implementation plan, with a changeover date for fiscal years beginning on or after January 1, 2011. The Company has not assessed the impact of the initiative on its financial statements. The conversion is planned for the first quarter ending December 31, 2011

STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

2. SIGNIFICANT ACCOUNTING POLICIES - CONT'D

r) Recent accounting pronouncements, not yet adopted – cont'd

Transition to International Financial Reporting Standards

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582 Business Combinations, 1601 Consolidated Financial Statements and 1602 Non-controlling Interests which replace CICA Handbook Sections 1581 Business Combinations and 1600 Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after March 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for companies' interim and annual consolidated financial statements for fiscal years beginning on or after December 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently. Management expects that the adoption of these sections will not have a significant impact on the financial statements.

3. MINERAL PROPERTY INTERESTS

	Nine months ended June 30, 2010 \$	Year ended September 30, 2009 \$
Bisoni McKay Vanadium Property, Nevada, USA		
Acquisition costs:		
Balance, beginning of period	2,846,585	2,858,617
Staking and claim costs	2,466	9,736
Reclassify reclamation bond posted on property	-	(21,768)
Balance, end of period	<u>2,849,051</u>	<u>2,846,585</u>
Exploration expenditures:		
Balance, beginning of period	695,568	650,511
Geological consulting	10,379	14,453
Permits and bonds	-	194
Reclamation estimate	-	21,768
Storage	4,978	8,642
Balance, end of period	<u>710,925</u>	<u>695,568</u>
Total Bisoni McKay Vanadium Property	<u>3,559,976</u>	<u>3,542,153</u>

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STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

3. MINERAL PROPERTY INTERESTS - CONT'D

	Nine months ended June 30, 2010 \$	Year ended September 30, 2009 \$
Kodiak Property, Yukon, Canada		
Acquisition costs:		
Balance, beginning of period	184,675	-
Cash payment	50,000	75,000
250,000 shares at \$0.44	-	109,675
200,000 shares at \$0.50	<u>100,000</u>	-
Balance, end of period	<u>334,675</u>	<u>184,675</u>
Exploration expenditures:		
Balance, beginning of period	146,729	-
Geological consulting	750	74,217
Geomagnetic	-	10,938
Helicopter rentals	-	14,595
Soil sampling	<u>-</u>	<u>46,979</u>
Balance, end of period	<u>147,479</u>	<u>146,729</u>
Total Kodiak Property	<u>482,154</u>	<u>331,404</u>
 Dime Property, Yukon, Canada		
Acquisition costs:		
Balance, beginning of period	-	-
Cash payment	187,500	-
250,000 shares at \$0.38	95,000	-
200,000 shares at \$0.51	<u>102,000</u>	-
Balance, end of period	<u>384,500</u>	<u>-</u>
Exploration expenditures:		
Balance, beginning of period	91,901	-
Geological consulting	2,548	91,901
Soil sampling	50,969	-
Trenching	<u>1,035</u>	<u>-</u>
Balance, end of period	<u>146,453</u>	<u>91,901</u>
Total Dime Property	<u>530,953</u>	<u>91,901</u>

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STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

3. MINERAL PROPERTY INTERESTS - CONT'D

	Nine months ended June 30, 2010 \$	Year ended September 30, 2009 \$
Zeibright Property, California, USA		
Acquisition costs:		
Balance, beginning of period	-	-
Staking and claim costs	423	-
Balance, end of period	<u>423</u>	<u>-</u>
Cumulative mineral property interest expenditures	<u>4,573,506</u>	<u>3,965,458</u>

a) Bisoni MacKay Property, Nevada

On April 25, 2005, Company entered into a property option agreement with Vanadium International Co. ("Vanadium") to purchase a 50% undivided interest in 19 mining claims (the Bisoni MacKay Vanadium Property) covering 392.6 acres, located in Nye County, Nevada, USA. The optioned claims are subject to a 2.5% Net Smelter Royalty (NSR) payable to the vendor.

The Company earned its 50% interest, by making a series of cash payments totaling \$250,000 (\$175,000 of which was settled for 175,000 shares), issuing 1,250,000 shares to Vanadium, as well as funding \$700,000 of exploration activities.

Additionally, the Company exercised a purchase option, included in the original property option agreement, to acquire the remaining 50% interest in the mining claims, for a 100% total interest, subject to the 2.5% NSR. Consideration under the purchase option included a US\$2,000,000 payment to the vendor. The US\$2,000,000 option payment was satisfied in a share settlement through the issuance of 1,995,600 common shares at a stated value of \$0.9978 per share. These shares have been recorded at management's estimate of fair value of \$0.7982 per share, based on a 20% discount from the quoted market price at the time of the share issuance to factor in market conditions and a large block discount.

The Company has staked an additional 18 claims in the area which are contiguous with the existing claims.

During 2008, the Company posted a reclamation bond with the Nevada state government should the Company not complete any required site reclamation or environmental remediation. Effective October 1, 2008, the Company recorded an asset retirement obligation of \$21,768 relating to its activities on the property.

b) Kodiak Property, Yukon

On June 18, 2009, the Company entered into an option agreement with Ryanwood Exploration Inc. ("REI") pursuant to which REI has agreed to grant the Company an option to purchase a 100% beneficial interest in 152 mining claims located in the Dawson Mining District, Yukon Territory, subject to REI retaining a 2% NSR.

STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

3. MINERAL PROPERTY INTEREST - CONT'D

b) Kodiak Property, Yukon – cont'd

To exercise its option, the Company must make the following payments, share issuances and expenditures:

Cash payments:

- \$75,000 within five days of Exchange approval (paid)
- \$50,000 on or before June 15, 2010 (paid)
- \$100,000 on or before June 15, 2011
- \$75,000 on or before June 15, 2012
- \$75,000 on or before June 15, 2013

Shares:

- 250,000 common shares of the Company within five days of Exchange approval (issued)
- 200,000 common shares of the Company on or before June 15, 2010 (issued)
- 200,000 common shares of the Company on or before June 15, 2011
- 200,000 common shares of the Company on or before June 15, 2012
- 250,000 common shares of the Company on or before June 15, 2013

Exploration Expenditures:

- \$100,000 on or before November 18, 2009 (incurred)
- \$200,000 on or before November 15, 2010
- \$300,000 on or before November 15, 2011
- \$500,000 on or before November 15, 2012

c) Zeibright Mine, California, USA

On February 19, 2009, the Company entered into an option agreement with Steephollow Resources Inc. ("SRI"), pursuant to which SRI has agreed to grant the Company an option to purchase a 100% beneficial interest in certain mining claims located in Nevada county, California, United States. The claims are subject to a 2% NSR.

To exercise the option, the Company must: (i) incur and finance exploration expenditures on the property of not less than \$100,000, on or before the second anniversary of the approval date of the option agreement by the Exchange (approved March 18, 2009); and (ii) allot and issue one million shares in the capital stock of the Company to SRI upon the completion of such exploration expenditures.

The Company entered into a suboption agreement (the "Suboption Agreement") with Gordon Lee (the "Optionee") who has the right to earn 70% of the Zeibright Gold Property (the "Property") from the Company by conducting US\$2 million dollars of exploration work on the property over four years. The Company has an option to earn 100% of the Zeibright Property from SRI in consideration for exploration expenditures of \$100,000 within two years and the payment of 1 million common shares. Both the Company and SRI have agreed to transfer 70% of the Company's interest to the Optionee under the Suboption Agreement in consideration that the exploration expenditures under the Suboption Agreement will be applied to the Company's obligation. The Company is still required to issue the shares to SRI.

STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

3. MINERAL PROPERTY INTEREST - CONT'D

c) Zeibright Mine, California, USA – cont'd

The Optionee is required to expend amounts according to the following schedule:

- \$200,000 by July 18, 2010
- \$300,000 by April 18, 2011
- \$500,000 by April 18, 2012
- \$1,000,000 by April 18, 2013

The Company also maintains the right to buy back a 20% interest in the Property for the payment of \$500,000 within ninety (90) days after the Optionee has exercised its option.

Subsequent to the end of the quarter, the Company did not receive confirmation of the expenditures required by July 18, 2010. The Company has not issued a default notice and is in negotiations with the Optionee.

d) Dime Property, Yukon

On July 23, 2009, the Company entered into a property option agreement with REI to earn a 100% interest in 128 claims in the Dawson Mining District, Yukon Territory, subject to a 2% NSR in favor of the optionor. To exercise its option, the Company must make the following payments and expenditures:

Cash payments:

- \$125,000 within fifteen days of Exchange approval (paid)
- \$125,000 on or before June 26, 2010 (paid \$62,500, balance deferred to September 15, 2010)
- \$100,000 on or before June 26, 2011
- \$100,000 on or before June 26, 2012
- \$150,000 on or before June 26, 2013

Shares:

- 200,000 common shares of the Company within five days of Exchange approval (issued)
- 200,000 common shares of the Company on or before June 26, 2010 (issued)
- 300,000 common shares of the Company on or before June 26, 2011
- 300,000 common shares of the Company on or before June 26, 2012
- 250,000 common shares of the Company on or before June 26, 2013

Exploration Expenditures:

- in the amount of \$100,000 on or before November 15, 2009 (extended)
- an additional amount of \$250,000 on or before November 15, 2010
- an additional amount of \$500,000 on or before November 15, 2011
- an additional amount of \$750,000 on or before November 15, 2012

The Company has the option to purchase one half of the NSR for a payment of two million dollars.

Management completed its review for indicators of impairment and determined that there have been no significant indications of impairment to the carrying value of the Company's mineral property interests as at June 30, 2010 and September 30, 2009. Management believes that the properties still have future benefit and economic potential. However, this assessment could change in the future if financial and commodity markets weaken for a sustained period or if there are onerous changes in environmental requirements.

STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

4. SHARE CAPITAL

a) Authorized: Unlimited common shares without par value

b) Issued

	Nine months ended June 30, 2010		Year ended September 30, 2009	
	Number of Shares	Amount \$	Number of Shares	Amount \$
Balance, beginning of period	20,458,643	9,327,410	14,624,067	6,806,435
Issued during the period:				
Cash, stock option at \$0.21	10,000	2,100		
Cash, private placement				
- at \$0.20	i) -	-	661,500	132,300
- at \$0.47	ii) -	-	3,000,000	1,410,000
- at \$0.52	iii) -	-	1,923,076	1,000,000
Share issue costs			-	(131,000)
Mineral Property:				
- at \$0.38	iv) 250,000	95,000	-	-
- at \$0.44	v) -	-	250,000	109,675
- at \$0.50	vi) 200,000	100,000	-	-
- at \$0.51	vii) 200,000	102,000	-	-
Transfer from contributed surplus	viii) -	2,850	-	-
Recovery of future income tax asset	ix) -	(288,500)	-	-
Balance, end of period	<u>21,118,643</u>	<u>9,340,860</u>	<u>20,458,643</u>	<u>9,327,410</u>

- i) On January 16, 2009, the Company completed a non-brokered private placement of 661,500 shares at \$0.20 per share.
- ii) On July 10, 2009, the Company completed a non-brokered private placement of 3,000,000 shares at \$0.47 per share.
- iii) On July 10, 2009, the Company completed a non-brokered private placement of 1,923,076 share units at \$0.52 per unit. Each unit consists of one flow-through common share and one-half of one non flow-through share purchase warrant. Each full warrant entitles the holder to acquire one additional common share at \$1.00 per share up to July 10, 2010 or \$1.25 per share until July 10, 2011. The warrant component of the share unit, included in share capital, has an estimated fair value of \$215,000. The fair value of the warrant component was estimated using the Black-Scholes Option Pricing Model under the following assumptions: expected life 2 years; volatility 140%; risk free rate of return 1.97%; dividend yield 0%.

