

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

**FORM 10-K**  
(Mark one)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934  
**For the fiscal year ended December 31, 2010**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission File Number 000-52392**

**GOLD CREST MINES, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

**82-0290112**

(State or other jurisdiction of incorporation or organization) (IRS Employer Identification Number)

**724 E. Metler Lane, Spokane, WA 99218**

(Address of principal executive offices)

Registrant's telephone number, including area code: **(509) 893-0171**

**SECURITIES REGISTERED UNDER SECTION 12(b) OF THE EXCHANGE ACT: None**

**SECURITIES REGISTERED UNDER SECTION 12(g) OF THE EXCHANGE ACT: Common Stock, \$0.001 par value**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this form 10-K or any amendment to this Form 10-K. YES  NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant on June 30, 2010, the last business day of the registrant's most recently completed second fiscal quarter, based on the last reported trading price of the registrant's common stock on the Over the Counter Bulletin Board was \$1,222,883.

At March 10, 2011, 88,205,828 shares of the registrant's common stock were outstanding.

**GOLD CREST MINES, INC.**  
**ANNUAL REPORT ON FORM 10-K**  
**For the Fiscal Year Ended December 31, 2010**

**TABLE OF CONTENTS**

**PART I**

<b>Item 1.</b>	Business	3
<b>Item 1A.</b>	Risk Factors	4
<b>Item 1B.</b>	Unresolved Staff Comments	4
<b>Item 2.</b>	Properties	5
<b>Item 3.</b>	Legal Proceedings	12
<b>Item 4.</b>	Submission of Matters to a Vote of Security Holders	12

**PART II**

<b>Item 5.</b>	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	13
<b>Item 6.</b>	Selected Financial Data	13
<b>Item 7.</b>	Management's Discussion and Analysis of Financial Condition and Results of Operations	14
<b>Item 7A.</b>	Quantitative and Qualitative Disclosures About Market Risk	18
<b>Item 8.</b>	Consolidated Financial Statements and Supplementary Data	19
<b>Item 9.</b>	Changes In and Disagreements With Accountants on Accounting and Financial Disclosure	36
<b>Item 9A.</b>	Controls and Procedures	36
<b>Item 9B.</b>	Other Information	37

**PART III**

<b>Item 10.</b>	Directors, Executive Officers and Corporate Governance	38
<b>Item 11.</b>	Executive Compensation	40
<b>Item 12.</b>	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	41
<b>Item 13.</b>	Certain Relationships and Related Transactions, and Director Independence	43
<b>Item 14.</b>	Principal Accountant Fees and Services	44

**PART IV**

<b>Item 15.</b>	Exhibits, Financial Statement Schedules	45
	Signatures	46

## PART I

### ITEM 1. BUSINESS

This annual report on Form 10-K, includes forward-looking statements. Our forward-looking statements include our current expectations and projections about future results, performance, results of litigation, prospects and opportunities. We have tried to identify these forward-looking statements by using words such as “may,” “will,” “expect,” “anticipate,” “believe,” “intend,” “feel,” “plan,” “estimate,” “project,” “forecast” and similar expressions. These forward-looking statements are based on information currently available to us and are expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on our forward-looking statements. All subsequent written and oral forward-looking statements attributable to Gold Crest Mines, Inc. or to persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Except as required by federal securities laws, we do not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The safe harbors of forward-looking statements provided by Section 21E of the Exchange Act are unavailable to issuers of penny stock. As we issued securities at a price below \$5.00 per share, our shares are considered penny stock and such safe harbors set forth under Section 21E are unavailable to us.

### BUSINESS DEVELOPMENT

Silver Crest Mines, Inc., the Company’s predecessor, was incorporated under the laws of the State of Idaho in 1968. The Company was organized to develop mineral properties located in the State of Idaho. The Company’s initial and subsequent efforts in the acquisition, exploration and development of potentially viable and commercial properties were unsuccessful. The Company has a history of losses and no revenues from operations. The Company’s capital needs have historically been met by the issuance of securities either through private placements, the issuance of shares for debt or the joint venture or lease of mineral properties. In June 2003, the Company merged into its wholly-owned subsidiary, Silver Crest Resources, Inc., for the purpose of changing the Company’s state of domicile to Nevada.

The Company was thereafter dormant until the completion of the share exchange effective August 1, 2006 with Niagara Mining & Development Company, Inc. (“Niagara”), an Idaho corporation formed on January 11, 2005, and its wholly-owned subsidiary, Kisa Gold Mining, Inc. (“Kisa”), an Alaskan corporation formed on July 28, 2006. Under the terms of the share exchange, the Company acquired all of the issued and outstanding shares of Niagara in exchange for 37,500,000 shares of the Company’s common stock. At the time of the share exchange, Niagara was in the process of completing the acquisition and staking of mining claims in Alaska and Idaho. On June 20, 2008, 100% of the issued and outstanding shares of Kisa were transferred from Niagara to the Company.

In October 2007, our common stock began trading on the NASDAQ Electronic Bulletin Board (OTCBB) under the symbol “GCMN”. Prior to October 2007 our common stock was traded on the over the counter market in the pink sheets under the symbol “GCMN.”

#### **Any bankruptcy, receivership or similar proceedings**

There have been no bankruptcy, receivership or similar proceedings.

### BUSINESS OF THE COMPANY

#### **General Description of the Business**

We are in the business of exploration, development, and if warranted the mining of properties containing valuable mineral deposits. The focus of our exploration programs is directed at precious metals, primarily gold. We continue to identify, investigate and acquire potential properties for future exploration and development when warranted.

#### **Alaska Properties**

In August 2006, the Company acquired exploration properties in southwest Alaska approximately 90 miles east of the village of Bethel covering approximately 22,520 acres of State of Alaska-owned lands in 6 claim groups known as the Kisa, Gold Lake, Ako, Little Swift, Gold Creek and Gossan Valley within the Kuskokwim Mineral Belt known as the Company’s Southwest Kuskokwim Project. Based on field work completed in late 2006 and summer of 2007, airborne

geophysical surveys completed in the fall of 2006 and spring of 2007 and results of data compilations conducted over the winter months, the Company identified additional ground for acquisition. Approximately 8,000 acres in the Southwest Kuskokwim Project area known as the Luna claim group and approximately 50,560 acres, known as the Buckstock Project claim groups located approximately 30-80 miles south of the Donlin Creek deposit and north of the Company's other claim groups were acquired based on the results.

On September 1, 2008, the Company elected to abandon approximately 43,520 of the Buckstock acres leaving only the Chilly claim group covering 7,040 acres for lack of interest in joint ventures and due to the financial situation of the Company. During the 2008 season, an additional 4,720 acres were staked as part of the Kisa and Gold Lake claim groups bringing the total acres in the Southwest Kuskokwim Project area to 35,240.

In Alaska, the lands are held under and are subject to the State's mining laws and regulations.

### **Competitive Business Conditions**

There is aggressive competition within the minerals industry to discover and acquire properties considered to have commercial potential. The Company competes for the opportunity to participate in promising exploration projects with other entities, many of which have greater resources than the Company. In addition, the Company competes with others in efforts to obtain financing to explore and develop mineral properties.

### **Regulation**

The Company's activities in the United States are subject to various federal, state, and local laws and regulations governing prospecting, development, production, labor standards, occupational health and mine safety, control of toxic substances, and other matters involving environmental protection and taxation. It is possible that future changes in these laws or regulations could have a significant impact on the Company's business, causing those activities to be economically reevaluated at that time.

### **Estimate of the Amount Spent on Exploration for the Last Two Years**

During the years ending December 31, 2010 and 2009, we have spent \$15,448 and \$32,648, respectively, on exploration activities.

### **Employees**

The Company's total number of employees is 3 which includes the CFO, who at this time is the only paid employee working part time. The other two employees are both directors serving for no pay who include Terry Dunne who serves as the President and John Ryan who serves at the CEO of the Company. We intend to utilize the services of consultants and contractors to provide additional services to the Company as needed.

### **Reports to Security Holders**

We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), and therefore file periodic reports and other information with the Securities and Exchange Commission (SEC). These reports may be obtained by visiting the Public Reference Room of the SEC at 100 F Street, NE, Washington, D.C. 20549, or by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet web site at [www.sec.gov](http://www.sec.gov) that contains reports, proxy information statements and other information regarding issuers that file electronically.

Our filings under the Exchange Act (including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to these reports) are also available free of charge on our web site at [www.goldcrestminesinc.com](http://www.goldcrestminesinc.com). These reports are available as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. The reference to our web site address does not constitute incorporation by reference of the information contained on the web site, and the information contained on the web site is not part of this document.

## **ITEM 1A. RISK FACTORS**

As a smaller reporting company, we have elected not to provide the disclosure required by this item.

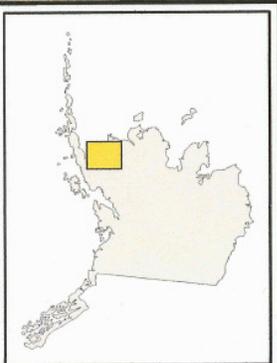
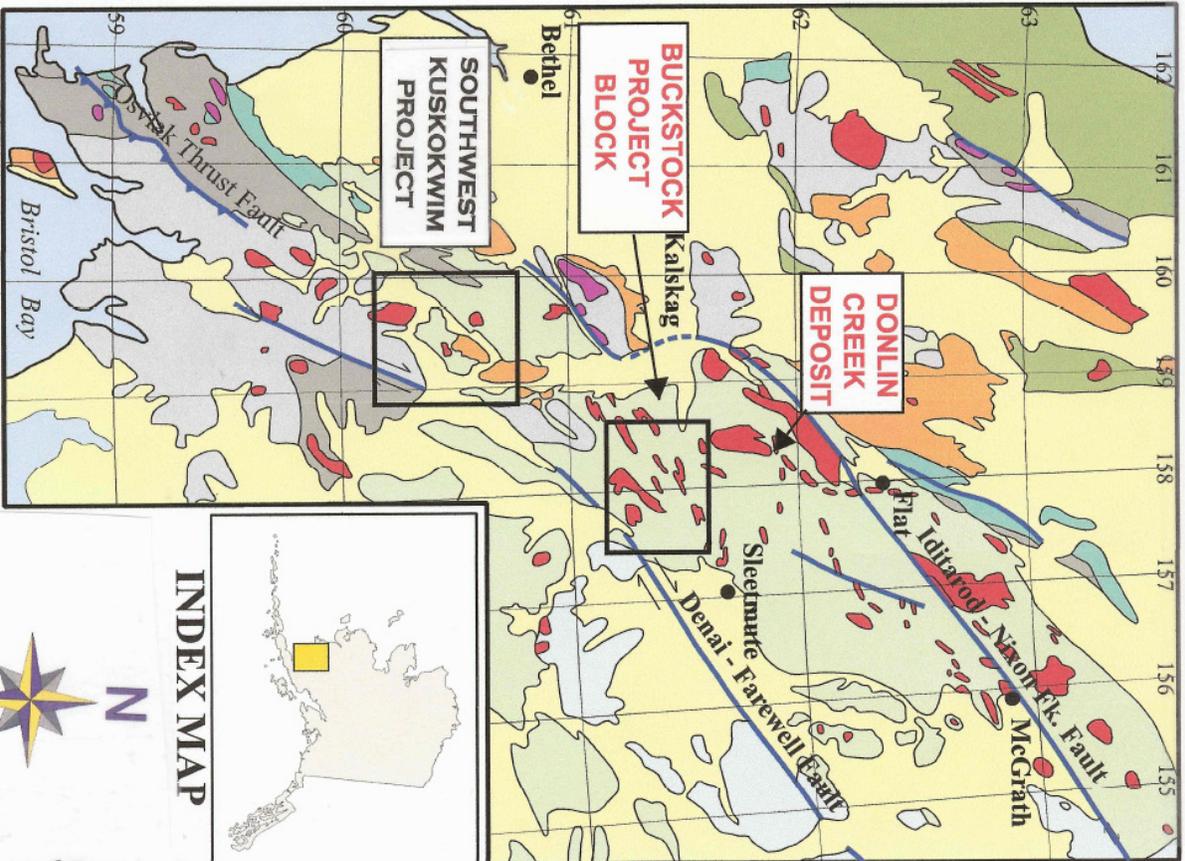
## **ITEM 1B. UNRESOLVED STAFF COMMENTS**

As a smaller reporting company, we have elected not to provide the disclosure required by this item.

ITEM 2. PROPERTIES

ALASKA PROPERTIES

GOLD CREST MINES, INC. ALASKA PROPERTY LOCATIONS



INDEX MAP



EXPLANATION

- Middle Tertiary and younger units
- Volcanic-plutonic complexes (LK-eT)
- Volcanic fields (LK-eT)
- Pre and synaccretionary intrusions
- Kuskokwim Group overlap assemblage (Mr)
- Yukon - Koyukuk flysch basin (Mz)
- Continental margin terranes (PzMz)
- Oceanic crust and subduction zone terranes (PzMz)
- Continental affinity
- Arc and related flyschoid terranes
- High angle fault
- Thrust fault, teeth on upper plate



**REGIONAL GEOLOGY OF  
SOUTHWESTERN ALASKA**

Modified from M.L. Miller and T.K. Bundtzen

## **SOUTHWEST KUSKOKWIM PROJECT**

### ***Summary***

In the Kisaralik Lake area of southwest Alaska, the Company's wholly owned subsidiary Kisa Gold Mining, Inc. (KGMI) controls or has interests in seven claim blocks consisting of 230 State of Alaska mining claims covering approximately 35,240 acres. Of the 35,240 acres in our Southwest Kuskokwim Project area, approximately 20,040 were placed with Golden Lynx, LLC as part of a joint venture originally with Cougar Gold LLC who later transferred their interest to TintinaGold Resources Inc. (TintinaGold). In December 2009 TintinaGold, who was the operator of the Golden Lynx, LLC, notified the Company that it was resigning its membership in the Golden Lynx LLC. See "Note 5. Mineral Properties - *Golden Lynx, LLC*" to our consolidated financial statements for further details.

The Company calls the seven claim blocks the Southwest Kuskokwim Project and the individual names of each claim block are Kisa, Gold Lake, Luna, AKO, Gold Creek, Gossan Valley and Little Swift. Previous workers located and prospected several significant precious metal showings in this remote, highly prospective portion of the Kuskokwim Mineral Belt nearly 20 years ago. The showings show many similarities in mineralization style, alteration and general geologic characteristics to Nova Gold Resources and Barrick's Donlin Creek project and other major Kuskokwim Mineral Belt gold deposits.

On January 27, 2010, the Company, through its wholly owned subsidiaries, KGMI and Golden Lynx, LLC signed an option agreement with North Fork Resources Pty Ltd ("North Fork") which grants North Fork an exclusive option to purchase and/or earn an interest in the Company's Southwest Kuskokwim Project area.

Under the terms of the option, North Fork made a payment to the Company in the amount of \$20,000 which was received on February 16, 2010 which was recorded as a deposit on option agreement, for the exclusive right to explore the claims up until October 31, 2010. During the option period, North Fork agrees to meet the minimum annual expenditure requirements on the claims for the period up to September 1, 2010. Following the expiration of the option on October 31, 2010, North Fork will have 30 days to notify the Company of its decision to exercise its option to purchase and/or earn into any or all of the claim groups.

On August 18, 2010 the Company amended the option agreement to include an additional claim group known as our Chilly claims. As consideration for this new claim group, North Fork made an additional payment to the Company of \$10,000 on August 24, 2010 which was also recorded as a deposit on option agreement. As part of this new amendment, North Fork agreed to only meet the minimum annual expenditure requirements on the claims for the period up to September 1, 2010 that did not have enough labor carry-over to fulfill the states' annual labor requirements. North Fork completed the required labor by the due date of September 1, 2010 and on October 18, 2010 formally notified the Company of their intent to exercise the option over the Alaska properties.

As of the date of this report the Company, through its wholly owned subsidiary, Kisa Gold Mining, Inc. and North Fork Resources Pty Ltd ("North Fork") have agreed in principle to enter into a Master Earn-In agreement ("the Agreement").

This agreement will call for North Fork to explore for gold deposits on Kisa's claim blocks in the Southwest Kuskokwim Project area ("Projects"). The Projects consist of exploration properties in southwest Alaska approximately 90 miles east of the village of Bethel covering approximately 42,280 acres of State of Alaska-owned lands in claim groups known as the Kisa, Luna, AKO, GL, Chilly, Little Swift, Gold Creek, GO and Gossan Valley within the Kuskokwim Mineral Belt.

The following is a breakdown of the proposed earn-in terms:

1. The initial interest at the time North Fork exercises its option to earn into the Projects will be as follows:
  - a. Gold Crest Mines, Inc. – 100%
  - b. North Fork – 0%
2. North Fork can earn a 51% interest in the Projects by the expenditure of \$3,000,000 on the Projects by October 31, 2013.
3. If North Fork withdraws from the Joint Venture prior to earning a 51% interest in the Projects, it will have no further interest in the Projects.

4. North Fork can earn an additional 24% interest in the Projects, taking its total interest to 75% by the expenditure of an additional \$3,000,000 by October 31, 2016.
5. North Fork can earn a total interest of 90% in any of the Project claim blocks by the completion of a Bankable Feasibility Study (BFS).
6. Gold Crest Mines, Inc. will retain a free carried 10% interest in the Projects up to a Decision to Mine at which point it can elect to contribute at 10% or dilute to a 2% Net Smelter Royalty.
7. North Fork is obliged to keep the Projects in “good standing”.
8. North Fork is the sole manager of the Projects and will make all decisions in regards to the exploration programs.

The Master Earn-In agreement has not yet been formalized.. See “Note 5. Mineral Properties – *North Fork Option*” and “Note 12. Subsequent Events – *North Fork Master Earn-In Agreement*” to our consolidated financial statements for further details.

### ***Location and Access***

The Southwest Kuskokwim Project area is situated in a mountainous, high relief area located approximately 100 miles east of Bethel, Alaska and approximately 120 miles southwest of Donlin Creek and 40 miles west of the Shotgun Deposit. The project area lies along the boundary between the Bristol Bay, Kuskokwim and Bethel Recording Districts in southwest Alaska on State of Alaska lands. Bethel is the nearest community with full, year-round services. Commercial barge service from Anchorage is available from late May through early October at Bethel.

The effective work season in the project area is from July through September. The lakes in the immediate area typically remain frozen and snow covers ridges and upper slopes until late June or early July. Currently, personnel and equipment access to the area is limited to float planes capable of landing on lakes, via helicopter or via small fixed wing aircraft equipped with tundra tires.

The nearest areas to the prospects that are closed to mineral entry include Wood – Tikchik State Park located to the east of the Gold Lake and Kisa claim groups. Areas to the west and south are property of the Federal government and include the Yukon Flats National Wildlife and Togiak National Wildlife Refuges respectively. There currently are no unusual social, political or environmental encumbrances to exploration, development or production on the prospects. There are currently no roads or power available to the properties. Should attempts to develop one or more of the prospects occur, there is no guarantee that controversy will not arise as a result of any proposed development.

### ***Geologic Setting and Deposit Types***

The properties are situated in the Kuskokwim Mineral Belt in the southern portion of the Aniak-Tuluksak and southeastern portion of the Bethel Mining Districts. Historically the Kuskokwim Mineral Belt has been a major placer and lode gold producer as well as the major source of mercury in Alaska since the turn of the twentieth century. Recent regional- to deposit-scale investigations by industry, academic institutions and government workers have helped better define the mineral deposit types and geologic controls in the Mineral Belt. This work has been spurred on by the discovery of major gold deposits throughout the northern and central portion of the belt, including the largest known deposit in the belt, the Donlin Creek deposit located approximately 120 miles to the northeast.

Rock sequences exposed in the Kuskokwim region consist of fault-bounded blocks consisting of Jurassic- to Tertiary-age assemblages of sedimentary, volcanic and intrusive rocks. These rocks were subsequently deformed, weakly metamorphosed and intruded by middle Cretaceous to Tertiary plutons, and associated dikes and sills, often in swarms along structural corridors. Glacial and modern flood plain deposits typically fill the broad glacially-carved valleys.

### ***Previous Work by the Company***

The Company’s past exploration efforts on the project include:

- Completion of 2,100 square miles of high resolution airborne geophysical surveys over the project area and south of the Donlin Creek gold deposit in 2006 and 2007;
- Completion of 17-line miles of induced polarization/resistivity surveys, 120-line miles of ground magnetics, collection of over 300 stream sediments and 250 rock samples and three soil grids on anomalies in the seven claim block area in 2006 and 2007;
- Completion of over 3,100 feet of drilling at the Kisa Breccia target in the Kisa claim group with encouraging results in 2007;

- Acquisition of two historic district-scale industry reconnaissance data sets and development of a proprietary stream sediment database that includes over 3,000 conventional silt and pan concentrate stream sediment samples. These samples define district-scale anomalies along distinct trends identified by the airborne geophysics and cover an area beginning at Kisa and extending 100 miles to northeast to the southern reaches of the Donlin Creek deposit;
- Discovery and staking of a new mineral occurrence at the Luna Prospect 6 miles west of the Company's Kisa claim group;
- Entry into a Joint Venture with Newmont Mining Corporation on the AKO and Luna prospects on May 8, 2008 which later terminated on December 12, 2008. While they were the Company's Joint Venture partner they completed systematic rock and soil sampling on the Luna and AKO claim groups.
- Entry into a Joint Venture with Cougar Gold LLC, who later transferred their interest to TintinaGold Resources Inc. (TintinaGold) who was the operator of the Golden Lynx, LLC on the Kisa, Gold Lake, Little Swift, Gossan Valley and Gold Creek prospects. In December 2009 TintinaGold, notified the Company that it was resigning its membership in the Golden Lynx LLC. See "Note 5. Mineral Properties - *Golden Lynx, LLC*" to our consolidated financial statements for further details. The work performed by Cougar Gold while they were the Company's Joint Venture partner included the completion of over 3,200 feet of drilling on the Gossan Ridge prospect, Gold Lake claim group with encouraging results, the completion of a soil grid on the Gold Lake and Kisa prospects extending areas of anomalous gold mineralization and the staking of additional mining claims over the Kisa, Gold Lake, Gold Creek, Gossan Valley and Little Swift prospect areas.

### **Southwest Kuskokwim Project Descriptions**

#### ***AKO Prospect***

The AKO claim group is located in the southwestern Kuskokwim mountains approximately 9 miles southwest of the Kisa Prospect. The Company controls approximately 7,200 acres on 45 state mining claims. The AKO prospects were first discovered 20 years ago during a regional reconnaissance program. Follow-up included limited rock-chip sampling and field examination of several linear to ovoid iron-oxide stained ridgeline and valley-wall color anomalies within and along the faulted, western margin of the Crooked Mountain Pluton. These color anomalies are found at the headwaters of streams with strong gold and multi-element anomalies in stream sediments and pan concentrates and they are aligned along a pronounced, linear topographic feature that stretches for several miles. These prospects have never been drilled.

The Company's exploration in the area includes compilation of historic data, completion of fixed-wing aeromagnetic and electromagnetic surveys, aerial reconnaissance mapping, stream sediment sampling and preliminary prospecting on several of the color anomalies identified to date. Stream-sediment samples from below the area of the known color anomalies and gold showings contain highly anomalous gold, arsenic, antimony, molybdenum and bismuth. Pan concentrates from streams draining these areas also contain visible gold. Follow-up work in 2007 has identified a number of targets on the property for further follow-up and possibly drill testing.

On May 8, 2008, the Company signed three separate joint venture agreements with Newmont North America Exploration Limited, a subsidiary of Newmont Mining Corporation ("Newmont"). During the joint venture Newmont completed a systematic reconnaissance type soil and rock chip sampling program over the AKO claim group which resulted in the delineation of two contiguous large gold anomalies on the claim group. The largest anomaly is centered over a distinctive aeromagnetic anomaly thought to represent a separate intrusive phase of the Crooked Mountain Pluton, consists of soils and rocks containing gold values greater than 0.02 ppm. This anomaly is over 13,500 feet long and 2,400 feet wide and is associated with multiple sets of sheeted quartz-sulfide vein systems. A similar and contiguous anomaly is situated adjacent to the main anomaly and has a slightly different trend and consists of soils and rock samples defining an anomalous area over 20,000 feet long and 2,700 feet wide. Neither of these anomalies has been drill tested. However on December 12, 2008, the Company received from Newmont a letter that notified of its intent to terminate the three venture agreements effective immediately.

#### ***Luna Prospect***

The Luna claim group is located in the southern Kuskokwim mountains of southwestern Alaska approximately 100 miles to the southeast of Bethel and 6 miles west of the Kisa prospect. The project area is accessed by helicopter or by small aircraft capable of landing on a tundra dirt strip. The Company staked the property in mid-2007, which consists of 50 state mining claims covering approximately 8,000 acres.

The Luna prospect was discovered during follow-up of an airborne geophysical anomaly identified from proprietary surveys completed in the fall of 2006 and spring of 2007. A regional-scale structural zone was interpreted from the airborne geophysical data. Follow-up exploration involving IP, resistivity and ground magnetic surveys, systematic stream-sediment and rock-chip sampling and geologic mapping led to the discovery.

Follow-up exploration involving IP, resistivity and ground magnetic surveys, systematic stream-sediment and rock-chip sampling and geologic mapping led to the discovery. Over 16 line-miles of IP-resistivity and 40 line-miles of ground magnetics were completed in 2007. The geophysical surveys define a 4.8 miles long by 1.4 miles wide IP and resistivity anomaly coinciding with a ground and aerial magnetic anomaly. Several conductors identified from the airborne electromagnetic surveys correspond with zones of semi-massive sulfide replacement mineralization located on the ground.

A total of 41 stream-sediment samples collected from streams draining the prospect area outline a distinct 10 square mile gold, arsenic, and antimony anomaly. A total of 40 of 72 rock chip samples collected from the prospect area contain anomalous gold. Gold is associated with anomalous arsenic, antimony, bismuth, molybdenum, silver, copper, lead and zinc.

Mineralization is hosted in calcareous siltstones, cherts and tuffaceous sedimentary rocks as well as in porphyritic intrusive rocks. Gold has been found in a broad area that exhibits pervasive fracturing and clay alteration. The prospective area contains ubiquitous disseminated, vein and stockwork sulfide accumulations. Intrusive rocks occur as dikes, sills and small stocks and compositionally include diorites and granodiorites as well as rhyolites. Several zones of stratiform sulfide replacement mineralization with cherty silica alteration containing up to 70% sulfides, primarily fine-grained pyrite, arsenopyrite and stibnite and to a lesser extent chalcopyrite and sphalerite have been located within the claim group.

The presence of widespread base and precious metals anomalies in stream sediments and rocks along this newly located structural zone and the association of these anomalies with intrusive rocks and reactive sedimentary rocks opens up a wide range of opportunities for future discoveries.

On May 8, 2008, the Company signed three separate joint venture agreements with Newmont North America Exploration Limited, a subsidiary of Newmont Mining Corporation ("Newmont"). During the joint venture Newmont conducted rock sampling and mapping on the project in 2008 and confirmed previous sampling results produced by the Company. However on December 12, 2008, the Company received from Newmont a letter that notified of its intent to terminate the three venture agreements effective immediately.

#### ***Kisa Prospect***

The Kisa claim group is made up of 38 state mining claims covering approximately 5,840 acres. The property was held under a joint venture agreement with Cougar Gold LLC, who later transferred their interest to TintinaGold Resources Inc. (TintinaGold) who was the operator of the Golden Lynx, LLC on the Kisa, Gold Lake, Little Swift, Gossan Valley and Gold Creek prospects. In December 2009 TintinaGold, notified the Company that it was resigning its membership in the Golden Lynx LLC. See "Note 5. Mineral Properties - *Golden Lynx, LLC*" to our consolidated financial statements for further details.

The mining claims encompass a narrow, linear, northeast trending ridge held up with hornfelsed Jurassic- to Cretaceous-age sedimentary rocks intruded by rhyolite to gabbroic dikes and sills. Several northwest-trending spurs off the main ridge appear to be related to crosscutting dikes of a different age and composition. Geochemical analyses suggest associations similar to those known from other gold deposits within the Kuskokwim Mineral Belt including the producing Fort Knox Mine and advanced exploration projects at Donlin Creek to the north and Shotgun Hills to the east.

During 2007, the Company completed over 3,100 feet of core drilling with encouraging results on one of the main targets of the Kisa claim group, known as the **Kisa Breccia Target**. A poorly exposed, extensively silica-carbonate-sulfide altered breccia body is located along a ridge crest and steep, north-facing valley walls. The breccia is composed of a mixture of altered sedimentary and igneous clasts, many of which exhibit multiple generations of veining and brecciation. The breccia body is exposed over an area approximately 1000 feet wide x 1600 feet long and roughly 800 feet high. Systematic rock chip samples from outcropping exposures of this breccia average 1.25 parts per million (0.036 troy ounces per short ton) gold. The Company completed six core holes into the target during the 2007 drilling campaign. All six holes cut broad zones of intensely altered igneous breccia containing low grade gold mineralization including narrower higher grade intervals. Hole K07-04 cut 678 feet averaging 0.3 parts per million gold; hole K07-05 cut 378 feet averaging 0.7 parts per million (0.02 ounces per ton) gold, including an intercept of 144 feet averaging 1.3 parts per million (0.038 ounces per ton) and hole K07-06 cut 485 feet averaging 0.4 parts per million (0.012 ounces per ton) gold.