Finders' fees of \$131,000 in cash were paid in connection with the above private placement.
- iv) On February 2, 2010, the Company issued 250,000 common shares, at an estimated fair value of \$0.38 per share as part of a property acquisition. Fair value was determined using the quoted price at the time of the transaction.
- v) On July 8, 2009, the Company issued 250,000 common shares, at an estimated fair value of \$0.44 per share as part of a property acquisition. Fair value was determined using the quoted price at the time of the transaction.

STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

4. SHARE CAPITAL – CONT'D

b) Issued – cont'd

- vi) On June 15, 2010, the Company issued 200,000 common shares, at an estimated fair value of \$0.50 per share as part of a property acquisition. Fair value was determined using the quoted price at the time of the transaction.
- vii) On June 24, 2010, the Company issued 200,000 common shares, at an estimated fair value of \$0.51 per share as part of a property acquisition. Fair value was determined using the quoted price at the time of the transaction.
- viii) The Company records the grant date fair value of vested stock options as a credit to contributed surplus. These amounts are transferred to share capital upon exercise of the underlying stock options. During the period, \$2,850 was transferred to share capital for options exercised.
- ix) In July 2009, the Company raised \$1,000,000 under flow-through arrangements with subscribers. Under Canadian Tax legislation the Company renounces qualifying expenditures in favour of the share subscribers and must incur such qualifying expenditures within a one year period from renunciation. Accordingly, the Company is committed to incur \$1,000,000 of qualifying expenditures before December 31, 2010. The Company has incurred \$253,979 in qualifying expenditures to June 30, 2010.

c) Shares in escrow

As at June 30, 2010, 187,500 shares were held in escrow. The shares are subject to a time release escrow agreement as follows:

<u>Anticipated release dates:</u>	<u>Shares for release</u>
December 24, 2010	93,750
June 24, 2011	<u>93,750</u>
	<u><u>187,500</u></u>

d) Share purchase warrants

The following share purchase warrants are outstanding at June 30, 2010:

	<u>Number of shares</u>	<u>Weighted average exercise price - \$ -</u>	<u>Weighted average life remaining (years)</u>
Balance at September 30, 2008	78,000	1.70	0.88
Issued	961,538	1.00	-
Expired	<u>(78,000)</u>	<u>1.70</u>	<u>-</u>
Balance at September 30, 2009	961,538	1.00	1.77
Balance at June 30, 2010	<u>961,538</u>	<u>1.00</u>	<u>1.03</u>

At June 30, 2010, there are 961,538 share purchase warrants outstanding, exercisable into shares at \$1.25 per share on or before July 10, 2011.

STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

4. SHARE CAPITAL – CONT'D

e) Stock options

Under the Company's Incentive Share Option Plan, the Company may grant options to employees, consultants and directors when the number of shares reserved does not exceed 10% of the number of common shares issued and outstanding at the date of grant. The exercise price of the options granted will be no less than the discounted market price of the Company's shares and the maximum term of the options will be 5 years.

The following stock options are fully vested and exercisable:

	<u>Number of shares</u>	<u>Weighted average exercise price - \$ -</u>	<u>Weighted average Life remaining (years)</u>
Balance at September 30, 2009	887,475	0.50	0.63
Granted	675,000	0.30	-
Expired	(877,475)	0.21	-
Exercised	<u>(10,000)</u>	<u>0.21</u>	<u>-</u>
Balance at June 30, 2010	<u>675,000</u>	<u>0.30</u>	<u>4.35</u>

At the period end, the following stock options were outstanding:

<u>Number of shares</u>	<u>Exercise Price \$</u>	<u>Expiring</u>
<u>675,000</u>	0.30	November 3, 2014
<u>675,000</u>		

On November 3, 2009, the Company granted 675,000 options to directors and consultants. The estimated fair value of the grant is \$206,595 or approximately \$0.31 per option, which has been recorded as stock-based compensation.

5. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- Sales commissions included in Northern Seas operating expenses totalling \$nil (2009 - \$22,500) were paid to a director of the Company for product sales.
- The Company incurred wages of \$27,000 with a director for administrative services (2009 - \$27,000)
- The Company incurred consulting fees in the amount of \$45,000 (2009 - \$34,939) with a company owned by a director for administrative services.

STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

5. RELATED PARTY TRANSACTIONS – CONT'D

- d) At June 30, 2010, prior advances totalling \$59,516 (September 30, 2009 - \$62,516) were due to a company controlled by a director. The advances are unsecured, non-interest bearing, and have no specific terms of repayment.

Transactions with related parties have been recorded at their exchange amount, which is the amount agreed upon between the related parties.

6. CONTRIBUTED SURPLUS

Changes to the contributed surplus account are as follows:

	Nine months ended June 30, 2010 \$	Year ended September 30, 2009 \$
Balance, beginning of period	261,031	214,547
Fair value of options granted	206,595	-
Transfer to share capital on exercise of options	(2,850)	-
Fair value of options repriced	-	46,484
Balance, end of period	<u>464,776</u>	<u>261,031</u>

7. DISCONTINUED OPERATIONS

The Company discontinued the operations of its natural alternative health food products division in September 2009. The Company voluntarily shut down the division and had its subsidiary dissolved. Accordingly, the results of Northern Seas have been presented as discontinued operations for the three and nine months ended June 30, 2009, including a loss of \$7,991. A summary of the results of the discontinued Northern Seas division is presented below:

	Three months ended June 30, 2009 \$	Nine months ended June 30, 2009 \$
Sales	17,019	50,304
Cost of Goods Sold	<u>5,152</u>	<u>12,255</u>
Gross Profit	11,867	38,049
Operating Expenses	<u>17,095</u>	<u>46,040</u>
Loss from discontinued operations	<u>(5,228)</u>	<u>(7,991)</u>

STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

8. RISK MANAGEMENT

The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for environmental issues and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

Financial Risk Management:

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash accounts and accounts receivables. Cash accounts are held with major banks in Canada and the United States. This risk is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to credit risk is in its receivables. This risk is minimal as receivables consist primarily of refundable government sales taxes and to a lesser extent amounts due from customers.

Currency Risk

The Company's functional currency is the Canadian dollar. There is moderate foreign exchange risk to the Company as some its natural health food customers and suppliers and its mineral property interest are located in the United States. Management monitors its foreign currency balances and makes adjustments based on anticipated need for currencies. The Company does not engage in any hedging activities to reduce its foreign currency risk.

Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances and short-term investments at variable rates. The fair value of the Company's cash accounts is relatively unaffected by changes in short term interest rates. The income earned on certain bank accounts is subject to the movements in interest rates.

Liquidity Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash balances and/or short-term investments that are readily available.

9. CAPITAL MANAGEMENT

The Company currently manages its capital structure and makes adjustments to it, based on cash resources expected to be available to the Company, in order to support the planned exploration and development of mineral property interests. Management has not established a quantitative capital structure, but will review on a regular basis the capital structure of the Company relative to the stage of development of the business entity and mineral property interest.

STINA RESOURCES LTD.

NOTES TO FINANCIAL STATEMENTS

NINE MONTHS ENDED JUNE 30, 2010 AND 2009

9. CAPITAL MANAGEMENT – CONT'D

The Company currently is dependent on externally provided equity financing to fund its exploration and development activities. In order to carry out planned exploration and development and fund administrative costs, the Company will allocate its existing capital and plans to raise additional amounts as needed through equity and related party advances, if available. Management reviews the capital management approach on an ongoing basis and believes that this approach is reasonable for the current state of the markets and exploration industry.

There were no changes in the Company's approach to capital management for the nine months ended June 30, 2010 compared to the nine months ended June 30, 2009. The Company is not subject to externally imposed capital requirements.

10. COMMITMENT

During the year ended September 30, 2009, the Company issued 1,923,076 flowthrough shares for proceeds of \$1,000,000. The proceeds from these issues must be used for qualifying exploration expenditures which will be renounced by the Company in favor of the investors purchasing such shares and such expenditures are not available to the Company for income tax purposes.

During the nine months ended June 30, 2010 the Company renounced \$1,000,000 in exploration expenditures to the investors. As at June 30, 2010, short term investments included \$746,021 (2009: \$Nil) to be used for qualifying exploration expenditures.

11. SUBSEQUENT EVENTS

On July 29, 2010 James Corrigan and Jim Wall were appointed to the Board of Directors.

On August 6, 2010 the Company entered into employee stock option agreements granting the right and option to purchase 825,000 shares of the company at \$0.46 per share exercisable in whole or in part for a period of five years.

Stina Resources Ltd.

Management Discussion & Analysis for the 3rd Quarter Ended June 30, 2010

**Ste 717 – 165 LaRose Ave.
Etobicoke, ON M9P 3S9
Tel (416) 368-2271 / Fax: (416) 368-2635**

STINA RESOURCES LTD.**FORM 51-102F1**

**Management's Discussion & Analysis
for the 1st Quarter Ended June 30, 2010
(and containing information as of August 23, 2010)**

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STINA RESOURCES LTD.

FORM 51-102F1

**Management's Discussion & Analysis
for the 1st Quarter Ended June 30, 2010
(and containing information as of August 23, 2010)**

Item 1: INTERIM MD&A

Forward-looking Information

This Management Discussion and Analysis ("MD&A") contains certain forward-looking statements and information relating to Stina Resources Ltd. (the "Company") that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of Company exploration properties. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional important factors, if any, are identified here.

NATURE OF BUSINESS:

Stina Resources Ltd. (the "Company") is incorporated under the laws of British Columbia and is primarily engaged in the acquisition, exploration and development of resource properties. The Company's primary activity is the exploration of the Bisoni McKay Vanadium Property in northern Nevada, the Zeibright Gold property in Nevada County, California, and now the Kodiak Gold Property in Dawson County of the Yukon Territory. The Company is also exploring other mineral opportunities in the Yukon Territory.

The Company is also currently engaged in the marketing of its Bisoni McKay Vanadium Property to parties expressing interest, including emerging green technologies such as vanadium battery developers.

The Company was previously engaged in the health food and supplement product industry under the trade name Northern Seas Products and discontinued this division on September 30, 2009 due to decreasing sales revenues and low projected market share in a decreasing-profit industry.