The **Golden Dike Target** includes the rocks exposed on and under a prominent northeast trending ridgeline running through the center of the Kisa claim group. The ridge contains numerous silica-carbonate-sulfide altered felsic rhyolite dikes and sills exposed over an area 900 feet wide x 9800 feet long with at least 650 feet of exposed vertical extent. Float mapping, aerial photographic linears, airborne geophysical data and soil sampling suggest the dike swarm may extend in both directions under talus covered slopes and into the adjacent valleys. Sedimentary rocks are heavily iron oxide stained

and fractured in the hornfelsed zones adjacent to and along the dike and sill margins and contain various oxidation products after sulfides. The dikes are often bleached, silicified and typically contain disseminated to stockwork sulfide veining. The large spatial extent and intense alteration of this dike swarm and the heavily iron-stained host rocks suggest the presence of a mineralized system at the surface and underlying the ridge. The length-weighted average grade sampled from the dike swarm averaged greater than 0.1 parts per million of gold. Similar dike swarms and alteration zones are associated with the mineralized zones in the Donlin Creek deposit.

Work in 2007 included detailed rock chip and soil sampling, ground and airborne geophysics and geologic mapping. This work has now expanded the target area to a zone approximately 850 feet to 1,500 feet wide x 15,000 feet long with at least 525 feet and locally up to 1,150 feet of exposed vertical extent. Additional soil and rock chip sampling and geologic mapping were completed during the 2008 field season and expanded the areas of known gold mineralization considerably.

The **Pirate's Pick Target** is located in the northern portion of the Kisa claim group and consists of a large northwest-trending quartz-carbonate-sulfide veined fault zone. The intensely stockwork-veined fault is intermittently exposed over the crest and flanks of a small ridge in an area roughly 650 feet wide by 1150 feet long with several hundreds of feet of exposed vertical extent. The fault occurs along the northern end of the ridge hosting the dike-sill complex and field evidence suggests the fault may offset and displace the dike swarm. The length-weighted average grade of 18 rock chip samples collected from this zone is 1.95 parts per million (0.057 ounces per ton) gold.

Additional targets occur along the projections of the dike swarm and fault systems into the adjacent talus covered slopes and glacial drift filled valleys, but will require additional work prior to definition of drill targets. Several small rubble crop and/or outcrop showings along the valley edge to the northwest of the main ridge contain anomalous pathfinder element suites and gold values. These showings correspond with a marked airborne magnetic geophysical anomaly identical to that over the main ridge to the southeast and make an intriguing target.

#### ***Gold Lake Prospect***

The Gold Lake claim group is made up of 69 state mining claims covering approximately 9,720 acres approximately 8 miles west of the Kisa Prospect. The property was held under a joint venture agreement with Cougar Gold LLC, who later transferred their interest to TintinaGold Resources Inc. (TintinaGold) who was the operator of the Golden Lynx, LLC on the Kisa, Gold Lake, Little Swift, Gossan Valley and Gold Creek prospects. In December 2009 TintinaGold, notified the Company that it was resigning its membership in the Golden Lynx LLC. See "Note 5. Mineral Properties - *Golden Lynx, LLC*" to our consolidated financial statements for further details. The claims cover a broad, bright red, iron oxide stained, northwest trending ridge several miles long and nearly a mile wide adjacent to Gold Lake. The claim group contains at least two generations of crosscutting igneous dikes and sills similar to the Kisa showing and drill targets have been defined at several prospects within the claim package.

The **Gossan Ridge Target** consists of a series of banded quartz-sulfide veins associated with a dike-sill swarm that runs along the crest and flanks of rust-colored ridgeline exhibiting heavily iron oxide-staining reflecting weathering and oxidation of widespread disseminated sulfides in the rocks exposed along the ridge. The vein system has an exposed strike length of over 1600 feet and exposed widths up to 150 feet and the alteration zone and lower grade old mineralization is up to 350 feet wide and 4900 feet long with up to 650 feet of exposed vertical extent. Samples from the vein system consistently carry highly anomalous gold and pathfinder elements. The vein system appears to be associated with a series of porphyritic dikes that have produced pervasive and intense hydrothermal alteration of the host sedimentary rocks. The dikes and sills typically contain lower grade gold mineralization, but their widespread presence and intense alteration associated with the igneous rocks throughout the complex suggest the presence of a larger, potentially mineralized igneous body at depth.

During 2007, additional rock and soil sampling was completed and the previously outlined soil anomaly was extended to more than 1 kilometer along strike. Over 51 line-miles of ground magnetics were completed and located a distinctive circular magnetic anomaly adjacent to, and overlapping with the main soil and rock chip anomaly. The magnetic feature extends beneath a glacial drift-filled valley and underlies another prominent alteration zone on the adjacent ridge slopes. Prospecting this feature in 2007 confirmed the presence of quartz-arsenopyrite-stibnite veins and fracture-controlled sulfides potentially indicative of cupola-related mineralization above a buried intrusion. A single 3-mile long, induced polarization and resistivity survey line was run adjacent to the main showing and generated a good IP response over the circular ground magnetics feature. A large area of anomalous gold and intense alteration and the numerous dikes suggests the Gold Lake prospect may overlie a larger potentially mineralized intrusive hosted system at depth.

During 2008, four drill holes were completed totaling 3,227.5 feet and cut thick intervals of moderately to strongly altered and weakly gold mineralized sediments and intrusives. All the holes bottomed in hornfels indicating proximity to a larger intrusive body at depth which is still untested by drilling. Geologic mapping and soil and rock sampling were completed

along favorable trends. Detailed sampling and structural analysis indicates the main mineralized zone, exposed on steep nearly inaccessible cliffs, was not completely tested by the 2008 drilling, in part due to difficulties in establishing a stable drill platform on the steep slopes. Detailed continuous rock chip sampling across the mineralized zone exposed on the cliffs outlined a zone approximately 30 meters true thickness averaging 1 part per million (0.029 ounces per ton)

**The Golden Alder Target** consists of a linear fault zone exposed along the bottom and valley walls of a small drainage over a strike length of approximately 600 meters. Soils collected over covered areas on the valley walls and adjacent uplands suggests the zone may be as wide as 200 meters. A pronounced circular airborne geophysical anomaly underlies a portion of the fault system and its projection into an alluvium covered area and may represent a leakage halo emanating from a potentially mineralized intrusion at depth over 1.5 parts per million (0.044 ounces per ton) gold. During 2008, additional soil and rock sampling surveys were completed with encouraging results.

#### ***Little Swift Prospect***

Little Swift consists of 14 state mining claims covering approximately 2,240 acres and were staked to prospect a distinctively linear, contact zone between the Crooked Mountain quartz monzonite pluton and the cupola of hornfelsed sedimentary rocks. The property was held under a joint venture agreement with Cougar Gold LLC, who later transferred their interest to TintinaGold Resources Inc. (TintinaGold) who was the operator of the Golden Lynx, LLC on the Kisa, Gold Lake, Little Swift, Gossan Valley and Gold Creek prospects. In December 2009 TintinaGold, notified the Company that it was resigning its membership in the Golden Lynx LLC. See “Note 5. Mineral Properties - *Golden Lynx, LLC*” to our consolidated financial statements for further details.

The prospect sites are staked over six large linear to ovoid iron-oxide stained ridgeline and valley wall color anomalies along the contact zone. Previous workers collected highly anomalous stream silt samples from below the area of the color anomalies.

#### ***Gold Creek Prospect***

Gold Creek consists of 12 state mining claims covering approximately 1,920 acres and were staked to prospect several iron-oxide stained color anomalies developed within the cupola of hornfelsed sedimentary rocks associated with the eastern margin of Crooked Mountain quartz monzonite pluton. The property was held under a joint venture agreement with Cougar Gold LLC, who later transferred their interest to TintinaGold Resources Inc. (TintinaGold) who was the operator of the Golden Lynx, LLC on the Kisa, Gold Lake, Little Swift, Gossan Valley and Gold Creek prospects. In December 2009 TintinaGold, notified the Company that it was resigning its membership in the Golden Lynx LLC. See “Note 5. Mineral Properties - *Golden Lynx, LLC*” to our consolidated financial statements for further details.

The prospect sites are staked over four large ovoid-valley wall color anomalies that appear to be stratiform in character. Previous workers collected highly anomalous stream-sediment samples from below the area of the color anomalies. In 2008, Cougar Gold LLC, an affiliate of Electrum USA Ltd., operator of the Golden Lynx LLC at the time, completed sampling and mapping of the Gold Creek prospects. Mapping located a series of large quartz monzonite to diorite dikes in the headwaters of the streams reporting anomalous gold and pathfinder elements. Large color anomalies noted previously were examined and found to be associated with extensive fracture controlled sulfide development. The most intense sulfide development and fracturing were found to be stratigraphically controlled and associated with distinctive chert and black siltite sections. Weak gold and pathfinder anomalies are associated with these fracture zones. Much of the prospect area is covered with glacial alluvium and talus potentially masking potential mineralized areas within the claim group.

#### ***Gossan Valley Prospect***

Gossan Valley consists of 2 state mining claims covering approximately 320 acres located approximately 6 miles south of the AKO prospect. The property was held under a joint venture agreement with Cougar Gold LLC, who later transferred their interest to TintinaGold Resources Inc. (TintinaGold) who was the operator of the Golden Lynx, LLC on the Kisa, Gold Lake, Little Swift, Gossan Valley and Gold Creek prospects. In December 2009 TintinaGold, notified the Company that it was resigning its membership in the Golden Lynx LLC. See “Note 5. Mineral Properties - *Golden Lynx, LLC*” to our consolidated financial statements for further details.

The prospect was first discovered 20 years ago during a regional reconnaissance program. Follow-up included limited rock-chip sampling and field examination of several ridgeline and valley-wall color anomalies within and along the faulted, eastern margin of the Crooked Mountain Pluton. The color anomalies are found at the headwaters of streams with gold and multi-element anomalies in stream sediments and pan concentrates and they are aligned along a pronounced, linear topographic feature that stretches for approximately one mile. Previous rock sampling in the area, was limited to the collection of ten float, talus and outcrop samples below and within one of several color anomalies present in the area. Two of the ten samples returned detectable gold. The prospect was never drilled.

The Company's exploration in the area includes compilation of historic data, completion of fixed-wing aeromagnetic and electromagnetic surveys, aerial reconnaissance mapping, stream sediment sampling and preliminary prospecting on several of the color anomalies. Stream-sediment samples from below the area of the known color anomalies contain highly anomalous gold, arsenic, antimony, molybdenum and bismuth. Pan concentrates from streams draining these areas also contain visible gold. A brief examination of the showing in 2007 included collection of a single representative rock chip sample over a 3 meter thick exposure of gossanous hornfels. The rock chip sample reported 0.199 ppm gold and 462 ppm copper consistent with previous sample results from the area.

In 2008, Cougar Gold LLC, an affiliate of Electrum USA Ltd., operator of the Golden Lynx LLC at the time, completed sampling and mapping of the prospect and identified a broad area of stockwork veining, potassium feldspar and biotite flooding similar to that found in many porphyry-style gold and copper systems.

## **BUCKSTOCK PROJECT**

### ***Summary***

The Company's wholly owned subsidiary Kisa Gold Mining, Inc., (KGMI) had staked 316 State of Alaska mining claims covering approximately 51,560 acres in seven claim groups. The Company abandoned 6 of the claim groups leaving only the Chilly group with 44 State of Alaska mining claims covering approximately 7,040 acres. The claims are situated approximately 50 miles southwest of Donlin Creek and 45 miles northeast of KGMI's Kisa Project area. KGMI initiated an active and aggressive exploration program in the region as part of a regional program approach expanding on the Company's results in the Kisa Project area. These prospects have been identified through multiple sources including a review and compilation of data from published federal, state and academic manuscripts, published and unpublished geochemical data and corporate proprietary data sets.

Over 1,600 stream sediment, heavy mineral concentrate and rock samples cover the area and the claim groups are staked in areas determined to be prospective as potential source areas for the placer occurrences identified from the company's proprietary geochemical database. Each of these prospects falls within much larger, poorly defined regional-scale geochemical anomalies that represent district-scale exploration plays.

The project area is underlain by sedimentary and volcanic rocks of the Triassic and Cretaceous Gemuk Group; sedimentary rocks of the Cretaceous Kuskokwim Group; and Late Cretaceous and early Tertiary mafic to felsic volcanic rocks, small granitic intrusions, and granite porphyry dikes and sills. Locally there are small accumulations of Quaternary age olivine basalt. The project area lies within a structurally complex flexure zone within a series of crustal-scale wrench faults.

Deformation associated with these faults and splays appears to be at least locally important in the location of both igneous rocks and mineralized showings. Both high level epithermal and deeper-level shallow intrusive and subvolcanic alteration and mineralization systems are present in the project. Initial field follow-up in late 2007 was encouraging with gold showings identified in bedrock on several claim groups.

### ***Chilly Prospect***

This prospect consists of a semicircular, 25-square mile multi-element stream geochemical anomaly draining a large Late Cretaceous to Early Tertiary, zoned, quartz monzonitic intrusive complex. Highly anomalous arsenic in stream silts outlines this intrusive complex at the regional scale. Placer gold has been found around the flanks of the complex coincident with highly anomalous stream silts containing pathfinder elements. Seven rock chip samples collected from outcrops in the headwaters of the anomalous streams contain anomalous gold.

On May 8, 2008, the Company signed three separate joint venture agreements with Newmont North America Exploration Limited, a subsidiary of Newmont Mining Corporation ("Newmont"). During the joint venture Newmont completed a systematic rock and soil sampling program on the claims in the summer of 2008 and delineated a large gold in soils anomaly on the claim group. However on December 12, 2008, the Company received from Newmont a letter that notified of its intent to terminate the three venture agreements effective immediately.

## **ITEM 3. LEGAL PROCEEDINGS**

We are not a party to any legal proceedings and are not aware of any such proceedings known to be contemplated.

## **ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

No matters were submitted to a vote of the security holders through the solicitation of proxies, or otherwise, during the quarter ended December 31, 2010.

## PART II

### ITEM 5. MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

In October 2007, our common stock began quotation on the OTC Electronic Bulletin Board (OTCBB) under the symbol "GCMN". Prior to October 2007 our common stock was quoted on the over the counter market in the Pink Sheets.