The Company's shares are traded on the TSX Venture Exchange under the symbol SQA

1.1 DATE

The following discussion and analysis was approved by the Directors of the Company and should be read in conjunction with the audited financial statements for year ended September 30, 2009, and unaudited financial statements for the quarters ending March 31, 2010, December 31, 2009, June 30, 2009, and the related notes thereto. All figures are in Canadian dollars unless otherwise noted.

1.2 OPERATIONS DETAIL AND FINANCIAL CONDITIONS:

- (a) Acquisitions & Dispositions:

See Note 3 of Financial Statements – Mineral Property Interest

See Note 7 of Financial Statements – Discontinued Operations

1) **Bisoni McKay Vanadium Property in Nevada**

On January 27, 2005 the company entered into an option agreement with Vanadium International Corp. (see news release dated January 27, 2005) to acquire 100% of the rights to 19 mining claims covering 392.6 acres, located in Nye county, Nevada, USA, called the Bisoni McKay Vanadium Property.

To earn its interest, the Company was required to make a series of cash payments totaling \$250,000, issue 1,250,000 shares to Vanadium, as well as fund \$700,000 of exploration activities, as follows:

<u>Due</u>	<u>Cash payments</u>	<u>Common shares</u>	<u>Exploration Work</u>
Regulatory approval – June 3, 2005	\$ 60,000	-	-
Within one year of approval	-	-	\$ 150,000
Within two years of approval	\$ 90,000	625,000	\$ 200,000
Within three years of approval	\$ 100,000	625,000	\$ 350,000
	\$ 250,000	1,250,000	\$ 700,000
July 2008	PAID	ISSUED	COMPLETED

Cash payments of \$75,000 were made (\$60,000 on approval and \$15,000 in December 2007). Additionally 1,250,000 shares were issues subject to escrow terms, and exploration work exceeding \$700,000 was completed (see below).

On July 3, 2008 the Company completed this option in addition to the option for the second 50% of the Bisoni McKay property from VIC. Stina now holds 100% of the rights to 37 mineral claims on the property. Through this agreement Vanadium International Corp. acquired control and direction over 2,795,600 common shares (representing approximately 19% of the then outstanding shares) of Stina Resources Ltd. giving Vanadium control and direction over a total of 3,378,600 common shares (representing approximately 23% of the then outstanding shares) of Stina.

Of the 2,795,600 shares, 800,000 shares were issued by Stina to Vanadium in order for Stina to exercise its option to earn a 50-per-cent interest in the Bisoni Mackay vanadium property. Stina further agreed to purchase the remaining 50-per-cent interest in the property for a purchase price of \$2-million (U.S.). Stina issued 1,995,600 shares at a deemed price of \$1 (Canadian) per share to Vanadium as payment of the \$2-million (U.S.) purchase price (based on a deemed exchange rate of \$1 (Canadian):\$1.0022 (U.S.)). These shares were subject to a four-month hold period and now are free-trading.

2) **Zeibright Gold Property in California**

On February 19, 2009 the Company entered into an option agreement with Steephollow Resources Inc. (“SRI”) to purchase a 100-per-cent beneficial interest in certain mining claims located in sections 28, 27 and 21 in T17N and R11E, Nevada county, California, United States, subject to a 2-per-cent net smelter interest in favor of Dennis La Prairie

Pursuant to the option agreement, to exercise the option the company must: (i) incur and finance exploration expenditures on the property of not less than \$100,000, on or before the second anniversary of the approval date of the option agreement by the TSX Venture Exchange; and (ii) allot and issue one million shares in the capital stock of the company to SRI upon the completion of such exploration expenditures.

The TSX Venture Exchange approved this transaction on March 18, 2009; therefore Stina must exercise the option before March 18, 2011.

The Zeibright mine is a former gold producer located in northeastern California along the border between Placer and Nevada counties in the Sierra Nevada mountain range, and is within the Sierra Nevada gold-bearing area, immediately east of the productive Grass Valley and Nevada City gold districts. The area is considered related to the motherlode structure, the northern limit of which is approximately 40 kilometers (25 miles) to the south-southwest of the Zeibright mine.

On October 20, 2009 the Company suboptioned the Zeibright property to Gordon Lee (“Lee”) of Las Vegas, NV. Lee has the right to earn 70 per cent of the Zeibright gold property from the Company by conducting \$2-million (U.S.) of exploration work on the property over four years. The Company and SRI have agreed to transfer their option to the Lee with the understanding that exploration work expenditures conducted under this new agreement will be applied toward the Company’s expenditure obligation to SRI. There will be no shares exchanged between the Company and Lee.

The \$2-million (U.S.) required to be expended on exploration and development of the property by Lee shall be expended according to the following schedule:

- The expenditure of \$200,000 on exploration and development of the claims by July 18, 2010;
- The expenditure of \$300,000 on exploration and development of the claims by April 18, 2011;
- The expenditure of \$500,000 on exploration and development of the claims by April 18, 2012;
- The expenditure of \$1-million on exploration and development of the claims by April 18, 2013.

The Company maintains the right to buy back a 20-per-cent interest in the property for the payment of \$500,000 within 90 days after Lee has exercised his option. The claims are subject to a 2-per-cent net smelter royalty in favour of Dennis La Prairie as further described in an agreement dated for reference Feb. 18, 2009, between the Company and SRI. The NSR may be bought back for \$1-million for each 1-per-cent. The Company and Lee shall both have the right to buy such 1 per cent NSR proportional to their respective percentage holdings in the property as at the date of receipt by Mr. La Prairie of the written notice to purchase such NSR interest.

On November 20, 2009 the Company and SRI consented to an agreement to transfer the above option agreement from Lee to Trimax Corporation of Toronto, ON, a company trading on the OTCBB, under the same terms, restrictions and dates as the original Stina-Lee agreement.

Subsequent to the end of the quarter, the Company did not receive confirmation of the expenditures required by July 18, 2010. The Company has not issued a default notice and is in negotiations with the Optionee.

3) **Kodiak Gold Property in the Yukon**

On June 19, 2009 the Company entered into an option agreement with Ryanwood Exploration Inc. (“REI”) to purchase a 100-per-cent beneficial interest in 152 mining claims located in the Dawson mining district, Yukon Territory, generally known and described as the Kodiak Property, subject to a 2-per-cent net smelter interest in favour of REI.

Pursuant to the option agreement, to exercise the option the Company must:

Pay to REI:

- \$75,000 within five days after the approval date of the option agreement by the TSX-V (**Paid**);
- \$50,000 on or before June 15, 2010; (**Paid**)
- \$100,000 on or before June 15, 2011;
- \$75,000 on or before June 15, 2012;
- \$75,000 on or before June 15, 2013.

Issue and deliver to REI:

- 250,000 common shares of the company within five days after the approval date of the option

agreement by the TSX V (**Issued**);

- 200,000 common shares of the company on or before June 15, 2010; (**Issued**)
- 200,000 common shares of the company on or before June 15, 2011;
- 200,000 common shares of the company on or before June 15, 2012;
- 250,000 common shares of the company on or before June 15, 2013.

Incur expenditures:

- In the amount of \$100,000 on or before Nov. 18, 2009; (**Incurred**)
- In the additional amount of \$200,000 on or before Nov. 15, 2010;
- In the additional amount of \$300,000 on or before Nov. 15, 2011;
- In the additional amount of \$500,000 on or before Nov. 15, 2012.

The Kodiak property claim block consists of 152 claims covering 30 square kilometers or 6400 acres and ties on to the southern side of Underworld white gold property. The Kodiak claim block also straddles Thistle creek which was the richest placer gold-producing creek in the area given up more than 63,000 ounces of placer gold since the turn of the century.

REI is the property vendor for Underworld's white property and has re-evaluated the Geological Survey of Canada database for similar positive indicators for white-style mineralization. The GSC airborne magnetic data indicate the Kodiak claims are sitting on the same regional north -- south magnetic high anomaly that Underworld's white gold property is now covering. The GSC silt survey of the Thistle area indicates a 90-per-cent percentile gold anomaly, a 98-per-cent percentile arsenic anomaly and up to 99-per-cent percentile silver anomaly all draining from the Kodiak property. Again, all positive indicator elements in white-gold-style mineralization. The third piece of data that increases the Kodiak potential is the GSC geology map. The GSC geology map has noted a northwest and northeast trending regional structure and the same geological units were mapped by the GSC on both the white and Kodiak properties which consist of DMA amphibolites, DMogt orthogneiss, and DMps quartz mica schist.

The Company contracted Jean Pautler of Whitehorse, YT to prepare an NI-43-101 geo-technical report on the Kodiak Property. 2010 exploration is underway.

4) **Dime Gold Property in the Yukon**

On July 23, 2009 the Company entered into an option agreement with Ryanwood Exploration Inc. ("REI") to acquire a 100 per-cent beneficial interest in 128 mining claims located in the Dawson mining district, Yukon Territory, generally known and described as the Dime Property, subject to a 2-per-cent net smelter interest in favour of REI (the Company has the option to purchase one-half of the net smelter return royalty for a payment of \$2-million).

Pursuant to the option agreement, to exercise the option the Company must:

Pay to REI:

- \$125,000 within 15 days after the approval date of the option agreement by the TSX Venture Exchange; (**Paid**)
- \$125,000 on or before June 26, 2010; (**\$62,500 Paid, \$62,500 deferred to Sept. 15, 200**)
- \$100,000 on or before June 26, 2011;
- \$100,000 on or before June 26, 2012;
- \$150,000 on or before June 26, 2013.

Issue and deliver to REI:

- 200,000 common shares of the company within five days after the approval date of the option agreement the TSX Venture Exchange; (**Issued**)
- 200,000 common shares of the company on or before June 26, 2010; (**Issued**)
- 300,000 common shares of the company on or before June 26, 2011;
- 300,000 common shares of the company on or before June 26, 2012;
- 250,000 common shares of the company on or before June 26, 2013.

Incur expenditures:

- In the amount of \$100,000 on or before Nov. 15, 2009; **(Incurred)**
- In the additional amount of \$250,000 on or before Nov. 15, 2010;
- In the additional amount of \$500,000 on or before Nov. 15, 2011;
- In the additional amount of \$750,000 on or before Nov. 15, 2012.

The Dime property is located 42 kilometres northwest of Underworld's White Gold project and covers a well-known placer gold creek called Ten Mile. Ten Mile creek has produced coarse placer gold since the turn of the century and the placer deposits are believed to be locally derived. In 1998 Teck Corp. staked the ground surrounding two placer gold districts in the Dawson area. One was the area now covered by Underworld's White Gold property and the second one was a claim package in the Ten Mile Creek area. Teck worked on both properties for two or three seasons and successfully identified several promising targets; however, the company changed its focus in 2000 and dropped all their gold exploration efforts in the Dawson area.

Shawn Ryan, a local prospector from Dawson City, Yukon, and the principal of REI, understood the significance of Teck regional exploration work and staked the Dime claims to cover a large co-incident gold and arsenic soil anomaly that was never followed up. Teck's data show that there is a broad anomalous zone up to 750 metres wide that and 1,200 metres in length and the anomaly appears to be open along strike within the Dime claims.