The following table sets forth for our common stock, the high and low closing bid quotations per share, taken from the internet, for our common stock for each quarter for the periods indicated. The quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

<u>Year</u>	<u>Quarter</u>	<u>High Closing</u>	<u>Low Closing</u>
2009	First Quarter	\$0.015	\$0.006
	Second Quarter	\$0.041	\$0.005
	Third Quarter	\$0.019	\$0.006
	Fourth Quarter	\$0.055	\$0.015
2010	First Quarter	\$0.029	\$0.016
	Second Quarter	\$0.022	\$0.010
	Third Quarter	\$0.022	\$0.011
	Fourth Quarter	\$0.028	\$0.012

#### Holders

As of March 10, 2010, there were approximately 379 shareholders of record of the Company's common stock as furnished to the Company by its transfer agent and does not account for shares owned through clearing houses.

#### Unregistered Sales of Equity Securities

On December 31, 2010, the Company completed an offering of units consisting of its common stock in a non-brokered private placement which began on July 1, 2010. The Company issued 2,500,000 shares of common stock to five purchasers for a total of \$25,000 in total proceeds. Under the private placement we offered a maximum of 2,500,000 shares at \$0.01 per share for a maximum of \$25,000 in proceeds. The shares were being offered and sold by officers and directors of the Company who received no remuneration for the sale of the shares.

The shares above were issued without registration under the Securities Act by reason of the exemption from registration afforded by the provisions of Section 4(2), and Rule 506 promulgated by the SEC, and Section 4(6) thereof, as a transaction by an issuer not involving any public offering. Each participant was an accredited investor at the time of the issuance. They delivered appropriate investment representations with respect to the issuance of the shares and consented to the imposition of a restrictive legend upon the certificate representing their shares. They represented that they had not entered into the transaction with us as a result of or subsequent to any advertisement, article, notice, or other communication published in any newspaper, magazine, or similar media or broadcast on television or radio, or presented at any seminar or meeting. They represented that they had been afforded the opportunity to ask questions of our management and to receive answers concerning the terms and conditions of the share purchase. No underwriting discounts or commissions were paid in connection with these transactions.

#### Dividends

The Company has never paid any dividends and does not anticipate the payment of dividends in the foreseeable future.

See Item 12 herein for information relating to our equity compensation plan.

### ITEM 6. SELECTED FINANCIAL DATA

As a smaller reporting company, we have elected not to provide the disclosure required by this item.

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion contains various statements regarding our current strategies, financial position, results of operations, cash flows, operating and financial trends and uncertainties, as well as certain forward-looking statements regarding our future expectations. When used in this discussion, words such as "anticipate," "believe," "estimate," "expect," "could," "may," "will," "should," "plan," "predict," "potential," and similar expressions are intended to identify such forward-looking statements. Our forward-looking statements are based on our current expectations and are subject to numerous risks and uncertainties. As such, our actual future results, performance or achievements may differ materially from the results expressed in, or implied by, our forward-looking statements. Please refer to our "Risk Factors" elsewhere in this Annual Report on Form 10-K for the fiscal year ended December 31, 2010. We assume no future obligation to update our forward-looking statements or to provide periodic updates or guidance.*

### Overview and Plan of Operation

As discussed in "Note 3. Going Concern" to our consolidated financial statements, the Company has had no revenues and incurred an accumulated deficit of \$9,551,869 through December 31, 2010. Another factor is that the Company has a negative current ratio of 0.15: 1 at December 31, 2010. The current ratio is a measurement of the degree to which current assets cover current liabilities (current assets/ current liabilities). A high ratio indicates a good probability the enterprise can retire current debts. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management intends to seek additional capital from new equity securities offerings and joint venture agreements that will provide funds needed to increase liquidity, fund internal growth and fully implement its business plan.

We are in the business of exploration, development, and if warranted the mining of properties containing valuable mineral deposits. We are traded on the over the counter market in the United States and, as is typical with such companies, losses are incurred in the stages of exploration and development, which typically need to be funded through equity or debt financing.

In the Kisaralik Lake area of southwest Alaska, the Company's wholly owned subsidiary Kisa Gold Mining, Inc. (KGMI) controls or has interests in seven claim blocks consisting of 230 State of Alaska mining claims covering approximately 35,240 acres. Of the 35,240 acres in our Southwest Kuskokwim Project area, approximately 20,040 were placed with Golden Lynx, LLC as part of a joint venture originally with Cougar Gold LLC who later transferred their interest to TintinaGold Resources Inc. (TintinaGold). In December 2009 TintinaGold, who was the operator of the Golden Lynx, LLC, notified the Company that it was resigning its membership in the Golden Lynx LLC. See "Note 5. Mineral Properties - *Golden Lynx, LLC*" to our consolidated financial statements for further details.

The Company calls the seven claim blocks the Southwest Kuskokwim Project and the individual names of each claim block are Kisa, Gold Lake, Luna, AKO, Gold Creek, Gossan Valley and Little Swift. On January 27, 2010, the Company, through its wholly owned subsidiaries, Kisa Gold Mining, Inc. and Golden Lynx, LLC signed an option agreement with North Fork Resources Pty Ltd ("North Fork") which grants North Fork an exclusive option to purchase and/or earn an interest in the Company's Southwest Kuskokwim Project area.

Under the terms of the option, North Fork made a payment to the Company in the amount of \$20,000 which was received on February 16, 2010 which was recorded as a deposit on option agreement, for the exclusive right to explore the claims up until October 31, 2010. During the option period, North Fork agrees to meet the minimum annual expenditure requirements on the claims for the period up to September 1, 2010. Following the expiration of the option on October 31, 2010, North Fork will have 30 days to notify the Company of its decision to exercise its option to purchase and/or earn into any or all of the claim groups.

On August 18, 2010 the Company amended the option agreement to include an additional claim group known as our Chilly claims. As consideration for this new claim group, North Fork made an additional payment to the Company of \$10,000 on August 24, 2010 which was also recorded as a deposit on option agreement. As part of this new amendment, North Fork agreed to only meet the minimum annual expenditure requirements on the claims for the period up to September 1, 2010 that did not have enough labor carry-over to fulfill the states' annual labor requirements. North Fork completed the required labor by the due date of September 1, 2010 and on October 18, 2010 formally notified the Company of their intent to exercise the option over the Alaska properties.

As of the date of this report the Company, through its wholly owned subsidiary, Kisa Gold Mining, Inc. and North Fork Resources Pty Ltd ("North Fork") have agreed in principle to enter into a Master Earn-In agreement ("the Agreement").

This agreement will call for North Fork to explore for gold deposits on Kisa's claim blocks in the Southwest Kuskokwim Project area ("Projects"). The Projects consist of exploration properties in southwest Alaska approximately 90 miles east of the village of Bethel covering approximately 42,280 acres of State of Alaska-owned lands in claim groups known as the Kisa, Luna, AKO, GL, Chilly, Little Swift, Gold Creek, GO and Gossan Valley within the Kuskokwim Mineral Belt. See "Note 5. Mineral Properties – North Fork Option" and "Note 12. Subsequent Events – North Fork Master Earn-In Agreement" to our consolidated financial statements for further details.

### **Comparison of the Years Ended December 31, 2010 and December 31, 2009:**

#### **Results of Operations**

The following tables set forth certain information regarding the components of our Consolidated Statements of Operations for the year ended December 31, 2010 compared with the year ended December 31, 2009. These tables are provided to assist in assessing differences in our overall performance:

	<b>The Year Ended</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>December 31, 2010</b>	<b>December 31, 2009</b>		
REVENUES	\$ -	\$ -	\$ -	-
OPERATING EXPENSES:				
Exploration expenditures	15,448	32,648	(17,200)	-52.7%
Settlement of drilling contract	-	-	-	0%
Abandonment of mineral lease	-	-	-	0%
Gain on sale of mineral lease	-	(16,875)	16,875	100.0%
Mineral lease option income	(30,000)	-	(30,000)	100.0%
Impairment of mineral properties and royalty interest	-	-	-	0%
Impairment of investment in Golden Lynx LLC	-	43,202	(43,202)	-100.0%
Loss (gain) on disposal of equipment	(6,250)	11,784	(18,034)	-153.0%
Legal and accounting expenses	21,936	35,515	(13,579)	-38.2%
Directors' fees	-	-	-	0%
General and administrative	33,316	65,241	(31,925)	-48.9%
TOTAL OPERATING EXPENSES	<u>34,450</u>	<u>171,515</u>	<u>(137,065)</u>	<u>-79.9%</u>
LOSS FROM OPERATIONS	(34,450)	(171,515)	137,065	-79.9%
Interest income	-	-	-	0%
Interest expense	-	-	-	0%
TOTAL OTHER INCOME (EXPENSE)	<u>-</u>	<u>-</u>	<u>-</u>	<u>100.0%</u>
NET LOSS	<u>\$ (34,450)</u>	<u>\$ (171,515)</u>	<u>\$ 137,065</u>	<u>\$ -79.9%</u>

#### **Overview of Operating Results**

##### *Operating Expenses*

The decrease of \$137,065 in operating expenses during the year ended December 31, 2010 compared to the year ended December 31, 2009 was due to the impairment of investment in Golden Lynx LLC in 2009 of \$43,202 versus zero in 2010 and the result of decreased activity during the year ended December 31, 2010. One reason for the decrease is that the Company has made a concerted effort to curtail costs by reducing the employee base to one part time employee and by choosing not to renew the office lease. Further detail of the \$137,065 decrease is as follows:

##### *Loss on Disposal of Equipment*

Gain on disposal of equipment was \$6,250 for the year ended December 30, 2010 versus a loss on disposal of \$11,784 for the year ended December 31, 2009. The decrease was due to the following transactions in the year ended December 31, 2009 and 2010:

1. In September 2010, we received \$6,250 on the sale of previously expensed supplies and recorded a gain on the sale of \$6,250.

2. In September 2009, we disposed of miscellaneous equipment with an original cost of \$14,004 with accumulated depreciation of \$7,845 and recorded a loss on the disposal of equipment of \$6,159.
3. In July and December 2009, we received a total of \$1,000 for the sale of miscellaneous equipment with an original cost of \$2,282 with accumulated depreciation of \$1,241 and recorded a loss on the sale of equipment of \$41.
4. In May 2009, we received \$15,000 for the sale of miscellaneous equipment with an original cost of \$30,494 with accumulated depreciation of \$12,353 and recorded a loss on the sale of equipment of \$3,141.
5. In February 2009, we received \$500 for the sale of a piece of office equipment with an original cost of \$3,096 with accumulated depreciation of \$1,156 and recorded a loss on sale of equipment of \$1,440.
6. In February 2009, we received \$229 for the sale of office furniture with a cost of \$2,000 with accumulated depreciation of \$767 and recording a loss on sale of equipment of \$1,004.

#### Legal and Accounting Expenses

Legal and accounting expenses were \$21,936 for the year ended December 31, 2010 versus \$35,515 for the year ended December 31, 2009 for a decrease of \$13,579. The decrease was mainly due to the final accrual of legal fees of \$6,000 to Janice Duval for a contract that ended in February of 2009, and higher audit fees for the Company's December 31, 2008 financial statements.

#### Exploration Expenditures

Exploration expenditures were \$15,448 for the year ended December 31, 2010 versus \$32,648 for the year ended December 31, 2009 for a decrease of \$17,200. The decrease was mainly due to the higher claim rental fees in 2009 and the additional consulting fees of \$6,911 spent on due diligence on an Idaho property we were briefly looking into purchasing at the end of 2009.

#### Gain on sale of mineral lease

Gain on the sale of mineral lease was \$16,875 for the year ended December 31, 2009 versus zero for the year ended December 31, 2010 for an increase of \$16,875. This was due to the Company on March 13, 2009, signing an Asset Purchase Agreement (the "Agreement") with Frank Duval for the purpose of acquiring the mining claims in Idaho known as our Golden Meadows Project. Under the terms of the Agreement the Company sold all of the Company's rights, title and interest in and to its 46 unpatented federal mill site claims and 185 unpatented federal lode claims in the Stibnite District of Idaho known as the Golden Meadows Project for a total of \$50,000. As a result of this sale, the Company recognized a gain on sale of mineral lease of \$16,875 during the year ended December 31, 2009.

#### General and Administrative

General and Administrative expenses were \$33,316 for the year ended December 31, 2010 versus \$65,241 for the year ended December 31, 2009 for a decrease of \$31,925. The primary decreases were mainly due to the following:

1. For the year ended December 31, 2010 there was no stock based compensation expense versus \$13,355 for the year ended December 31, 2009 related to the vesting of stock options.
2. For the year ended December 31, 2010 there was no insurance expense for directors and officers insurance or general liability expense versus \$3,847 for the year ended December 31, 2009 due to the non-renewal of the insurance.
3. For the year ended December 31, 2010 there were no expenses related to office rent or janitorial services versus \$4,859 for the year ended December 31, 2009 due the fact we did not re-new our office lease at February 1, 2009 and moved operations to the home of the Chief Financial Officer which reduced the rent to zero and other overhead costs.
4. For the year ended December 31, 2010 there was depreciation expense of only \$683 versus \$4,936 for the year ended December 31, 2009 due to the reduction in fixed assets during 2009.

#### Overview of Financial Position

At December 31, 2010, Gold Crest had cash of \$10,814 and total liabilities of \$70,188. During the year ended December 31, 2010, we received \$30,000 on the North Fork option. See "Note 5. Mineral Properties – North Fork Option" to our consolidated financial statements for further details. We also received \$25,000 on a non-brokered private placement offering in which we issued 2,500,000 at \$0.01 per share and received \$6,250 on the sale of some previously expensed supplies.

### Prepaid Expenses and Deposits

During the year ended December 31, 2010, the Company recognized \$12,974 as claim fee expense on our Southwest Kuskokwim properties leaving a prepaid balance of zero as of December 31, 2010. During the year ended December 31, 2009, the Company recognized \$19,250 as claim fee expense on our Idaho properties. During the 2009 season, the claim fees for the Southwest Kuskokwim properties were paid for through our joint venture partners at the time.

### Mineral Properties & Investment in Golden Lynx LLC

Of the 35,240 acres in our Southwest Kuskokwim Project area, approximately 20,040 were placed with Golden Lynx, LLC as part of a joint venture in 2008 originally with Cougar Gold LLC who later transferred their interest to TintinaGold Resources Inc. (TintinaGold). The claim groups transferred to Golden Lynx LLC were our Kisa, Gold Lake, Gold Creek, Little Swift and Gossan Valley properties. On December 23, 2009 the Company was notified by TintinaGold that it had elected to resign its membership in the Golden Lynx LLC, in accordance with the Golden Lynx LLC agreement dated April 18, 2008.

The resignation of TintinaGold as a member of the Golden Lynx and TintinaGold's failure to meet the initial contribution requirements of the Golden Lynx LLC Limited Liability Company Agreement (the "Operating Agreement") terminates its interests in Golden Lynx, LLC. TintinaGold will have no further rights to receive distributions, or any other payments from Golden Lynx or Kisa, except as provided for in Section 6.3 of the Operating Agreement. A copy of the Operating Agreement was attached as Exhibit 10.6 to Gold Crest's Quarterly Report Form 10-Q filed with the Securities and Exchange Commission on August 11, 2008. Therefore, at December 31, 2009, the Company was the sole shareholder of Golden Lynx LLC.

On February 10, 2010, the Company had all the claims from the Golden Lynx LLC quitclaimed back into Kisa and decided to either let the Golden Lynx LLC dissolve or since there was nothing left in it we could assign our interest to a third party and let them take control of it. Therefore, the Company reclassified the remaining balance of \$11,373 held under "Investment in Golden Lynx LLC" to "Mineral Properties" during the first quarter of 2010.

### Liquidity and Capital Resources

We have limited capital resources and thus have had to rely upon the sale of equity securities for the cash required for exploration and development purposes, for acquisitions and to fund our administration. Since we do not expect to generate any revenues in the near future, we must continue to rely upon the sale of our equity securities to raise capital. There can be no assurance that financing, whether debt or equity, will always be available to us in the amount required at any particular time or for any period or, if available, that it can be obtained on terms satisfactory to us.

Our cash balance at December 31, 2010 was \$10,814 versus \$12,931 at December 31, 2009. This slight decrease is primarily due to the fact that during the year ended December 31, 2010, we received \$30,000 on the North Fork option, received \$25,000 on a non-brokered private placement offering in which we issued 2,500,000 at \$0.01 per share and received \$6,250 on the sale of some previously expensed supplies. The amount received was less than the amount of money spent on our daily operations.

### Future Outlook

Based on the current market environment and our low share price it is not likely we will be able to raise enough money through a private placement of our common stock to fully implement our business plan. We have cut our operating costs down to the bare minimum by reducing our employee base down to only one employee with reduced time and pay and we currently intend to rely on the use of outside consultants to provide certain services to the Company.

We are currently seeking a new joint venture opportunity concerning our Alaska claim groups. On January 27, 2010, the Company signed an option agreement with North Fork Resources Pty Ltd ("North Fork") which grants North Fork an exclusive option to purchase and/or earn an interest in the Company's Southwest Kuskokwim Project area. Under the terms of the option, North Fork made a payment to the Company in the amount of \$20,000 which was received on February 16, 2010, for the exclusive right to explore the claims up until October 31, 2010. On August 18, 2010 the Company amended the option agreement to include an additional claim group known as our Chilly claims. As consideration for this new claim group, North Fork made an additional payment to the Company of \$10,000 on August 24, 2010. See "Note 5. Mineral Properties – North Fork Option" and "Note 12. Subsequent Events – North Fork Joint Venture Agreement" to our consolidated financial statements for further details.

**Changes in Accounting Policies**

We did not change our accounting policies during fiscal 2009 or 2010.

**Off-Balance Sheet Arrangements**

During the year ended December 31, 2010, the Company did not have any off-balance sheet arrangements.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

As a smaller reporting company, we have elected not to provide the disclosure required by this item.

**ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Report of Independent Registered Public Accounting Firm	20
Financial Statements:	
Consolidated Balance Sheets as of December 31, 2010 and December 31, 2009	21
Consolidated Statements of Operations for the years ended December 31, 2010, December 31, 2009 and for the period from inception until December 31, 2010	22
Consolidated Statement of Stockholders' Equity (Deficit) for the years ended December 31, 2010, 2009, 2008 and 2007, and from inception to December 31, 2006	23
Consolidated Statements of Cash Flows for the years ended December 31, 2010, December 31, 2009 and for the period from inception until December 31, 2010	25
Notes to the Consolidated Financial Statements	26

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors  
Gold Crest Mines, Inc.

We have audited the accompanying consolidated balance sheets of Gold Crest Mines, Inc. (*An Exploration Stage Company*) (“the Company”) as of December 31, 2010 and 2009, and the related consolidated statements of operations, changes in stockholders’ equity (deficit), and cash flows for the years then ended and for the period from inception (January 11, 2005) to December 31, 2010. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Gold Crest Mines, Inc. as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended and for the period from inception (January 11, 2005) to December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has no revenue, an accumulated deficit, and a negative current ratio that raise substantial doubt about its ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ DeCoria, Maichel & Teague P.S.

DeCoria, Maichel & Teague P.S.

Spokane, Washington  
March 7, 2011

**GOLD CREST MINES, INC.**  
**(An Exploration Stage Company)**  
**Consolidated Balance Sheets**

	<u>December 31,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 10,814	\$ 12,931
Prepaid claim fees	-	12,974
Total Current Assets	10,814	25,905
Equipment, net of accumulated depreciation of \$2,572 and \$1,889, respectively	841	1,524
Mineral properties	11,373	-
Investment in Golden Lynx LLC	-	11,373
<b>TOTAL ASSETS</b>	<b>\$ 23,028</b>	<b>\$ 38,802</b>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 27,890	\$ 34,773
Accounts payable – related party	36,000	36,000
Accrued liabilities	6,298	5,739
Total Current Liabilities	70,188	76,512
Total Liabilities	70,188	76,512
 Commitments and contingencies (Note 11)		
 <b>STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Preferred stock; no par value; 10,000,000 shares authorized, none issued or outstanding	-	-
Common stock; \$0.001 par value; 500,000,000 shares authorized; 88,205,828 and 85,705,828 shares issued and outstanding, respectively	88,206	85,706
Additional paid-in capital	9,416,503	9,394,003
Accumulated deficit during exploration stage	(9,551,869)	(9,517,419)
Total Stockholders' Equity (Deficit)	(47,160)	(37,710)
 <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>	 <b>\$ 23,028</b>	 <b>\$ 38,802</b>

The accompanying notes are an integral part of these consolidated financial statements.

**GOLD CREST MINES, INC.**  
**(An Exploration Stage Company)**  
**Consolidated Statements of Operations**

	Years Ended		From Inception January 11, 2005 to December 31, 2010
	December 31, 2010	December 31, 2009	December 31, 2010
REVENUES	\$ -	\$ -	\$ -
OPERATING EXPENSES:			
Exploration expenditures	15,448	32,648	4,352,387
Settlement of drilling contract	-	-	161,813
Abandonment of mineral lease	-	-	83,600
Gain on sale of mineral lease	-	(16,875)	(16,875)
Mineral lease option income	(30,000)	-	(30,000)
Impairment of mineral properties and royalty interest	-	-	616,875
Impairment of investment in Golden Lynx LLC	-	43,202	43,202
Loss (gain) on disposal of equipment	(6,250)	11,784	16,738
Legal and accounting expenses	21,936	35,515	526,150
Directors' fees	-	-	844,000
General and administrative	33,316	65,241	3,010,601
TOTAL OPERATING EXPENSES	34,450	171,515	9,608,491
LOSS FROM OPERATIONS	(34,450)	(171,515)	(9,608,491)
OTHER INCOME (EXPENSE):			
Interest income	-	-	79,182
Interest expense	-	-	(22,560)
TOTAL OTHER INCOME (EXPENSE)	-	-	56,622
LOSS BEFORE INCOME TAXES	(34,450)	(171,515)	(9,551,869)
INCOME TAXES	-	-	-
NET LOSS	\$ (34,450)	\$ (171,515)	\$ (9,551,869)
NET LOSS PER COMMON SHARE - BASIC AND DILUTED	\$ Nil	\$ Nil	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING BASIC AND DILUTED	86,508,842	84,759,232	

The accompanying notes are an integral part of these consolidated financial statements.

**GOLD CREST MINES, INC.**  
**(An Exploration Stage Company)**  
**Consolidated Statements of Changes in Stockholders' Equity (Deficit)**

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Common Stock Subscribed</u>	<u>Deficit Accumulated During Exploration Stage</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>				
Balances, January 11, 2005 and December 31, 2005	-	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance of Common Stock:						
for cash, pre-merger at \$0.004 per share	37,500,000	37,500	112,500	-	-	150,000
In connection with reverse merger ( <b>Note 1</b> ) for cash, post-merger at \$0.30 per share	14,600,100	14,600	(7,144)	-	-	7,456
for interest at \$0.30 per share	10,797,062	10,797	2,887,910	-	-	2,898,707
for share-based compensation at \$0.59 and \$0.63 per share	41,667	42	12,458	-	-	12,500
for share-based compensation at \$0.59 and \$0.63 per share	1,800,000	1,800	1,064,200	-	-	1,066,000
Stock options granted at \$0.30 per share	-	-	72,000	-	-	72,000
Net loss for year ended December 31, 2006	-	-	-	-	(1,845,103)	(1,845,103)
Balances, December 31, 2006	<u>64,738,829</u>	<u>\$ 64,739</u>	<u>\$ 4,141,924</u>	<u>\$ -</u>	<u>\$ (1,845,103)</u>	<u>\$ 2,361,560</u>
Issuance of Common Stock:						
for directors fees between \$0.53 and \$0.54 per share	400,000	400	213,600	-	-	214,000
for share-based compensation at \$0.28 per share	50,000	50	13,950	-	-	14,000
for cash at \$0.30 per share	7,529,999	7,530	2,251,470	-	-	2,259,000
for brokerage fees	-	-	(77,335)	-	-	(77,335)
for cash at \$0.20 per share with warrants attached	4,035,000	4,035	802,965	-	-	807,000
for common stock issuable at \$0.20 per share with warrants attached	662,500	663	131,837	-	-	132,500
for common stock subscribed	-	-	-	(132,500)	-	(132,500)
Stock options granted at \$0.28 and \$0.53 per share	-	-	1,032,772	-	-	1,032,772
Net Loss for the year ended December 31, 2007	-	-	-	-	(5,602,077)	(5,602,077)
Balances, December 31, 2007	<u>77,416,328</u>	<u>\$ 77,417</u>	<u>\$ 8,511,183</u>	<u>\$ (132,500)</u>	<u>\$ (7,447,180)</u>	<u>\$ 1,008,920</u>

The accompanying notes are an integral part of these consolidated financial statements.

**GOLD CREST MINES, INC.**  
**(An Exploration Stage Company)**  
**Consolidated Statements of Changes in Stockholders' Equity (Deficit)**  
**(Continued)**

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Common Stock Subscribed</u>	<u>Deficit Accumulated During Exploration Stage</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>				
Balances, December 31, 2007	77,416,328	\$ 77,417	\$ 8,511,183	\$ (132,500)	\$ (7,447,180)	\$ 1,008,920
Stock warrants:						
Exercised at \$0.30 per share	300,000	300	89,700	-	-	90,000
Stock options:						
for share-based compensation at \$0.28 per share	-	-	121,089	-	-	121,089
Issuance of Common Stock:						
for directors fees at \$0.10 per share	400,000	400	39,600	-	-	40,000
for services at \$0.10 per share	100,000	100	9,900	-	-	10,000
for cash ranging from \$0.05 to \$0.15 per share	5,666,667	5,666	594,334	-	-	600,000
for common stock subscribed	-	-	-	111,300	-	111,300
Forgiveness of remaining common stock subscribed	(106,000)	(106)	(21,094)	21,200	-	-
Net loss for year ended December 31, 2008				-	(1,898,724)	(1,898,724)
Balances, December 31, 2008	83,776,995	\$ 83,777	\$ 9,344,712	\$ -	\$ (9,345,904)	\$ 82,585
Stock options:						
for share-based compensation at \$0.28 per share	-	-	13,355	-	-	13,355
Issuance of Common Stock:						
for cash at \$0.01 per share	1,000,000	1,000	9,000	-	-	10,000
for cash at \$0.03 per share	928,833	929	26,936	-	-	27,865
Net loss for year ended December 31, 2009				-	(171,515)	(171,515)
Balances, December 31, 2009	85,705,828	\$ 85,706	\$ 9,394,003	\$ -	\$ (9,517,419)	\$ (37,710)
Issuance of Common Stock:						
for cash at \$0.01 per share	2,500,000	2,500	22,500	-	-	25,000
Net loss for year ended December 31, 2010				-	(34,450)	(34,450)
Balances, December 31, 2010	88,205,828	\$ 88,206	\$ 9,416,503	\$ -	\$ (9,551,869)	\$ (47,160)

The accompanying notes are an integral part of these consolidated financial statements.

**GOLD CREST MINES, INC.**  
**(An Exploration Stage Company)**  
**Consolidated Statements of Cash Flows**

	Year Ended December 31, 2010	Year Ended December 31, 2009	From Inception January 11, 2005 to December 31, 2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net loss	\$ (34,450)	\$ (171,515)	\$ (9,551,869)
Adjustments to reconcile net loss to net cash used by operating activities:			
Depreciation	683	4,936	52,352
Common stock and options issued for services	-	-	1,368,976
Equity compensation for management and directors	-	13,355	1,214,241
Interest paid with common shares	-	-	12,500
Settlement of drilling contract	-	-	161,813
Gain recognized on equipment exchanged in settlement of accounts payable	-	-	(3,421)
Loss (gain) on disposal of equipment	(6,250)	11,784	16,738
Abandonment of mineral lease	-	-	83,600
Impairment of mineral properties and royalty interest	-	-	616,875
Impairment of investment in Golden Lynx LLC	-	43,202	43,202
Gain on sale of mineral properties	-	(16,875)	(16,875)
Changes in operating assets and liabilities:			
Interest receivable	-	-	(6,266)
Prepaid expenses and deposits	12,974	12,823	57,999
Miscellaneous receivable	-	3,000	3,000
Accounts payable and accrued liabilities	(6,324)	6,703	100,017
Net cash used by operating activities	<u>(33,367)</u>	<u>(92,587)</u>	<u>(5,847,118)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Cash received in reverse merger	-	-	7,456
Note receivable issued	-	-	(200,000)
Purchase of royalty interest in mineral property	-	-	(400,000)
Purchase of mineral properties	-	-	(388,175)
Proceeds from the sale of equipment	6,250	16,729	22,979
Proceeds from the sale of mineral properties	-	50,000	50,000
Purchase of equipment	-	-	(134,971)
Net cash provided (used) by investing activities	<u>6,250</u>	<u>66,729</u>	<u>(1,042,711)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Borrowings under line of credit	-	-	250,000
Payments on line of credit	-	-	(250,000)
Proceeds from the issuance of stock on the exercise of warrants	-	-	201,300
Sale of common stock, net of issuance costs	25,000	37,865	6,699,343
Net cash provided by financing activities	<u>25,000</u>	<u>37,865</u>	<u>6,900,643</u>
Net change in cash and cash equivalents	(2,117)	12,007	10,814
Cash and cash equivalents, beginning of period	12,931	924	-
Cash and cash equivalents, end of period	<u>\$ 10,814</u>	<u>\$ 12,931</u>	<u>\$ 10,814</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>			
Interest paid	\$ -	\$ -	\$ 2,273
Taxes paid	-	-	-
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES</b>			
Land contributed in exchange for investment in Golden Lynx LLC	\$ -	\$ -	\$ 54,575
Land held in Golden Lynx LLC returned as mineral properties	11,373	-	11,373
Note receivable forgiven in connection with settlement agreement	-	-	120,000
Equipment relinquished in connection with settlement agreement	-	-	12,654
Equipment exchanged for settlement of accounts payable	-	-	29,828

The accompanying notes are an integral part of these consolidated financial statements.