During the property examination it was determined that the location of the claim posts for the adjoining mineral claims in the Ten Grid area are incorrectly located on the Yukon Department of Mines claim maps. Based on precedents in the Yukon Territory concerning overlapping claim boundary issues it is anticipated that the actual position of the claim posts in the field will be used to determine the boundary of the Dime Property and that the Dime Property will be reduced. Based on the assumption that the south western boundary of the present Dime Property will be adjusted to reflect the actual location of the adjoining mineral claims the southwestern boundary of the Dime Property currently shown on the Yukon Department of Mines website will be moved approximately 135 meters to the northeast. The Company has not considered this shift of the Dime property to be impairment to the property.

The option agreement was approved by the TSX Venture Exchange on February 2, 2010

On February 8, 2010 the Company announced results of 2009 exploration consisting of a 191-soil-sample program, collected on a grid covering about 37 hectares on the Dime property. The gold values in the survey reached as high as 6,082 parts per billion or six grams per tonne gold and defined an easterly trend.

See Section 1.3 (2) below for recent exploration information

Disposal of Northern Seas Division

The Company elected to dispose of the Northern Seas health food division as of September 30, 2009. The business was voluntarily shut down at that time, recoverable assets transferred to the Company and non-recoverable assets written off. The Company has assumed any Northern Seas liabilities as of that date. (see Selected Financial Information below and Note 7 of Financial Statements)

Selected Financial Information:

The following table sets forth selected audited financial information of the Company for the last three completed financial years.

	FISCAL YEARS ENDED		
	September 30, 2009*	September 30, 2008	September 30, 2007
Total Revenue	\$ 60,625*	\$ 65,437	\$ 64,008
Gross Profit	\$ 45,321*	\$ 44,426	\$ 47,355
Operating Expenses	\$ 278,634*	\$ 265,911	\$ 234,937
Net Income (Loss)	\$ (323,955)	\$ (221,485)	\$ (184,628)
Loss Per Share	\$ (0.02)	\$ (0.02)	\$ (0.02)
Total Assets	\$ 5,833,188	\$ 3,563,114	\$ 1,527,196

* Total Revenue, Gross Profit and certain Operating Expenses have been detailed in Note 7 – Discontinued Operations of the Financial Statements. On September 30, 2009, the Company discontinued its Northern Seas Health Foods Division. The Company's September 30, 2009 audited financial statements present the results of operations and cash flows of Northern Seas on a discontinued operations basis.

Summary of Quarterly Results

The following table sets forth selected (unaudited) quarterly financial information for each of the last eight most recently completed quarters:

	QUARTERS ENDED			
	June 30, 2010*	Mar. 31, 2010*	Dec. 31, 2009*	Sept. 30, 2009*
Total Revenue	\$ -	\$ -	\$ -	\$ 10,321
Gross Profit	\$ -	\$ -	\$ -	\$ 7,272
Oper. Expenses	\$ 54,346	\$ 98,523	\$ 265,836	\$ 94,105
Net Income (Loss)	\$ (53,764)	\$ 192,268	\$ (265,836)	\$ (132,154)
Income (Loss) Per Share	\$ 0.00	\$ 0.01	\$ (0.01)	\$ (0.02)
Total Assets	\$5,880,889	\$ 5,733,555	\$ 5,777,771	\$ 5,833,188
Total Liabilities	\$ 116,039	\$ 116,941	\$ 159,925	\$ 158,201
	QUARTERS ENDED			
	June 30, 2009	Mar. 31, 2009*	Dec. 31, 2008	Sept. 30, 2008
Total Revenue	\$ 17,019	\$ 20,594	\$ 12,691	\$ 15,727
Gross Profit	\$ 11,867	\$ 17,338	\$ 8,844	\$ 9,402
Oper. Expenses	\$ 60,060	\$ 140,216	\$ 29,574	\$ 61,976
Net Income (Loss)	\$ (48,193)	\$ (122,878)	\$ (20,730)	\$ (52,574)
(Loss) Per Share	\$ (0.003)	\$ (0.01)	\$ (0.001)	\$ (0.004)
Total Assets	\$ 3,597,803	\$ 3,610,155	\$ 3,624,125	\$ 3,563,114
Total Liabilities	\$ 179,337	\$143,496	\$ 148,872	\$ 131,631

* Total Revenue, Gross Profit and certain Operating Expenses have been detailed in Note 7 – Discontinued Operations of the Financial Statements. On September 30, 2009, the Company discontinued its Northern Seas Health Foods Division.

Expenditure Comparison and Variances – Stina Administration Division:

***Increases:** \$29,127 in Consulting fees; \$160,111 in Stock based compensation (see note 4 of financial statements), \$18,641 in Office;; \$16,799 in Promotion and Travel; and \$5,592 in Rent.

Decreases: (\$11,987) in Accounting, Audit and Legal fees and (\$12,996) in Regulatory Fees fees

*See note 7- Discontinued operations. Expenses formerly charged to discontinued operations no w incurred by Stina Administration Division.

Expenditure Comparison and Variances – Mineral Exploration Division:

During the period between October 1, 2009 and June 30, 2010 Mineral Exploration Division expenditures totaling \$608,048 were classified as Mineral Interest in company assets, for a total of \$4,573,506 as of June 30, 2010. (Of these expenditures \$536,966 was allocated to acquisition expenditures, all for staking and claim costs, and \$71,082 to Exploration Expenditures.

-See Note 3 of Financial Statements

Comparative mineral property exploration expenditures were incurred as follows:

Comparative mineral property exploration	Nine Months Ended June 30, 2010	Year ended Sept. 30, 2009
Bisoni McKay Vanadium Property, Nevada, USA		
Acquisition costs		
Balance, beginning of year	\$ 2,846,585	\$ 2,858,617
<i>Incurring during the year:</i>		
Staking and claim costs	2,466	9,736
Reclassify reclamation bond posted on property *	-	(21,768)
Balance, end of year	<u>2,849,051</u>	<u>2,846,585</u>
Exploration expenditures		
Balance, beginning of year	\$ 695,568	\$ 650,511
Geological consulting	10,379	14,453
Permits and bonds	-	194
Reclamation estimate*	-	21,768
Storage	4,978	8,642
Balance, end of year	<u>710,925</u>	<u>695,568</u>
Total Bisoni McKay Property	3,559,976	3,542,153
Kodiak Property, Yukon Territory, Canada		
Acquisition costs		
Balance, beginning of year	\$ 184,675	-
<i>Incurring during the year:</i>		
Cash payment	50,000	75,000
250,000 shares at \$0.44	-	109,675
200,000 shares at \$0.50	100,000	-
Balance, end of year	<u>334,675</u>	<u>184,675</u>
Exploration expenditures		
Balance, beginning of year	\$ 146,729	-
Geological consulting	750	74,217
Geomagnetic	-	10,938
Helicopters	-	14,595
Soil sampling	-	46,979
Balance, end of year	<u>147,479</u>	<u>146,729</u>
Total Kodiak Property	<u>\$ 482,154</u>	<u>\$331,404</u>

**Dime Property, Yukon,
Canada**
Acquisition costs:

Balance, beginning of year	-	-
Cash Payment	187,500	-
250,000 shares at \$ 0.38	95,000	=
200,000 shares at \$0.51	<u>102,000</u>	=
	\$384,500	

Exploration expenditures:

Balance, beginning of year	\$ 91,901	-
Geological consulting	2,548	_91,901
Soil Sampling	50,969	-
Trenching	1,035	-
Balance, end of year	<u>\$ 146,453</u>	<u>\$ 91,901</u>

Total Dime Property	<u>\$530,953</u>	<u>\$91,901</u>
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**Zeibright Property, California,
USA**
Acquisition costs:

Balance, beginning of period	-	-
Staking and claim costs	423	-
Balance, end of period	423	-

Cumulative Mineral Interest

Expenditures	<u>\$ 4,573,506</u>	<u>\$ 3,965,458</u>
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**In a prior year the Company posted a reclamation bond with the Nevada state government should any site reclamation or environmental remediation be required. Effective October 1, 2008, the reclamation bond of \$21,768 has been disclosed as an asset retirement obligation on the property.*

Bisoni McKay Phase I Expenditures:

Total expenditures for the Phase I program were originally estimated at US \$224,000 (approximately CAD \$278,000), plus approximately US \$30,000 (approximately CAD \$37,200) for metallurgical testing. A 9% contingency rate had been established in these budgeted expenditures. Total Phase I expenditures were \$80,721 (29%) over-budget. This budgetary overrun is primarily as a result of decisions made on-site to drill additional diamond core holes, increased drill rig and mobilization costs, and unforeseen requirements for additional engineers on-site, and additional fieldwork.

Bisoni McKay Phase II Expenditures:

A total of \$62,983 has been spent on drilling 12 additional reverse circulation holes on Northern Section A. Additionally \$96,191 has been spent on geological consulting (\$43,200 in 2008), \$22,790 on assaying and transport, and \$33,461 on metallurgical testing, \$10,478 on Permitting and Bonds, \$15,416 on Storage Rental (\$7,955 in 2008). The revised Phase II budget was set at CAD \$700,000 as an estimated total cost. (revised)

Kodiak Property Phase I Estimated Budget

An estimated budget of \$197,500 for Phase I exploration on the Kodiak property has been outlined as follows:	
3,000 soils @\$50 per inclusive of collection transport and assay	\$150,000
20 days of trenching @ \$1,000 per day all inclusive	20,000
10 days pf geology work @ \$750 per day	7,500
Contingency including helicopter, rock assay	20,000
Total	<u>\$197,500</u>

Dime Property Phase I Estimated Budget

An estimated budget of \$609,710 for Phase I exploration on the Dime property has been outlined as follows:

3,000 soils @\$50 per inclusive of collection transport and assay	\$150,000
140 days of trenching @ \$1,000 per day all inclusive	140,000
Trenching equipment mobilization	5,000
Geology work	20,000
150 km of ground magnetic survey @\$125 per	18,750
5 diamond drill holes of 100 m each @ \$500 inclusive	250,000
Contingency fund	18,750
Total	\$602,500

Discontinued Operations - Northern Seas Division

See Note 7 of the Financial Statements.

Liquidity and Solvency

The company's liquidity will depend upon its ability to raise financing for the continued development of the Bisoni McKay property, the Kodiak property and the Dime property.

During the period ended June 30, 2010 over the same period in 2009, cash resources (including short-term investments) increased by \$1,282,893.

As of June 30, 2010 the Company had a working capital surplus of \$1,169,576 (June 30, 2009 – deficiency of \$154,847).

Capital Resources

In the past the company's liquidity depends upon its ability to raise additional financing to meet exploration requirements and working capital obligations. In July 2009 the Company raised \$2.41 million for exploration and working capital.