**Gold Crest Mines, Inc.**  
**(An Exploration Stage Company)**  
**Notes to Consolidated Financial Statements**

**NOTE 1. Organization and Description of Business**

Gold Crest Mines, Inc. and its subsidiaries (“Gold Crest” and “the Company”) is a Nevada corporation originally incorporated on August 20, 1968, as Silver Crest Mines, Inc., an Idaho corporation.

On August 1, 2006, Gold Crest acquired 100% of the issued and outstanding shares of Niagara Mining and Development Co., (“Niagara”), an Idaho corporation formed on January 11, 2005, and its wholly-owned subsidiary, Kisa Gold Mining, Inc. (“Kisa”), an Alaskan corporation formed on July 28, 2006. Gold Crest’s sole asset on the merger date was cash of \$7,456, which was accounted for as being acquired by Niagara in exchange for 14,600,100 common shares of Niagara. Niagara’s sole asset on the merger date was cash of \$150,000. Neither company had liabilities on the date of the merger. This transaction has been treated as a reverse merger, effectively as if Niagara had issued shares for consideration equal to the net monetary assets of Gold Crest. Under reverse acquisition accounting, the consolidated financial statements of the entity are considered a continuation of the financial statements of Niagara, the accounting acquirer. On June 20, 2008, 100% of the issued and outstanding shares of Kisa were transferred from Niagara to the Company.

The Company is in the business of exploration, development, and if warranted the mining of properties containing valuable mineral deposits. The focus of the Company’s exploration programs is directed at precious metals, primarily gold.

**NOTE 2. Summary of Significant Accounting Policies**

This summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company’s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

*Consolidation of Subsidiaries*

The consolidated financial statements include the Company’s accounts and the accounts of wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

*Accounting for Investments*

The Company uses the cost method to account for its investments in companies that it does not control and for which the Company does not have the ability to exercise significant influence over operating and financial policies. Management of the Company periodically reviews the carrying value of its investments. These reviews consider the net realizable value of each investment to determine whether a permanent impairment in value has occurred and the need for any write-down.

*Cash and Cash Equivalents*

Highly liquid short-term investments with a remaining maturity when purchased of three months or less are classified as cash equivalents. The Company deposits its cash and cash equivalents in high quality financial institutions.

*Use of Estimates*

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the amounts reported in those statements and accompanying notes. Examples of areas requiring the use of estimates include the recoverability of mineral property and investments accounted for on the cost basis, assumptions used in determining the fair value of stock-based compensation and the expected economic lives and rates for depreciation. Actual results could differ from those estimates.

*Exploration Stage Enterprise*

The Company's financial statements are prepared pursuant to the accounting principles for development stage enterprises as it devotes substantially all of its efforts to acquiring and exploring mining interests that will eventually provide sufficient net profits to sustain the Company’s existence. Until such interests are engaged in major commercial production,

the Company will continue to prepare its financial statements and related disclosures in accordance with entities in the development stage. Mining companies subject to development stage financial statement presentation are required to label their financial statements as an “Exploration Stage Company,” pursuant to guidance provided by SEC Guide 7 for Mining Companies.

#### Mine Exploration and Development Costs

All exploration costs are expensed as incurred. Mine development costs are capitalized after proven and probable reserves have been identified. Amortization is calculated using the units-of-production method over the expected life of the operation based on the estimated recoverable mineral ounces.

#### Mineral Properties

Significant payments related to the acquisition of mineral properties, mineral rights, and mineral leases are capitalized. If a commercially mineable ore body is discovered, such costs are amortized when production begins using the units-of-production method based on proven and probable reserves. If no commercially mineable ore body is discovered, or such rights are otherwise determined to have no value, such costs are expensed in the period in which it is determined the property has no future economic value.

#### Property Evaluations

Management of the Company periodically reviews the net carrying value of its properties on a property-by-property basis. These reviews consider the net realizable value of each property to determine whether a permanent impairment in value has occurred and the need for any asset write-down. An impairment loss will be recognized when the estimated future cash flows (undiscounted and without interest) expected to result from the use of an asset are less than the carrying amount of the asset. Measurement of an impairment loss will be based on the estimated fair value of the asset if the asset is expected to be held and used.

Although management will make its best estimate of the factors that affect net realizable value based on current conditions, it is reasonably possible that changes could occur in the near term which could adversely affect management's estimate of net cash flows expected to be generated from its assets, and necessitate asset impairment write-downs.

#### Fair Values of Financial Instruments

The carrying amounts of financial instruments including cash and cash equivalents approximated their fair values as of December 31, 2010 and 2009.

#### Fair Value Accounting

Accounting guidance has established a hierarchy of assets that are measured at fair value on a recurring basis. The three levels included in the hierarchy are:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: significant other observable inputs
- Level 3: significant unobservable inputs

At December 31, 2010 and 2009, the Company has no assets or liabilities that are recorded at fair value on a recurring basis.

#### Share-Based Compensation

The Company accounts for share-based compensation by measuring the cost of services received in exchange for an award of an equity instrument based on the grant-date fair value of the award. Compensation cost is recognized when the event occurs. The Black-Scholes option-pricing model is used to estimate the fair value of options granted. For stock awards that do not vest immediately, the Company recognizes the compensation expense ratably over the requisite service period of the individual grants, which generally equals the vesting period.

#### Basic and Diluted Net Loss Per Share

Net loss per share was computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The weighted average number of shares was calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Diluted net loss per share for the Company is the same

as basic net loss per share, as the inclusion of common stock equivalents would be anti-dilutive. At December 31, 2010 and 2009, the common stock equivalents consisted of 5,280,000 options exercisable at prices ranging from \$0.28 to \$0.53 per share.

#### Income Taxes

The Company accounts for income taxes using the liability method. Under this method, deferred income tax liabilities or assets at the end of each period are determined using the tax rate expected to be in effect when the taxes will be actually paid or recovered. A valuation allowance is recorded to reduce the deferred tax assets, if there is uncertainty regarding their realization.

#### Property, Plant and Equipment

Property, plant and equipment is carried at cost and depreciated using the straight line method over five to seven years. Maintenance and repairs are charged to operations as incurred. Betterments of a major nature are capitalized. When assets are retired or sold, the costs and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in operations.

#### Reclamation and Remediation Costs (Asset Retirement Obligations)

The Company had no operating properties at December 31, 2010 and 2009, but the Company's mineral properties will be subject to standards for mine reclamation that are established by various governmental agencies. For these non-operating properties, the Company accrues costs associated with environmental remediation obligations when it is probable that such costs will be incurred and they are reasonably estimable. Costs of future expenditures for environmental remediation are not discounted to their present value. Such costs are based on management's current estimate of amounts that are expected to be incurred when the remediation work is performed within current laws and regulations.

It is reasonably possible that due to uncertainties associated with defining the nature and extent of environmental contamination, application of laws and regulations by regulatory authorities, and changes in remediation technology, the ultimate cost of remediation and reclamation could change in the future. The Company continually reviews its accrued liabilities for such remediation and reclamation costs as evidence becomes available indicating that its remediation and reclamation liability has changed.

The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred, if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the associated long-lived assets and depreciated over the lives of the assets on a units-of-production basis. Reclamation costs are accreted over the life of the related assets and are adjusted for changes resulting from the passage of time and changes to either the timing or amount of the original present value estimate on the underlying obligation.

#### **NOTE 3. Going Concern**

As shown in the accompanying financial statements, the Company has had no revenues and incurred an accumulated deficit of \$9,551,869 through December 31, 2010. Another factor is that the Company has a negative current ratio of 0.15:1 at December 31, 2010. The current ratio is a measurement of the degree to which current assets cover current liabilities (current assets/ current liabilities). A high ratio indicates a good probability the enterprise can retire current debts. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management intends to seek additional capital from new equity securities offerings and joint venture agreements that will provide funds needed to increase liquidity, fund internal growth and fully implement its business plan.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

Should the Company be unable to raise capital through future private placements and/or joint venture agreements, its business, and, as a result, its financial position, results of operations and cash flow will likely be materially adversely impacted. As such, substantial doubt as to the Company's ability to continue as a going concern remains as of the date of these financial statements.

The Company drastically reduced its overhead expenses in 2009 and continuing in 2010 such as reducing staff on payroll to one part time employee and eliminating its office space. With these reductions in overhead, the Company believes it

will only need an estimated \$50,000 to \$100,000 to continue operations through the next twelve months. The timing and amount of capital requirements will depend on a number of factors, including the Company's ability to successfully enter into and maintain a joint venture on our Alaska properties and the Company's future personnel requirements.

#### **NOTE 4. Equipment**

During the year ended December 31, 2010, the Company had the following transactions relating to equipment:

- In September 2010, we received \$6,250 on the sale of previously expensed assets and recorded a gain on the sale of \$6,250

During the year ended December 31, 2009, the Company had the following transactions relating to equipment:

- Sold equipment at a price of \$729. At the time of the sale, the equipment had an original cost of \$5,096 with accumulated depreciation of \$1,923 for a carrying value of \$3,173 and as such, a loss on the sale of equipment of \$2,444 was recorded.
- Sold equipment to Cougar Gold LLC, a greater than 5% shareholder, at a price of \$15,000. At the time of the sale, the equipment had an original cost of \$30,494 with accumulated depreciation of \$12,353 for a carrying value of \$18,141 and as such, a loss on the sale of equipment of \$3,141 was recorded.
- Sold equipment to Midas Gold, Inc. whose President is Frank Duval, a greater than 5% shareholder, for a price of \$1,000. At the time of the sale, the equipment had an original cost of \$2,282 with accumulated depreciation of \$1,241 for a carrying value of \$1,041 and as such, a loss on the sale of equipment of \$41 was recorded.
- Sold equipment with an original cost of \$14,004 with accumulated depreciation of \$7,845 for a carrying value of \$6,159 and as such, a loss on the disposal of equipment of \$6,159 was recorded.

#### **NOTE 5. Mineral Properties**

The Company's mineral properties consist of various mining claims in Alaska. The Company had controlled claims in Idaho covering over 3,930 acres of unpatented mill site and lode claims under Federal jurisdiction but on March 13, 2009, the Company signed an Asset Purchase Agreement (the "Agreement") with Frank Duval, a related party who, up until November 3, 2009, owned greater than 5% of the outstanding shares of the Company (the "Purchaser"). Under the terms of the Agreement the Company sold all of the Company's rights, title and interest in and to its 46 unpatented federal mill site claims and 185 unpatented federal lode claims in the Stibnite District of Idaho known as the Golden Meadows Project. See Note 10 – Related Party Transactions for further detail

In August 2006, the Company acquired exploration properties in southwest Alaska approximately 90 miles east of the village of Bethel covering approximately 22,520 acres of State of Alaska-owned lands in 6 claim groups known as the Kisa, Gold Lake, Ako, Little Swift, Gold Creek and Gossan Valley within the Kuskokwim Mineral Belt known as the Company's Southwest Kuskokwim Project. Based on field work completed in late 2006 and summer of 2007, airborne geophysical surveys completed in the fall of 2006 and spring of 2007 and results of data compilations conducted over the winter months, the Company identified additional ground for acquisition. Approximately 8,000 acres in the Southwest Kuskokwim Project area known as the Luna claim group and approximately 50,560 acres, known as the Buckstock Project claim groups located approximately 30-80 miles south of the Donlin Creek deposit and north of the Company's other claim groups were acquired based on the results.

On September 1, 2008, the Company elected to abandon approximately 43,520 of the Buckstock acres leaving only the Chilly claim group covering 7,040 acres for lack of interest in joint ventures and due to the financial situation of the Company. During the 2008 season, an additional 4,720 acres were staked as part of the Kisa and Gold Lake claim groups bringing the total acres in the Southwest Kuskokwim Project area to 35,240.

The following is a summary of the Company's mineral properties in Alaska.

<u>Alaska Mineral Properties</u>	<u>Number of Claims</u>	<u>Acres</u>
<b>Southwest Kuskokwim Project</b>		
AKO	45	7,200
Luna	50	8,000
Kisa	38	5,840
Gold Lake	69	9,720
Gold Creek	12	1,920
Little Swift	14	2,240
Gosson Valley	2	320
<b>TOTAL Southwest Kuskokwim Project</b>	<u>230</u>	<u>35,240</u>
<b>Buckstock Project</b>		
Chilly	44	7,040
<b>TOTAL Buckstock Project</b>	<u>44</u>	<u>7,040</u>

In Alaska, the lands are held under and are subject to the State's mining laws and regulations. The Company is required to perform certain work commitments and pay annual assessments to the States of Alaska to hold these claims in good standing. See "Note 11. Commitments and Contingencies".

#### Golden Lynx, LLC

On April 18, 2008, the Company, through its wholly-owned subsidiary, Kisa, entered into an agreement with Cougar Gold LLC, a Delaware limited liability company, ("Cougar"), a greater than 5% shareholder, who was the operator of the Golden Lynx, LLC ("Golden Lynx") and an affiliate of Electrum USA Ltd. Pursuant to this agreement, the Company transferred 15,320 acres under State of Alaska jurisdiction into Golden Lynx. The Company accounts for this investment under the cost method of accounting. Accordingly, in 2008 the carrying value of the contributed property of \$54,575 was reclassified from mineral properties to "Investment in Golden Lynx LLC".

On May 1, 2009, the Company signed a Cumulative Restated Amendment dated May 1, 2009 to the Golden Lynx agreement. Under the terms of the amendment, the expiration of the first earn-in period under the Golden Lynx was changed from April 18, 2011 to April 18, 2013 and the expiration of the second earn-in period under the Golden Lynx was changed from April 18, 2013 to April 18, 2015. All other terms of the agreement remained the same.

On May 1, 2009 Cougar transferred all of its membership interest in Golden Lynx and its economic interest therein to TintinaGold Resources Inc. (TAU-TSX.V) a British Columbia corporation (TintinaGold) formerly known as Mantra Mining, Inc., (MAN-TSX.V). TintinaGold took over as the manager of the Golden Lynx. The details below show what the new terms of the agreement were with TintinaGold as manager.

TintinaGold had an initial 55% interest and Kisa had an initial 45% interest in Golden Lynx. The members appointed TintinaGold as the manager with overall management responsibility for operations. TintinaGold would have been entitled to retain its 55% interest by making the following contributions to Golden Lynx, used to fund exploration expenditures, on the following timetable:

- a) \$750,000 on or before April 18, 2009, the first anniversary of the effective date of the agreement;
- b) An additional \$1,250,000 on or before April 18, 2010, the second anniversary of the effective date of the agreement; and
- c) An additional \$1,500,000 on or before April 18, 2013, the fifth anniversary of the effective date of the agreement.

On December 23, 2009 the Company was notified by TintinaGold that it had elected to resign its membership in the Golden Lynx LLC, in accordance with the Golden Lynx LLC agreement dated April 18, 2008.

The resignation of TintinaGold as a member of the Golden Lynx and TintinaGold's failure to meet the initial contribution requirements of the Golden Lynx LLC Limited Liability Company Agreement (the "Operating Agreement") terminated its interests in Golden Lynx, LLC. TintinaGold will have no further rights to receive distributions, or any other payments from Golden Lynx or Kisa, except as provided for in Section 6.3 of the Operating Agreement. A copy of the Operating Agreement was attached as Exhibit 10.6 to Gold Crest's Quarterly Report Form 10-Q filed with the Securities and

Exchange Commission on August 11, 2008. Therefore, at December 31, 2009, the Company was the sole shareholder of Golden Lynx LLC.

After having received the notice of TintinaGold's resignation, the Company determined that the carrying value of the Investment in Golden Lynx LLC had been impaired. The Company recorded a write-down of \$43,202, which was recognized as an impairment of investment in Golden Lynx LLC in the fourth quarter of 2009 leaving a carrying value of \$11,373 at December 31, 2009. The \$11,373 carrying value was based primarily on the ongoing negotiations with an interested third party who was looking at entering into an option agreement with the Company worth \$20,000 on the Company's Southwest Kuskokwim Project area. The option agreement was entered into on January 27, 2010 for the agreed on amount of \$20,000 which was received on February 16, 2010. See "*North Fork Option*".

The \$20,000 payment was allocated by the number of acres to the five claim groups which were part of the Golden Lynx LLC, as well as the Company's other two claim groups known as AKO and Luna which make up the rest of the Southwest Kuskowim Project area.

#### North Fork Option

On January 27, 2010, the Company, through its wholly owned subsidiaries, Kisa Gold Mining, Inc., and Golden Lynx, LLC signed an option agreement with North Fork Resources Pty Ltd ("North Fork") which grants North Fork an exclusive option to purchase and/or earn an interest in the Company's Southwest Kuskokwim Project area. The Southwest Kuskokwim Project area consists of exploration properties in southwest Alaska approximately 90 miles east of the village of Bethel covering approximately 35,240 acres of State of Alaska-owned lands in 7 claim groups known as the Kisa, Luna, AKO, Gold Lake, Little Swift, Gold Creek and Gossan Valley ("The Projects") within the Kuskokwim Mineral Belt.

Under the terms of the option, North Fork made a payment to the Company in the amount of \$20,000 which was received on February 16, 2010 which was recorded as a deposit on option agreement, for the exclusive right to explore the claims up until October 31, 2010. During the option period, North Fork agrees to meet the minimum annual expenditure requirements on the claims for the period up to September 1, 2010. Following the expiration of the option on October 31, 2010, North Fork had 30 days to notify the Company of its decision to exercise its option to purchase and/or earn into any or all of the claim groups.

On August 18, 2010, the Company amended the option agreement to include an additional claim group known as our Chilly claims, which became part of The Projects. As consideration for this new claim group, North Fork made an additional payment to the Company of \$10,000 on August 24, 2010 which was also recorded as a deposit on option agreement. As part of this new amendment, North Fork agreed to only meet the minimum annual expenditure requirements on the claims for the period up to September 1, 2010 that did not have enough labor carry-over to fulfill the state's annual labor requirements. North Fork completed the required labor by the due date of September 1, 2010 and on October 18, 2010 formally notified the Company of their intent to exercise the option over the Alaska properties.

The total of the two payments of \$30,000 received from Northfork was recognized as income during the year ended December 31, 2010.

The following is a breakdown of the proposed earn-in terms, as amended:

1. The initial interest at the time North Fork exercises its option to earn into The Projects will be as follows:
  - a. Gold Crest Mines, Inc. – 100%
  - b. North Fork – 0%
2. North Fork can earn a 51% interest in The Projects by the expenditure of \$3,000,000 on The Projects by October 31, 2013.
3. If North Fork withdraws from the Joint Venture prior to earning a 51% interest in The Projects, it will have no further interest in The Projects.
4. North Fork can earn an additional 24% interest in The Projects, taking its total interest to 75% by the expenditure of an additional \$3,000,000 by October 31, 2016.

5. North Fork can earn a total interest of 90% in any of The Projects claim blocks by the completion of a Bankable Feasibility Study.
6. Gold Crest Mines, Inc. will retain a free carried 10% interest in The Projects up to a Decision to Mine at which point it can elect to contribute at 10% or dilute to a 2% Net Smelter Royalty.
7. North Fork is obliged to keep The Projects in good standing.
8. North Fork is the sole manager of The Projects and will make all decisions in regards to the exploration programs.

As of the date of this report the Company and North Fork have agreed in principle to enter into a Master Earn-In agreement (“the Agreement”). Which has the same terms noted above. See “Note 12. Subsequent Events – *North Fork Master Earn-In Agreement*” for further details.

#### **NOTE 6. Common Stock and Common Stock Warrants**

##### Common Stock

The Company is authorized to issue 500,000,000 shares of its common stock. All shares of common stock are equal to each other with respect to voting, liquidation, dividend, and other rights. Owners of shares are entitled to one vote for each share owned at any Shareholders’ meeting. The common stock of the Company does not have cumulative voting rights, which means that the holders of more than fifty percent (50%) of the shares voting in an election of directors may elect all of the directors if they choose to do so.

During the year ended December 31, 2010, the Company had the following issuances of common stock:

On December 31, 2010, the Company completed an offering of units consisting of its common stock in a non-brokered private placement which began on July 1, 2010. The Company issued 2,500,000 shares of common stock to five purchasers for a total of \$25,000 in total proceeds. Under the private placement the Company offered a maximum of 2,500,000 shares at \$0.01 per share for a maximum of \$25,000 in proceeds. The shares were being offered and sold by officers and directors of the Company who received no remuneration for the sale of the shares.

During the year ended December 31, 2009, the Company had the following issuances of common stock:

On March 13, 2009, the Company completed an offering of units consisting of its common stock in a non-brokered private placement which began on February 2, 2009. The Company issued 1,000,000 shares of common stock for a total of \$10,000 in total proceeds. Under the private placement we offered a maximum of 5,000,000 shares at \$0.01 per share for a maximum of \$50,000 in proceeds.

On December 31, 2009, the Company completed an offering of units consisting of its common stock in a non-brokered private placement which began on October 31, 2009. The Company issued 928,833 shares of common stock for a total of \$27,865 in total proceeds. Under the private placement the Company offered a maximum of 2,000,000 shares at \$0.03 per share for a maximum of \$60,000 in proceeds.

##### Common Stock Warrants

In November 2007 the Company completed a private placement of 4,697,500 units for gross proceeds of \$939,500. Of the total units, 662,500 units were subscribed in exchange for promissory notes with a value of \$132,500 and due dates extending through September 1, 2008. The units were priced at \$0.20 per unit. Each unit consisted of one share of common stock and one full common stock purchase warrant. Each warrant was exercisable for a period of two (2) years from the closing to purchase one share of common stock at a price of \$0.30 per share. At December 31, 2008 there were 4,291,500 warrants outstanding exercisable at \$0.30 per share with expiration dates ranging from October 21, 2009 to November 19, 2009. At December 31, 2010 and 2009, all outstanding exercisable warrants were expired.

The following is a summary of warrant activity in 2009 only, as there was no activity in 2010:

	<u>Number of Warrants</u>	<u>Weighted Average Exercise Price</u>
Outstanding January 1, 2009	4,291,500	\$ 0.30
Issued	—	—
Expired	4,291,500	0.30
Outstanding at December 31, 2009	<u>—</u>	<u>—</u>

**NOTE 7. Preferred Stock**

The Company is authorized to issue 10,000,000 shares of Preferred Stock. The Preferred Stock is entitled to preference over the common stock with respect to the distribution of assets of the Company in the event of liquidation, dissolution, or winding-up of the Company, whether voluntarily or involuntarily, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs. The authorized but un-issued shares of Preferred Stock may be divided into and issued in designated series from time to time by one or more resolutions adopted by the Board of Directors. The Directors in their sole discretion have the power to determine the preferences, limitations, and relative rights of each series of Preferred Stock within the limits set forth in the Nevada Business Corporation Act. At December 31, 2010, no preferred stock has been issued.

**NOTE 8. Stock Based Compensation**

Stock Based Compensation Plans

In June 2007, the Board of Directors adopted the 2007 Gold Crest Stock Plan (the “Plan”) which was approved by shareholders in December 2007. The purposes of the Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees, directors and consultants and to promote the success of the Company’s business.

The maximum number of shares available for issuance pursuant to the Plan adopted by the Company is currently set at 12,000,000 shares of which 4,000,000 may be granted as Incentive Stock Options to employees. As of December 31, 2010, the maximum number of shares available for issuance under the 2007 Stock Plan was 6,270,000.

Stock Options

During the year ended December 31, 2010, the Company did not issue any new options under the 2007 Stock Plan. No options expired or were forfeited during that same period.

During the year ended December 31, 2009 the Company did not issue any new options under the 2007 Stock Plan. During that same period, 200,000 stock options issued before the 2007 Stock Plan with an exercise price of \$0.30 expired on August, 20, 2009 and 1,000,000 stock options under the 2007 Stock Plan with an exercise price of \$0.53 were forfeited due to a board member resigning. Compensation expense was recorded of \$13,355 and was recognized in 2009 for the options issued in 2007, which vested during the year ended December 31, 2009.

The following is a summary of stock option activity in 2009 and 2010:

	<b>Number of Shares Under Options</b>	<b>Weighted Average Exercise Price</b>
Outstanding January 1, 2009	6,480,000	\$ 0.51
Granted	—	—
Exercised	—	—
Forfeited	(1,000,000)	0.53
Expired	(200,000)	0.30
Outstanding at December 31, 2009	<u>5,280,000</u>	<u>\$ 0.52</u>
Options exercisable at December 31, 2009	<u>5,280,000</u>	<u>\$ 0.52</u>
Outstanding January 1, 2009	5,280,000	\$ 0.52
Granted	—	—
Exercised	—	—
Forfeited	—	—
Expired	—	—
Outstanding at December 31, 2010	<u>5,280,000</u>	<u>\$ 0.52</u>
Options exercisable at December 31, 2010	<u>5,280,000</u>	<u>\$ 0.52</u>

The 5,280,000 shares under options at December 31, 2010 have expiration dates ranging as follows: 5,000,000 expire on June 18, 2012 and 280,000 expire on September 11, 2012. At December 31, 2010 the fully vested stock options have no intrinsic value due to the fact that the option exercise prices are greater than the market price on that date.

#### **NOTE 9. Income Taxes**

The Company did not recognize a provision (benefit) for income taxes for the years ended December 31, 2010 and 2009.

At December 31, 2010 and 2009, the Company had deferred tax assets principally arising from the net operating loss carry forwards for income tax purposes multiplied by an expected rate of 34%. As management of the Company cannot determine that it is more likely than not that the Company will realize the benefit of the deferred tax assets, a valuation allowance equal to the deferred tax asset has been established at December 31, 2010 and December 31, 2009. The significant components of the deferred tax asset at December 31, 2010 and 2009 were as follows:

	<b>December 31, 2010</b>	<b>December 31, 2009</b>
Net operating loss carry forward	<u>\$ 5,028,000</u>	<u>\$ 5,200,000</u>
Deferred tax asset		
Net operating loss carry forward	\$ 1,709,000	\$ 1,798,000
Exploration costs	942,000	841,000
Stock based compensation	<u>397,000</u>	<u>397,000</u>
	3,048,000	3,036,000
Deferred tax asset valuation allowance	<u>(3,048,000)</u>	<u>(3,036,000)</u>
Net deferred tax asset	<u>\$ —</u>	<u>\$ —</u>

At December 31, 2010 and 2009 the Company had net operating loss carry forwards of approximately \$5,028,000 and \$5,200,000 respectively, which expire in the years 2021 through 2030.

The income tax benefit shown in the consolidated financial statements for the years ended December 31, 2010 and 2009 differs from the federal statutory rate as follows:

	<b>December 31, 2010</b>	<b>December 31, 2009</b>
Benefit at federal statutory rate	\$ (11,900)	\$ (58,300)
Increase in valuation allowance	<u>11,900</u>	<u>58,300</u>
Total provision	<u>\$ 0</u>	<u>\$ 0</u>

The Company has analyzed its filing positions in all jurisdictions where it is required to file income tax returns and found no positions that would require a liability for unrecognized income tax benefits to be recognized.

We have determined that we are subject to examination of our income tax filings in the United States and state jurisdictions for the 2008 through 2010 tax years. In the event that the Company is assessed penalties and or interest, penalties will be charged to other operating expense and interest will be charged to interest expense.

#### **NOTE 10. Related Party Transactions**

No related party transactions occurred in the year ended December 31, 2010. During the year ended December 31, 2009, the following related transactions occurred:

In July and September of 2009, the Company sold miscellaneous equipment to Midas Gold, Inc. whose President is Frank Duval, who, up until November 3, 2009, was a greater than 5% shareholder, for a price of \$1,000. At the time of the sale, the equipment had an original cost of \$2,282 with accumulated depreciation of \$1,241 for a carrying value of \$1,041 and as such, a loss on the sale of equipment of \$41 was recorded. See "Note 4. Equipment".

On May 1, 2009 the Company sold miscellaneous equipment to Cougar Gold LLC, a greater than 5% shareholder, at a price of \$15,000. At the time of the sale, the equipment had a carrying value of approximately \$18,141 and as such, a loss on the sale of equipment of \$3,141 was recorded. See "Note 4. Equipment".