On June 25, 2009 the Company entered into a non-brokered private placement of \$1-million through the sale of 1,923,076 flow-through units at 52 cents each to the MineralFields Group. Each flow-through unit comprises one flow-through common share of the company and one-half of one non flow-through share purchase warrant, wherein each whole share purchase warrant shall have a two-year term for the purchase of one further common share of the company at the exercise price of \$1 per share for the first year and \$1.25 for the second year. To date the Company has spent \$147,773 of the \$1 million dollars required expenditures on Canadian properties before December 31, 2010.

In response to a trend of decreasing product sales over the past few years and its profitability and economic feasibility, the company has elected to voluntarily dispose of the Northern Seas division on September 30, 2009. Accounts Receivable and Inventories of the Northern Seas division have been deemed uncollectible and has been written down to a zero balance. Accounts payables have been transferred to the Company.

1) Kodiak Gold Property in the Yukon Territory

In August 2009 the Company initiated a work program on the Kodiak property in the Dawson Mining District of the Yukon Territory. The Kodiak property claim block consists of 152 claims covering 30 square kilometers or 6400 acres and ties on to the southern side of Underworld White Gold Property. The Kodiak claim block also straddles Thistle creek which was the richest placer gold-producing creek in the area given up more than 63,000 ounces of placer gold since the turn of the century.

Shawn Ryan of Ryanwood Exploration Inc (“REI”) was contracted by the Company to establish a grid 6 kilometers long by 2 kilometers wide for acquiring approximately 1,925 soil samples along the anomaly at 50 metre intervals, along north-south lines 100 metres apart.. On November 12, 2009 Stina released news outlining the results of this program. (see news release dated November 10, 1009) The soil survey results identified two anomalous areas of interest on the grid.

With background gold of 2.5 parts per billion (ppb) over the sample grid, a large contiguous area on the western side of the grid carries greater than four parts per billion gold with accompanying elevated values of arsenic and antimony. This anomalous area is 2,000 metres long and from 100 metres to 750 metres wide. Within this broad area, a cluster of higher gold grades range from 14 ppb to 99 ppb with arsenic from 40 to 676 parts per million and antimony from one part per million to 6.9 ppm. Another cluster of samples located just outside of the elevated gold area carries gold values ranging from 140 ppb to 308 ppb. This anomaly is unique in that there are no elevated arsenic values. Each of these higher-grade clusters covers an area of 250 by 250 metres.

On the eastern side of the grid there is a group of more isolated pockets of elevated gold values also with accompanying arsenic and antimony. Elevated nickel values in soil also occur either with or in the proximity of the anomalous gold zones indicating underlying mafic or ultramafic rocks. Airborne and ground magnetic surveys also support the presence of these rocks on the Kodiak property as well as their existence about 15 kilometres north on the Underworld (Kinross) White gold property.

In addition to the gold anomalies found, the soil survey results are significant for the element associations, the pattern of their distribution and for revealing geologic similarities on the Kodiak property with the Underworld (Kinross) White gold deposits located about 15 km north.

These include the following:

- Arsenic and antimony are common associated elements with gold mineralization.
- The anomalies form three northwest linear trends suggesting a structure control of mineralization on the Kodiak claims.
- On the Underworld's (Kinross) Arc gold deposit, gold is accompanied by arsenic. Underworld's (Kinross) Golden Saddle deposit contains no arsenic. The contrasting arsenic contents are also evident in the anomalies on the Kodiak grid.
- The Kodiak anomalies are at the end of a high magnetic trend that extends from the Underworld (Kinross) White property.
- The soil anomalies at Kodiak are on or between magnetic anomalies that are interpreted as mafic rocks. The elevated nickel values also support this. Similarly, the higher-grade gold mineralization at Underworld's (Kinross) Golden Saddle deposit sets next to ultramafic units with strong magnetic signatures.
- The potential for gold mineralization on the Kodiak block is further supported by historical placer gold production on Thistle Creek that bounds the north side of the claim block, and the anomalous silt (stream) sediment values on Kodiak from GSC surveys.

Thus far the positive geochemical results of the soil survey on the Kodiak property fit very well into the anticipated Underworld (Kinross) White model for mineralization potential. Exploration on the Kodiak block is underway, and plans will include backhoe trenching and prospecting over the soil anomalies in developing a potential drilling target. Additionally,

accompanying lithology mapping, an expansion of the soil survey to cover other parts of the property and close interval sampling on selected anomalies found in this survey will also be conducted.

There has been insufficient exploration to define a mineral resource on the Kodiak property, and it is uncertain as to whether, or not, further exploration will result in the discovery of a mineral resource on the property.

2010 Work Program

Thus far the positive geochemical results of the soil survey on the Kodiak property fit very well into the anticipated Underworld White model for mineralization potential. Exploration on the Kodiak block will continue in the next warm season, and plans include backhoe trenching and prospecting over the soil anomalies in developing a drilling target. Additionally, accompanying lithology mapping, an expansion of the soil survey to cover other parts of the property and close interval sampling on selected anomalies found in this survey will also be conducted.

A 43-101 geo-technical report on the Kodiak property has been received from Jean Pautler. As of the date of this report, soil sampling is underway, however no assay results have yet been received. The Company is discussing a revision of the option agreement with Ryanwood to lower the required incurred expenditures from \$200,000 on or before November 15, 2010 to \$100,000.

2) Dime Gold Property

On July 23, 2009 the Company entered into an option agreement with Ryanwood Explorations Inc. to acquire a 100% interest in 152 claims referred to as the Dime Property.

The Company paid to RAM Explorations of Vancouver, BC \$91,901 to evaluate the property and prepare an NI-43-101 compliant report outlining a work program, and to prepare the property for future exploration. The report and transaction was approved on January 29, 2010 by the TSX-Venture Exchange.

On February 8, 2010 the Company announced results of 2009 exploration consisting of a 191-soil-sample program, collected on a grid covering about 37 hectares on the Dime property. The gold values in the survey reached as high as 6,082 parts per billion or six grams per tonne gold and defined an easterly trend.

The confirmation sampling program conducted in the fall of 2009 consisted of 191 soil samples (plus 10 duplicates) collected on a grid covering about 37 hectares. The confirmation grid is located over the central portion of the original Tech and Fjordland soil anomaly near the southwest boundary of the Dime claim block. The north-south sample lines are 100 metres apart and were sampled at 25-metre intervals. All samples underwent ICP-MS multielement analysis. The present grid includes only a small portion of the Dime claim block, most of which has yet to be evaluated. Earlier scattered recon soil sampling has revealed additional strong anomalies to the east and northeast of the current grid that have yet to be evaluated.

The soil sample results delineated a prominent east-west belt of very high gold values with most samples ranging from 25 parts per billion to 256 ppb across the 700-metre grid length. The width of this anomalous belt ranges from 100 to 150 metres. The belt widens at the west edge of the grid with a contiguous line of low anomalous gold values from 15 to 25 ppb extending to the north limit of the grid. The east and west ends, and parts of the north and southwest grid limits of the anomaly belt, remain open for further expansion of the anomaly. Additionally, south of the east-west anomaly another cluster of contiguous samples carrying a span of elevated gold values exceeding 15 ppb to 6,082 ppb, the highest value detected on the grid. This area is 300 metres wide and up to 300 metres long in the north-south direction. The west, east and south sides of this anomalous area are also open.

Arsenic values in the soil typically rise and fall with gold values indicating that they belong to the gold mineralization event in the underlying bedrock. In the long stretches of background (1 to 15 ppb) gold values along any sample line, arsenic values usually remain below 30 parts per million. However, in samples exceeding 15 ppb gold, the levels of arsenic quickly rise to hundreds of parts per million. These increased arsenic levels indicate that even lower values of gold from 15 to 25 ppb are related to mineralization and should be considered anomalous for exploration purposes. The highest

arsenic value of 765 ppm occurs with the highest gold value of 6,082 ppb. Several other elements such as copper, zinc, lead antimony, molybdenum and cobalt have weaker positive correlations with gold.

The gold values in the survey range from one part per billion to 6,082 ppb, or six ppm. The percentages of the various ranges of gold values in the total sample population are as follows.

- Gold values of one to 15 ppb -- 41 per cent of the population, background values;
- Values of more than 15 to 25 ppb -- 24 per cent of the population, low anomalous values;
- Values of more than 25 to 50 ppb -- 18 per cent of the population, moderately anomalous;
- Values of more than 50 to 100 ppb -- 9 per cent of the population, good anomaly;
- Values of more than 100 ppb -- 3 per cent of the population, very good anomaly.

The soil collected on the grid is indigenous to the bedrock and is not from weathered, transported glacial till or outwash. Therefore, the gold in the soil is relatively close to its bedrock mineralization source. The east-west belt of gold appears to be largely independent of topographic influence and likely reflects a mineralized trend in the bedrock. Outcrops are sparse on the Dime claims, and Stina's tentative plans include trenching to bedrock, ground geophysics and further soil sampling for the next field season directed toward drilling. Sampling will detail and expand the present grid and continue further exploration in areas of interest elsewhere on the claim block.

The geology of the Ten Mile Creek area, with its numerous gold anomalies and placer occurrences, comprises Jurassic or Cretaceous intrusive and volcanic rocks within Paleozoic metamorphic rocks. This lithologic series is known as the Tintina belt, that extends for hundreds of miles across the Yukon and Alaska, and contains numerous gold occurrences, including the Pogo deposit. Much of the gold mineralization appears to be directly or indirectly related to the presence of Mesozoic acid to intermediate intrusive-volcanic rocks. The Tintina belt is currently one of the most important gold exploration areas in North America, and the Dime claim block, with its promising gold anomalies, is part of it.

2010 Exploration

A two-phase work program at an estimated cost of \$609,710 has been outlined in the report, outlined above in Dime Property Phase I & II Estimated Budget. The Company is discussing a revision of the proposed budget from \$609,710 to \$700,000.

On August 4, 2010 the Company announced that it had staked an additional 180 claims at the Dime property, to the east, north and west of the existing 128 claims, bringing the total Dime claims to 308, and increasing the property size from 6,400 acres (25 square kilometres) to 15,400 acres (61 square kilometres).

On August 11, 2010 the Company announced results of the 2010 soil and trenching program, which included over 2,500 soil samples and six trenches. The soil anomaly now extends over 4.5 kilometres in an east-west direction and consists of three separate soil anomalies.

Western anomaly: First reported by Teck Corp., measures approximately 1.3 km long by 750 metres wide, has a general east-west trend and includes values up to 578 parts per million arsenic and 6,092 parts per billion gold;

Central anomaly: 1.6 km long by 350 m wide area of anomalous gold (up to 147 ppb Au), arsenic (values up to 1,975 ppm As) and weaker lead in soil values (up to 49 ppm Pb). This anomaly is offset to the north from the western and eastern anomalies;

Eastern anomaly: This anomaly measures 1.8 km long by up to 900 m wide and consists of an Au (values up to 894 ppb Au), As (values up to 1,070 ppm As) and Pb (values up to 167 ppm Pb) geochemical signature.

Preliminary interpretation relates the soil geochemical anomalies to east-west- and north-northwest-trending magnetic anomalies. There appears to be left-lateral offsets on the north-northwest-trending magnetic anomalies.

Results from continuous five-metre chip samples on the western zone anomaly have also been received and a 30 m zone of silicified metasedimentary rocks in Trench 2 returned 0.168 gm/t Au between five and 35 m. Additional trenching and

sampling is underway over fractured and silicified granite on the eastern anomaly, and drilling targets are being established for August, 2010. For further information please call 1-800-545-9940.

The Company now awaits results of a second set of trench sampling and is planning to identify drill targets for late August or early September 2010.

There has been insufficient exploration to define a mineral resource on the Dime property, and it is uncertain as to whether or not further exploration will result in the discovery of a mineral resource on the property. Al Doherty of Dawson, Yukon, is a designated qualified person for the company and was responsible in part for the preparation, amendments and review of this news release.

3) Bisoni McKay Vanadium Property in Nevada

In 2005 the Company entered into an option agreement with Vanadium International Corp. (VIC) for 50% of the Bisoni McKay property rights. The Company had previously issued 625,000 common shares of stock under an escrow agreement and had made cash payments of \$75,000 CAD to VIC.

Pursuant to the option exercise agreement, the company further agreed to purchase the remaining 50-per-cent interest in the property for a purchase price of \$2-million (U.S.). The company issued 1,995,600 shares at a deemed price of \$1 per share to Vanadium as payment of the \$2-million (U.S.) purchase price (based on a deemed exchange rate of \$1 (Canadian) to \$1.0022 (U.S.)). These shares are subject to a four-month hold period. These shares were recorded at \$0.80 per share, being their estimate fair value, based on a 20% discount from the quoted market price of \$1.00 per share at the time of issuance to factor in a large block discount.

The Company now has a 100 % interest in the Bisoni McKay property subject to a 2.5-% net smelter interest in favor of Dennis La Prairie.

Exploration Events During Prior Periods

In September 2005 the Company contracted Kettle Drilling of Coeur d'Alene, Idaho and drilled 1,024 feet of diamond core drilling on the Bisoni McKay property. Included was a fence of three holes on the north end of the property, immediately adjacent to Vanadium International's second reverse circulation hole drilled in 2004, as well as adjacent to Hecla RC holes BMK 17, 18 and 19 respectively, each of which showed strong grades of V₂O₅ at various intervals. Holes were drilled at angles of 45 degrees, 57.5 degrees and 66 degrees to the northwest.

A second fence of two diamond core holes was drilled on the southern end of the property adjacent to Vanadium International's first reverse circulation hole, and also to Hecla's RC holes BMK 6, 7 and 8 respectively. All four of these RC holes showed reasonable V₂O₅ grade at various intervals. This was the first diamond drilling ever conducted on the property.

Results of this diamond drilling showed very encouraging results from the northern fence, including grads much higher than from any other drilling on the property. (see news release dated October 18, 2005) The results from the southern fence of diamond drilling were less encouraging. The Company encountered technical difficulties in drilling these two holes and eventually had to abandon the second hole of this fence. The angle of the holes was reduced to 35 degrees from the planned 57.5 degrees to attempt to overcome these difficulties. As a result, the Company believes that it may have overshot the zone of mineralization encountered the year before by Vanadium International in its reverse circulation drilling. At this time the Company released the results of further trench sampling at surface.

In November 2005, the Company contracted O'Keefe Drilling of Butte, MT to drill 10 RC holes at 45 degrees angles to the northwest at step out intervals of 210 feet from the two diamond drill fences; 3 holes to the north of the northern fence, 3 to the south of the northern fence, and three holes drilled to the north of the southern diamond drill fence. One RC hole was drilled vertically in Trench ASC50. Results from the three RC holes stepping out south of the northern diamond drill fence were released on November 29, 2005, and which were very encouraging to the Company.

On January 11, 2006, the Company announced further drilling results from the northern section of the Bisoni McKay property. These results were from three reverse circulation holes drilled at 210 foot step outs from the diamond drill fence drilled on the

northern section in September 2005. Results from these three holes were very encouraging to the Company. The Company has now drilled into the main mineralization zone at the northern end of the claim block over a strike length of approximately 1,300 feet.

In March 2006 the Company received an updated Technical report from JA Mine, updating a previously updated report from February 2006, with recommendations to proceed to Phase II of the exploration of the Bisoni McKay vanadium property in Nevada at a revised budget of approximately \$700,000.

In April 2006 the Company contracted Hazen research of Colorado for the metallurgical and leach testing of vanadium from core and reverse circulation drilling on the Bisoni McKay property in the fall of 2005. Hazen carried out mineralogical characterization to determine the mode of occurrence of vanadium, followed by two sets of tests on samples from three zones: the oxidized zone (mudstone), the transition zone (mudstone to carbonaceous shale) and the unoxidized zone (carbonaceous shale).

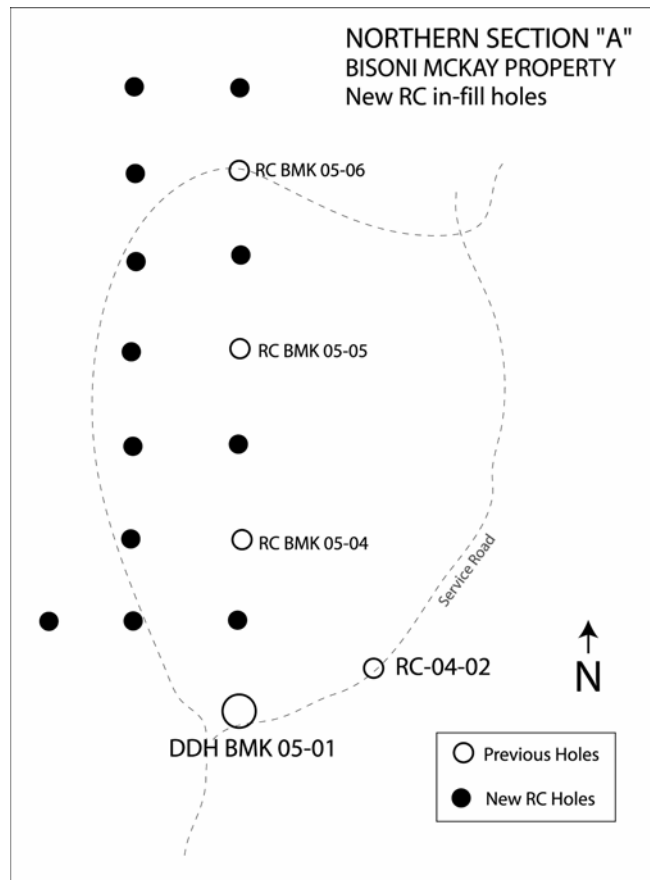
The tests comprised of:

- (i) direct acid leaching with sulfuric acid, at two grinds and at two temperatures, for a total of 12 experiments; and
- (ii) roasting experiments, with at least four roasting conditions for samples from each zone, followed by appropriate leaching, either alkaline or acidic, i.e., a minimum of 12 roasting/leaching experiments.

The tests were designed to define the steps and conditions needed to obtain reasonable vanadium extraction and examine the reagent consumptions in leaching and roasting, and thus develop the first stages of a process flowsheet. The Company received final test results in January 2007, and a report on recovery of oxidized vanadium pentoxide using an acid pug/ leach recovery method, including some results as high as 95%. Test results on transition and carbonaceous material showed recovery as high as 70% and 75% of vanadium pentoxide using a roast/ leach recovery method. Hazen Research also recommended further metallurgical test work to continue the refinement of these processes, as well as explore other recovery options. (see news release dated February 6, 2007)

In May 2007, the Company contracted O'Keefe Drilling of Boise, ID to conduct reverse circulation (RC) drilling on Northern Section "A" of the Bisoni McKay property, with respect to target drill sites outlined in the technical report by JA Mine, revised in November 2006. A total of 12 RC holes were drilled according to schedule, for a total of 5,130 feet.

This drilling campaign was comprised of step-out holes at 100 foot intervals directly north for 700 feet along strike length from core hole fence DDH-05-1/2/3. Additionally, drilling was conducted parallel to the immediate west by 100 feet and north by 700 feet. The result of this campaign is a section approximately 700 feet long by 100 feet wide, with 100 foot intervals, immediately to the north of core hole fence DDH-05 and inclusive of RC holes BMK-05-04, BMK-05-05 and BMK-05-06 drilled by the Company in 2005. (see map below)



In the fall of 2007 the Company contracted Edward Ullmer, P. Geo, to produce an updated geological technical report based on the report presented to Stina by JA Mine in 2005, and updated in 2006. The report includes exploration developments since that time, as well as updated recommendations. The report also includes a resource estimate on a sub-section of Northern Section “A” which extends 700 feet long by 100 feet wide, directly north of BMK DDH – 2005, and with 100 foot interval RC drilling. The Company contracted Maptek Co. of Lakewood, CO to conduct the resource estimate.

In February 2008 the Company received a further updated geological technical report from Ed Ullmer, P. Geo, which updated all geological aspects of the property with respect to the previous report issued by John James, P.Eng in 2005 (later revised in 2006) **Additionally, the report included a resources estimate, the first ever conducted on the Bisoni McKay property, and which was conducted by Maptek of Lakewood, CO. (see news release dated 2/27/08)**

The NI 43-101-compliant mineral resource study, completed in November, 2007, by Maptek using the Vulcan program, determined **indicated resources in the north half of Area A totaling 8.07 million short tons averaging 0.43 per cent V2O5 at the 0.3 per cent grade cut-off zone and 10.6 million short tons averaging 0.39 per cent V2O5 at the 0.2 per cent cut-off.**

The indicated resources calculations table separates reduced and oxide mineralization. About 130 feet to 150 feet of oxidized shale overlies the carbonaceous mineralization, the result of deep weathering of the carbonaceous-shale host rock. The transition from oxidized to reduced zone is typically abrupt, and in some holes there is supergene vanadium enrichment of vanadium from five feet to 35 feet below the redox horizon with grades that can be 50 per cent to 150 per cent higher than grades in the reduced shale below. Because of geological evidence and good grade and mineralization continuity in Area A-North, an inferred resource estimate was calculated Area A-South using data from three 2005 RC holes, BMK 05-1, 2 and 3 at intervals slightly more than 200 feet apart. The results are presented in the attached inferred resources calculations table. Also included is a small increment of inferred resources on the north half of Area A.

Indicated Resource Calculations for Area A-North

Lithology	IdIf	Distance to Measured Samples	0.1% V ₂ O ₅ Cutoff Tonnage	0.2% V ₂ O ₅ Cutoff Tonnage	0.3% V ₂ O ₅ Cutoff Tonnage	Average grade for 0.1% V ₂ O ₅ Cutoff	Average grade for 0.2% V ₂ O ₅ Cutoff	Average grade for 0.3% V ₂ O ₅ Cutoff
Oxide Total	Indicated	0-200 ft	5,386,090	4,617,674	3,546,154	0.33	0.36	0.39
Reduced Total	Indicated	0-200 ft	8,069,182	6,009,170	4,527,690	0.35	0.42	0.47
Grand Total			13,455,272	10,626,844	8,073,844	0.34	0.39	0.43

Table 17: Inferred Resource Calculations for Area A-South and North

Lithology	IdIf	Distance to Measured Samples	0.1% V ₂ O ₅ Cutoff Tonnage	0.2% V ₂ O ₅ Cutoff Tonnage	0.3% V ₂ O ₅ Cutoff Tonnage	Average grade for 0.1% V ₂ O ₅ Cutoff	Average grade for 0.2% V ₂ O ₅ Cutoff	Average grade for 0.3% V ₂ O ₅ Cutoff
South Half								
Oxide	Inferred	All	3,363,818	2,227,622	1,257,334	0.26	0.32	0.37
Reduced	Inferred	All	4,851,884	4,260,328	3,486,880	0.44	0.47	0.52
Total			8,215,702	6,487,950	4,744,214			0.48
North Half								
Oxide & Reduced	Inferred	200+	1,064,786	893,328	746,142	0.34	0.39	0.45
Grand Total			9,280,488	7,381,278	5,490,356	0.36	0.42	0.48

The detailed drilling on the north half of Area A reveals a thick section of vanadiferous carbonaceous shale capped with mineralized weathered, oxidized shale. Vanadium-bearing rock begins essentially on or within a few feet of the surface and continues down-dip below 450 feet, the current depth limit of drilling into vanadium-bearing strata. From Area A-North, the vanadium trend continues south over 6,000 feet to Area B. The character of the mineralization in Area B appears similar to that drilled in Area A, but parts of the trend appear to have been narrowed and thinned by faulting, especially between Area A and Area B. Evidence that the vanadiferous trend continues south of Area B comes from two historic borings and trenching by Hecla Mining Company. The southernmost area of the projected strike of the vanadiferous trend in Area C and beyond is still unexplored by Stina.

Below is a summary map of all drilling to date on the Bisoni McKay property

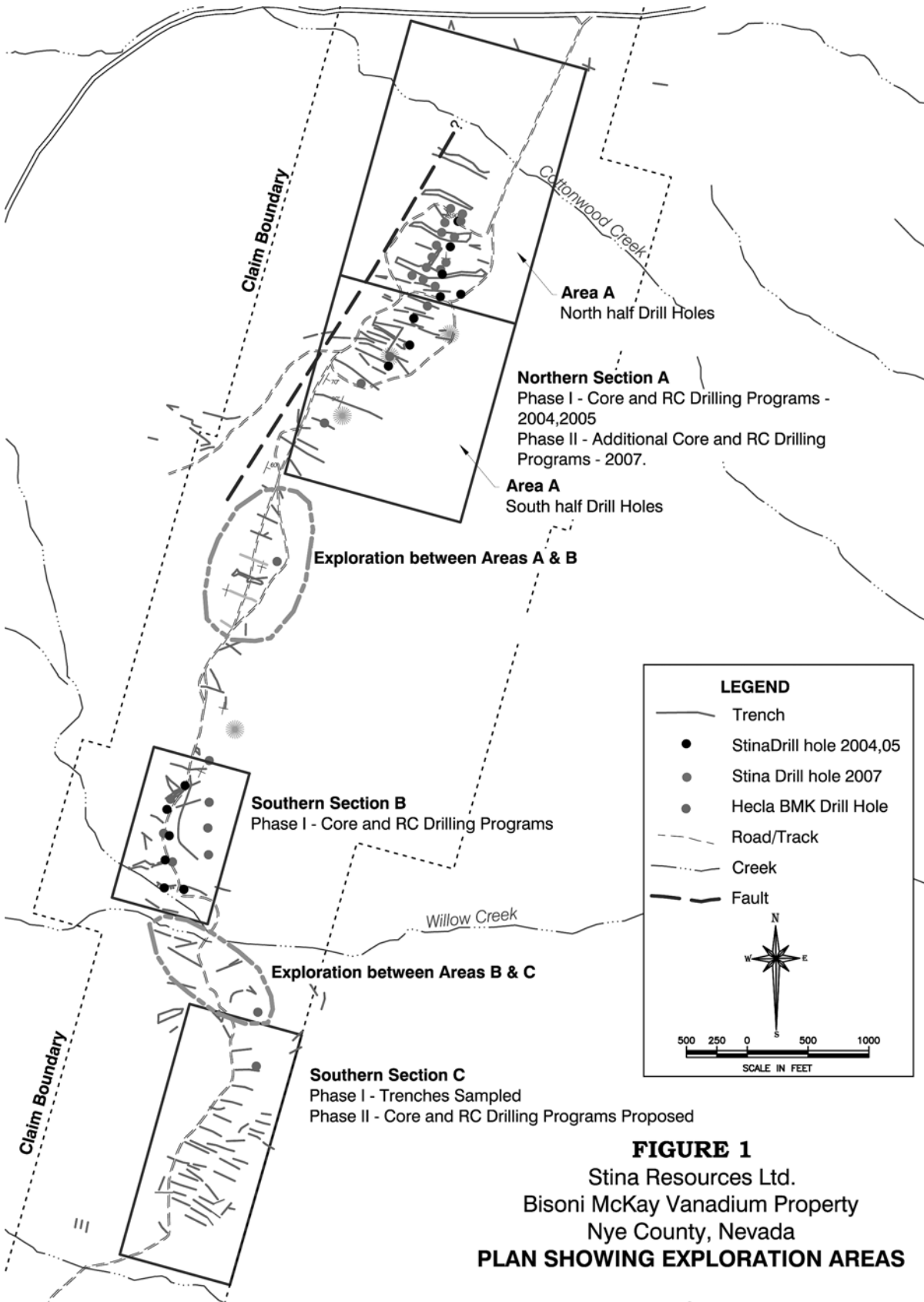


FIGURE 1
Stina Resources Ltd.
Bisoni McKay Vanadium Property
Nye County, Nevada
PLAN SHOWING EXPLORATION AREAS

Recommendations of Technical Report Dated February 2008:

The ultimate aim of the Phase II program is to develop a resource inventory over a significant part of the vanadiferous trend to the point of justifying a preliminary assessment report. Further exploration and appraisal tasks in Area A will explore for extensions of vanadium mineralization east, west, north and south of the known trend and block out additional resources. The drilling program should include up to 13 core holes (DDH) and up to 36 RC holes, totaling 6,530 feet and 20,000 feet, respectively, in and around Area A. See above for locations of additional drilling and exploration adjacent to the 2007/2005 drilling programs in Area A.

Surface mapping coupled with core holes and RC drilling will evaluate the ends and east and west sides of the Area A mineralization trend for additional vanadium resources. Also infill drilling where necessary will strive to resolve unexplained structural anomalies found during the 2005-2007 drilling and to tighten up evaluation of the Area A-South to upgrade the resources category to “indicated”. The following summarizes the work planned to enlarge and better appraise the Area A resource base. See the “Interpretation and Conclusions” section for explanations of some of these recommended activities and Figure 24 for areas identified for drilling and other exploration. Supplemental diamond drill core holes will be sited in critical locations to better define lithologic elements. The prelude to drilling will include surface field mapping and surface examinations to better determine relevant drill sites and to gain more understanding of the surrounding structure. Additionally, professional photogeologic mapping of Area A and the entire BMK property and surrounding vicinity is an excellent and inexpensive method to provide a base of geologic information and understanding to be followed up by ground mapping

- Establish the down-dip extension (eastward) of the vanadiferous beds beyond the present drill hole locations: The work will block out inferred or indicated resources down to a minimum of 600 feet. See Figure 24 – A1 for the location of designated area. If the stratigraphy cooperates, this drilling will also measure the depth from the top of the mineralization to the top of the Woodruff Formation. This stratigraphic information will be valuable when exploring for deep mineralization that may also lie under younger strata west of the fault (see bullet below and Figure 24 – A4).
- Explore and map the vanadiferous shale trend under sedimentary cover north of the limit of current drilling: Block out inferred or indicated resources as much as financially feasible for resources. If an offset has shifted the mineralized unit, conduct a minimum of drilling to determine where it ended up for future reference. See Figure 24 – A2 for location.
- Block out resources along the east side of the fault: On the west side of Area A-North, drill to resolve the fold pattern of the vanadium-bearing beds and the fault disruption of beds along the east margin of the fault zone. See Figure 24 – A3 for location.
- Angle drill holes eastward on the west side of the west fault to cross the fault zone and penetrate the Woodruff lithology: Also, if the stratigraphy is favorable, one or two vertical hole(s) should advance down to locate the possible down-faulted Woodruff Formation. This will determine if vanadiferous beds are present within feasible mining depths. See Figure 24 – A4 for location.
- Extend the mineralized trend south of the current limits of drilling: Drill a series of holes to evaluate the mineralized trend intersected by Hecla holes 14 and 15 located south of the limits of the Area A-South resource block limit. See Figure 24 – A5 for location.
- Sufficient infill drilling to intersect a complete thickness and attitude confirmation of the vanadiferous unit between DDH BMK 05-03 and RC BMK 05-03 in Area A- South. (Figure 24-A6). Drilling to east between the 2005 holes and the Devils Gate Limestone outcrop; the holes to the east (down dip) will evaluate the grade tenor and depth for a potential resource assessment.
- In the 2007 drill pattern, borings should confirm or better characterize the apparent dip changes observed in hole pairs RC BMK 07-04 and 06 and RC BMK 07-07 and 08 (see sections Figures 18 and 20 and Figure 24-A7).

In November 2008 the Company, under the direction of QP Ed Ullmer, P. Geo, revised Phase II to focus primarily on the Northern half subsection of Northern Section A, in which the NI 43-101 Resource Estimate was conducted by Maptek. The revised program now calls for 4 core holes and 16 RC holes to be drilled with the intentions of establishing a Measured Resource on this subsection. Additionally, a Preliminary Assessment, Scoping Study, further Metallurgical Testing and Survey Work will be included. The initial budget for this revised Phase II program is approximately CAD \$700,000.

Proposed 2010/ 2011 Exploration

The Company intends to conduct a scoping study of the Bisoni McKay to better assess the potential economic viability of the property, the vanadium pentoxide market and the possibility of a pilot plant as well as government permitting. Additionally, the Company intends to continue further infill RC and core drilling on the property and to conduct another resource estimate over a larger grid of Northern Section A.

Further metallurgy will bring the company closer to a flow-sheet for recovery.

The Company is currently negotiating with green-technology organizations involved in the emerging vanadium battery industry for the future supply of vanadium.

The Company is now engaged in marketing its Bisoni McKay vanadium property, including positioning the property with green technology industries, including the vanadium battery industry for the purposes of partnering in the property development

4) Zeibright Property, California, USA

On February 19, 2009, the Company entered into an option agreement with Steephollow Resources Inc. (“SRI”), pursuant to which SRI has agreed to grant the Company an option to purchase a 100% beneficial interest in certain mining claims located in Nevada county, California, United States. The claims are subject to a 2% NSR.

To exercise the option, the Company must: (i) incur and finance exploration expenditures on the property of not less than \$100,000, on or before the second anniversary of the approval date of the option agreement by the Exchange (approved March 18, 2009); and (ii) allot and issue one million shares in the capital stock of the Company to SRI upon the completion of such exploration expenditures.

The Company entered into a suboption agreement (the “Suboption Agreement”) with Gordon Lee (the “Optionee”) who has the right to earn 70% of the Zeibright Gold Property (the “Property”) from the Company by conducting US\$2 million dollars of exploration work on the property over four years. The Company has an option to earn 100% of the Zeibright Property from SRI in consideration for exploration expenditures of \$100,000 within two years and the payment of 1 million common shares. Both the Company and SRI have agreed to transfer 70% of the Company’s interest to the Optionee under the Suboption Agreement in consideration that the exploration expenditures under the Suboption Agreement will be applied to the Company’s obligation. The Company is still required to issue the shares to SRI.

The Optionee is required to expend amounts according to the following schedule:

- \$200,000 by April 18, 2010 (extended to July 18, 2010 – No default notice given to date)
- \$300,000 by February 18, 2011
- \$500,000 by February 18, 2012
- \$1,000,000 by February 18, 2013

The Company also maintains the right to buy back a 20% interest in the Property for the payment of \$500,000 within ninety (90) days after the Optionee has exercised its option.

The Zeibright Gold property is a former producing mine having delivered over 100,000 ounces of gold from underground operations until the 1950s. It is located in the Sierra Nevada Gold District and is considered to be part of the California Mother Lode Structure. Historic Newmont sampling of over 1,266 feet along a mean vein system showed widths of 12 to 30 feet averaging 5 grams per tonne, or (0.15 ounces per ton)

Subsequent to the end of the quarter, the Company did not receive confirmation of the expenditures required by July 18, 2010. The Company has not issued a default notice and is in negotiations with the Optionee.

5) Disposal of Northern Seas Health Food Division

The Company elected to dispose of the Northern Seas health food division as of September 30, 2009 due to a decrease in revenues over the past several years, and the decreasing potential for increased market share in an industry where profits are diminishing without substantial capital investment. Therefore the division was voluntarily shut down as of that date. The company believes the division to hold an insignificant value and therefore has decided to let it cease operations, transfer the balance of finances on hand to the Company and write off the Northern Seas inventory and assets. The Company will assume liabilities incurred to date on behalf of Northern Seas.

The disposal of Northern Seas will allow the Company to cut overhead costs of sales offices, while focusing on mineral exploration. The disposal will also allow for more concise and clear financial statements and segmented information, including allocation of expenses on an ongoing basis.

Recent News Releases

July 29, 2010 – **Stina appoints Corrigan, Wall to board of directors**

August 4, 2010 - **Stina stakes 180 more claims at Dime Property**

August 5, 2010 - **Stina Resources begins exploration at Kodiak**

August 6, 2010 - **Stina Resources grants options to buy 825,000 shares**

August 11, 2010 - **Stina describes 4.5 km Dime soil anomaly**

August 15, 2010 - **Stina finishes trenching at Dime, to set drill targets**

1.4 OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-Balance Sheet Arrangements

1.5 TRANSACTIONS WITH RELATED PARTIES

The Company entered into the following transactions with and had balances due to and from related parties as at June 30, 2010 and for the period then ended as follows (with comparative figures as at June 30, 2009)

The Company entered into the following transactions with related parties:

- a) Sales commissions included in wages, commissions and contract services expense totaling \$-NIL (2009 - \$27,000) were paid to a director of the Company
- b) The Company incurred wages of \$27,000 with a director for administrative services (2009- \$0)
- c) The Company incurred consulting fees in the amount of \$45,000 (2009 -\$34,939) payable to a company owned by an officer for administrative services.
- d) At June 30, 2010, prior advances totaling \$59,516 (September 30, 2009 - \$62,516) were due to a company controlled by a director. The advances are unsecured, non-interest bearing, and have no specific terms of repayment.

1.6 PROPOSED TRANSACTIONS/COMMITMENTS

The Company is obligated to expense a total of CAD \$1 million dollars in exploration work on Canadian mineral properties before December 31, 2010, under flow-through financing requirements. \$253,979 had already been expensed to June 30, 2010.

The Company has engaged in no other proposed transactions or commitments outside of what has been outlined in this report at this time.

1.7 CRITICAL ACCOUNTING ESTIMATES

Use of estimates:

The company's financial statements have been prepared in conformity with Canadian generally accepted accounting principles and form the basis for discussion and analysis of critical accounting policies and estimates. Management is required to make estimates and assumptions that affect the report amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant financial statement areas requiring the use of management estimates relate to the determination of impairment of assets and resource property interests, and their useful lives for amortization, the fair value of investments and share-based compensation, asset retirement obligations and the recoverability of future income tax assets. Financial results as determined by actual events could differ from those estimates.

Risk Management:

The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. Observed potential risks include those for environmental reclamation and fluctuations in commodity based market prices associated with resource property interests. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements. Company management acknowledges that there is no certainty that all environmental risks and contingencies have been addressed.

Financial Risk Management:

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash accounts and accounts receivables. Cash accounts are held with major banks in Canada and the United States. This risk is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

Currency Risk:

The Company's functional currency is the Canadian dollar. There is moderate foreign exchange risk to the Company as some of its natural health food customers and suppliers and its resource property interest are located in the United States. Management monitors its foreign currency balances and makes adjustments based on anticipated need for currencies. The Company does not engage in any hedging activities to reduce its foreign currency risk.

Interest Rate Risk:

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash accounts is relatively unaffected by changes in short term interest rates. The income earned on certain bank accounts is subject to the movements in interest rates.

Liquidity and Funding Risk:

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements.

The Company is not utilizing any other financial instruments other than cash at this time.

Funding Risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable market terms and conditions.

Under current market conditions both liquidity and funding risks have been assessed as medium to high.

Stock-based compensation:

The Company follows the guidelines of the CICI Handbook Section 3870, relating to stock-based compensation and other stock-based Payments. The Company follows a fair-value method for all stock-based compensation and similar stock based awards to directors, employees and consultants. Where the Company has issued options that vest over a period of expected service, the fair value of the options at the date of grant is estimated and charged to income over the respective vesting periods.

1.8 CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

During the year ended September 30, 2009, the Company adopted the following relevant new accounting pronouncements:

Handbook section 3064 – Goodwill and Intangible assets

Handbook section 3031 – Inventories

Emerging issues committee – EIC-174 Mining Exploration Costs

The adoption of these new accounting policies did not have a material impact on the financial statements in the current year

Company Directors and Officers have discussed with a consultant the existing Company accounting policies, including the required policy changes which will take effect at the conclusion of the year ending September 30, 2010 and transition plans into International Financial Reporting Standards. These discussions are intended to assist management with a scoping analysis of the Company's transitional options and the development of a transition time-line that will allow management to meet their required filing deadlines. The first set of IFRS issued statements will be for the first quarter ending December 31, 2011

Recent accounting pronouncements, not yet adopted

Business Combinations, Non-controlling Interest and Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1582 Business Combinations, 1601 Consolidated Financial Statements and 1602 Non-controlling Interests which replace CICA Handbook Sections 1581 Business Combinations and 1600 Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after March 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for companies' interim and annual consolidated financial statements for fiscal years beginning on or after December 1, 2011. Early adoption of these Sections is permitted and all three Sections must be adopted concurrently. Management expects that the adoption of these sections will not have a significant impact on the financial statements.

1.9 FINANCIAL AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, cash equivalents, marketable securities, accounts receivables, amounts due to and from related parties, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency risks arising from financial instruments. The fair value of these financial instruments approximates their carrying value due to their short-term maturity or capacity of prompt liquidation.

1.10 OTHER MD&A REQUIREMENTS

Additional information relating to the Company's operations and activities can be found by visiting the Company's website www.stinaresources.com as well as numerous news releases and 43-101 reports filed on SEDAR at www.sedar.com

A. Authorized and Issued Share Capital as at June 30, 2010:

Authorized: Unlimited common shares without par value

Issued and outstanding: 21,118,643 common shares

See Note 4 – Share Capital of the Financial Statements

B. Options, Warrants & Convertible Securities Outstanding as at June 30, 2010:

Stock options

Under the Company's Incentive Share Option Plan, the Company may grant options to employees, consultants and directors when the number of shares reserved does not exceed 10% of the issued and outstanding share capital at the date of grant. The exercise price of the options granted will be no less than the discounted market price of the Company's shares and the maximum term of the options will be 5 years.

The following employee stock options are vested and exercisable:

<u>Number of shares</u>	<u>Exercise price - \$ -</u>	<u>Expiry (Date)</u>
837,475	0.21	May 18, 2010 (Expired)
675,000	0.30	November 3, 2014

Escrow shares

As of June 30, 2010, 187,500 shares were held in escrow.

The shares are subject to a time release escrow agreement as follows:

<u>Anticipated release dates:</u>	<u>Shares for release</u>
December 24, 2010	93,750
June 24, 2011	93,750
	<u>187,500</u>

Share purchase warrants**As of June 30, 2010 the following share purchase warrants were outstanding:**

<u>No. of warrants</u>	<u>Exercise price *</u>	<u>Expiry Date</u>
961,538	\$1.25	July 10, 2011

*The 961,538 share purchase warrants are exercisable into shares at a price of \$1.00 on or before July 10, 2010 or \$1.25 on or before July 10, 2011.

C. Subsequent Events

On July 29, 2010 James Corrigan and Jim Wall were appointed to the Board of Directors.

On August 6, 2010 the Company entered into employee stock option agreements granting the right and option to purchase 825,000 shares of the company at \$0.46 per share exercisable in whole or in part for a period of five years.

D. Evaluation of Disclosure Controls and Procedures

Based on our evaluation for the quarter ended June 30, 2010, and up to the date of this Management Discussion and Analysis, we have concluded that our disclosure controls and procedures are sufficiently effective to provide reasonable assurance that material information required to be disclosed in the Company's interim and annual filings and other reports filed or submitted under Canadian securities laws are recorded, processed, summarized and reported within the time periods specified by those laws and that the material information is accumulated and communicated to Management of the Company, including the President and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

E. Corporate Governance Disclosure

The company has submitted to its members and shareholders details in the Information Circular dated May 21, 2009 Corporate Governance Disclosure guidelines that have been presented to the Board of Directors for periodic review. Some of these guidelines are: Outlining the Company's business and implementation of appropriate systems to manage any associated risks, communications with investors and the financial community and the integrity of the Company's internal control and management information systems. The Management of the Company periodically updates directors with regulatory policy changes. The Management encourages and promotes a culture of ethical business conduct. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

STINA RESOURCES LTD.

CORPORATE DATA

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Edward Gresko, Vice-President/Director
Sidney Mann, Treasurer/Director
Jim Wall, Secretary/ Controller, Director
James Corrigan, Director

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Listing

TSX Venture Exchange
Symbol: SQA