On March 13, 2009, the Company signed an Asset Purchase Agreement (the "Agreement") with Frank Duval, who, up until November 3, 2009, was a greater than 5% shareholder, for the purpose of acquiring the mining claims in Idaho known as our Golden Meadows Project. Under the terms of the Agreement the Company sold all of the Company's rights, title and interest in and to its 46 unpatented federal mill site claims and 185 unpatented federal lode claims in the Stibnite District of Idaho known as the Golden Meadows Project for a total of \$50,000. In addition, the Company also agreed to assign its rights under the Mining Lease and Option to Purchase Agreement with the Bradley Mining Company, the Option and Real Property Sales Agreement with JJO, LLC, and the Option and Royalty Sales Agreement with the heirs of the Estate of J.J. Oberbillig, to Mr. Duval.

On June 1, 2007, the Company entered into a twenty-one month consulting agreement with Janice Duval, the wife of Frank Duval, who, up until November 3, 2009, was a greater than 5% shareholder, for professional services to be rendered to the Company. The agreement is for \$3,000 per month for twenty-one months ending February 2009. During the year ended December 31, 2009, the Company recognized an expense in the amount of \$6,000 by accruing in accounts payable the last two months of the contract totaling \$6,000. As of December 31, 2010 and 2009, the total outstanding payable is \$36,000.

#### **NOTE 11. Commitments and Contingencies**

##### Alaska Mineral Property Rent and Assessment Work Commitments

In Alaska, land holdings consist of state mining claims and prospecting sites totaling 42,280 acres of land. Annual rental payments in the amount of \$46,375 for these claims are due by November 30, 2011. If these rental payments are not paid by the due date, the claims will be considered abandoned.

The Alaska Department of Natural Resources, Division of Mining, Land & Water requires that upon the prospecting, and the discovery of a locatable mineral and the staking of mineral location, annual labor must be performed on the location each labor year in further development of the locatable mineral so that it can be mined. The labor year for the claims begins on September 1 and ends the following September 1. The Company or its joint venture partner, if applicable, will be required to perform qualified labor in the amount of \$105,700 by September 1, 2011 except we have qualified carry-over amounts that can be applied to the labor year ending September 1, 2011 in the amount of \$83,134 leaving only \$22,566 to be performed by the September 1, 2011 deadline. If these labor requirements are not met by the due date, the claims will be considered abandoned.

##### Environmental Matters

A predecessor entity to the Company owned mineral property interests on certain public and private lands in Idaho and Montana. Holdings included lands in mining districts designated as "Superfund" sites pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). The properties were, and are, subject to a variety of federal and state regulations governing land use and environmental matters. A consultant reviewed the potential environmental impact of the prior mineral exploration and development activities, and believes there was substantial

compliance with all such regulations, and is unaware of any pending action or proceedings relating to regulatory matters that would affect the financial position of the Company. Management acknowledges, however, that the possibility exists that the Company may be subject to environmental liabilities associated with its prior activities in the unforeseeable future, although the likelihood of such is deemed remote and the amount and nature of the liabilities is impossible to estimate.

## **NOTE 12. Subsequent Events**

### North Fork Master Earn-In Agreement

As of the date of this report the Company, through its wholly owned subsidiary, Kisa Gold Mining, Inc. and North Fork Resources Pty Ltd (“North Fork”) have agreed in principle to enter into a Master Earn-In agreement (“the Agreement”).

This agreement will call for North Fork to explore for gold deposits on Kisa’s claim blocks in the Southwest Kuskokwim Project area (“Projects”). The Projects consist of exploration properties in southwest Alaska approximately 90 miles east of the village of Bethel covering approximately 42,280 acres of State of Alaska-owned lands in claim groups known as the Kisa, Luna, AKO, GL, Chilly, Little Swift, Gold Creek, GO and Gossan Valley within the Kuskokwim Mineral Belt.

The following is a breakdown of the proposed earn-in terms:

9. The initial interest at the time North Fork exercises its option to earn into the Projects will be as follows:
  - a. Gold Crest Mines, Inc. – 100%
  - b. North Fork – 0%
10. North Fork can earn a 51% interest in the Projects by the expenditure of \$3,000,000USD on the Projects by October 31, 2013.
11. If North Fork withdraws from the Joint Venture prior to earning a 51% interest in the Projects, it will have no further interest in the Projects.
12. North Fork can earn an additional 24% interest in the Projects, taking its total interest to 75% by the expenditure of an additional \$3,000,000USD by October 31, 2016.
13. North Fork can earn a total interest of 90% in any of the Project claim blocks by the completion of a Bankable Feasibility Study (BFS).
14. Gold Crest Mines, Inc. will retain a free carried 10% interest in the Projects up to a Decision to Mine at which point it can elect to contribute at 10% or dilute to a 2% Net Smelter Royalty.
15. North Fork is obliged to keep the Projects in “good standing”.
16. North Fork is the sole manager of the Projects and will make all decisions in regards to the exploration programs.

The Master Earn-In agreement has not yet been formalized.

## **ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

## **ITEM 9A CONTROLS AND PROCEDURES**

### Evaluation of Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of our management, including the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), of the effectiveness of the design and operation of our disclosure controls and procedures as required by Exchange Act Rules 13a-15(e) and 15d-15(e) as of the end of the period covered by this report. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and

procedures, including controls and procedures designed to ensure that information required to be disclosed by us is accumulated and communicated to our management (including our CEO and CFO), were effective as of December 31, 2010, in ensuring them in a timely manner that material information required to be disclosed in this report has been properly recorded, processed, summarized and reported.

#### *Management's Report on Internal Control over Financial Reporting*

Our management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of our company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all errors and all fraud that could occur. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

Management assessed our internal control over financial reporting as of December 31, 2010, the end of our fiscal year. Management based its assessment on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on our assessment, management has concluded that our internal control over financial reporting was effective, as of the end of the fiscal year, for a company of our size, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with generally accepted accounting principles.

#### *Changes in internal controls over financial reporting*

During the period covered by this report, there have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2010 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

#### **ITEM 9B. OTHER INFORMATION**

None

### PART III

#### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table provides the names, positions and ages of our directors and officers:

Name	Age	Position
John P. Ryan	48	Chief Executive Officer and Director
Terrence J. Dunne(1)	62	President and Director
Robert O'Brien(1)	76	Director
Daniel R. McKinney Sr.	61	Director
Matthew J. Colbert	42	Chief Financial Officer and Secretary/Treasurer

1. Member of the Audit Committee

We have no knowledge of any arrangements, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in our control. We are not, to the best of our knowledge, directly or indirectly owned or controlled by another corporation or foreign government.

John P. Ryan. Mr. Ryan was appointed as President and CEO of the Company on November 13, 2008. On December 16, 2009 Mr. Ryan resigned his position as the Company's President. Mr. Ryan has been a Director of the Company since June, 2008. Mr. Ryan has extensive experience with development-stage resource companies. Mr. Ryan was Founder and Chairman of U.S. Silver Corporation (a producing silver company) from June, 2006 until September, 2008. Mr. Ryan was Secretary and Chief Financial Officer of High Plains Uranium, Inc. (a uranium exploration and production company) ("High Plains") from incorporation in February 2005 until September 2006 (High Plains became a reporting issuer in all jurisdictions in Canada in November 2005). He also served from April 2004 to February 2005 as a director (in addition to Secretary and Chief Financial Officer) of High Plains Uranium, Inc. (Idaho), the predecessor to High Plains. During the period of 1996 until 2006, he held various positions with Cadence Resources Corporation, a U.S. public natural resources company, including Vice President of Corporate Development (1996-2005), Secretary (1998-2006) and a director (1997-2005). Mr. Ryan has also been Chief Financial Officer and a director of Trend Mining Company since August 2000. He served as President and a director of Grand Central Silver Mines Inc. from 1998 until 2000 and was a director of Metalline Mining Company from 1996 until 1999. Mr. Ryan attended the University of Idaho where he received a B.S. degree in Mining Engineering, and he also received a Juris Doctor from Boston College. Mr. Ryan is a former U.S. Naval Officer.

Terrence J. Dunne. Mr. Dunne was appointed as President of the Company on December 16, 2009. Mr. Dunne has served as a director of the Company since 2006 and up until December 16, 2009 he had also served as the Company's Secretary/Treasurer. For more than the past six years Mr. Dunne has operated Terrence J. Dunne & Associates, a sole proprietorship which provides bookkeeping, income tax return preparation and business consulting services for small businesses. Mr. Dunne is a business consultant, primarily focused on business acquisitions and corporate reorganizations. Mr. Dunne currently serves as a director of Rock Energy Resources, Inc., which trades on the OTCBB.PK. Mr. Dunne is currently serving as a director of Silver Butte Co. which trades on the OTCBB. Mr. Dunne received a degree in Business Administration from Gonzaga University in 1970. He received his Masters Degree in Business Administration in 1975 from Gonzaga University. In addition, he received a Masters Degree in Taxation from Gonzaga University in 1984. Mr. Dunne is a former adjunct professor in the School of Business Administration of Gonzaga University, teaching courses in corporate mergers, acquisitions and reorganizations.

Robert O'Brien. Mr. O'Brien has served as a director of the Company since 2004. Mr. O'Brien has over 45 years experience with private and publicly held companies. He has served as an Owner, CEO, Officer, Director, and Accredited Investor in various categories including: Direct Management, Public and Investor Relations, Corporate Relations and Reverse Mergers and Acquisitions. Since July 1996, Mr. O'Brien has owned and operated Spokane Quotation Bureau, LLC, a company that tracks and publishes stock quotations for selected over-the-counter stock trades. Mr. O'Brien graduated from Gonzaga University with a BA degree in Economics.

Daniel R. McKinney, Sr. Mr. McKinney joined Gold Crest Mines, Inc. as a Director in April of 2008. Mr. McKinney has been a real estate broker for approximately 30 years. He is a principal and developer of commercial and residential real estate projects in Washington, Idaho and Arizona. Since 1989 he has owned and operated a disability management consulting firm and has worked as a senior consultant specializing in negotiated settlements and forensic testimony on

disability related court cases. He received a Bachelor of Arts degree in Psychology from Eastern Washington University in 1973 and a Master of Education Degree from Whitworth University in 1977. Mr. McKinney is a past director and officer of Silver Crest Resources, Inc. and a past director and officer of Hanover Gold/Rock Energy Resources.

Matthew J. Colbert. Mr. Colbert has served as the Chief Financial Officer of the Company since December 2007. Mr. Colbert was appointed as Secretary/Treasurer of the Company on December 16, 2009. Mr. Colbert has over twelve years of experience in public and corporate accounting. He has a Bachelor of Science degree in Accounting from the University of Idaho and is licensed as a Certified Public Accountant in the State of Washington. Before being appointed CFO, Mr. Colbert had been the Controller of the Company since August 2007. Most recently, Mr. Colbert Served as Chief Financial Officer and President of Lifestream Technologies, Inc., a publicly traded company. Lifestream Technologies, Inc. was a leading supplier of cholesterol monitors. Mr. Colbert also served on Lifestream's Board of Directors. Earlier in his career, Mr. Colbert served as a Business Assurance Associate in the audit department of PricewaterhouseCoopers, LLP, an international accounting and consulting firm.

#### Audit Committee

As of December 31, 2010 Terrence Dunne and Robert O'Brien now comprise the Company's Audit Committee. The Audit Committee approves the selection of the Company's independent certified public accountants to audit the annual financial statements and review the quarterly financial statements, discusses with the auditors and approves in advance the scope of the audit and reviews, reviews management's administration of the system of internal controls, and reviews the Company's procedures relating to business ethics. The Board of Directors has determined that Terrence Dunne meets the SEC definition of an "audit committee financial expert".

#### Nominating and Corporate Governance Committee

The entire board of directors comprise the Company's Nominating and Corporate Governance Committee. Mr. McKinney and Mr. O'Brien are independent members of that Committee. The Corporate Governance and Nominating Committee is responsible for developing the Company's approach to corporate governance issues and compliance with governance rules. The Corporate Governance and Nominating Committee is also mandated to plan for the succession of the Company, including recommending director candidates, review of board procedures, size and organization, and monitoring of senior management with respect to governance issues. The committee is responsible for the development and implementation of corporate communications to ensure the integrity of the Company's internal control and management information systems. The purview of the Corporate Governance and Nominating Committee also includes the administration of the board's relationship with the management of the Company, monitoring the quality and effectiveness of the Company's corporate governance system and ensuring the effectiveness and integrity of the Company's communication and reporting to shareholders and the public generally.

#### Compensation Committee

The entire board of directors comprise the Company's Compensation Committee. Mr. McKinney and Mr. O'Brien are independent members of that Committee. The Compensation Committee is responsible for setting the compensation for the officers and the other agents and employees of the corporation. The Committee may delegate the authority to set the compensation of the officers, agents, and employees to the President. No officer may be prevented from receiving compensation as an officer solely because the officer is also a director of the corporation. The Committee shall fix the amount or salary to be paid to each director for service as a director or for attendance at each meeting of the Board. Salary or payment for service as a director shall not preclude a director from serving the corporation in any other capacity or from receiving compensation for service in that other capacity.

### **Legal Proceedings**

No Director, or person nominated to become a Director or Executive Officer, has been involved in any legal action involving the Company during the past five years.

### **Family Relationships**

There are no family relationships between any director, executive officer, or person nominated or chosen by the Company to become a director or executive officer.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 requires our officers, directors, and any person who beneficially owns more than 10% of our common stock to file reports of ownership and changes in ownership with the Securities and

Exchange Commission. Executive officers, directors, and more than 10% shareholders are required by regulation to furnish us with copies of all Section 16(a) forms which they file.

During 2010, none of our directors or executive officers who own our stock filed Forms 3, 4 or 5 with the Securities and Exchange Commission because there were no transactions to report. The information on these filings reflects the current ownership position of all such individuals.

### Code of Ethics

We have adopted a Code of Conduct and Ethics for our Directors, Officers and employees. A copy of our Code of Conduct and Ethics can be obtained at no cost, by telephone at (509) 893-0171, by mail at: Gold Crest Mines, Inc., 724 East Metler Lane, Spokane, Washington 99218, attention: Investor Relations, or at our website: www.goldcrestminesinc.com. We believe our Code of Conduct and Ethics is reasonably designed to deter wrongdoing and promote honest and ethical conduct; provide full, fair, accurate, timely and understandable disclosure in public reports; comply with applicable laws; ensure prompt internal reporting of code violations; and provide accountability for adherence to the code.

## ITEM 11. EXECUTIVE COMPENSATION

### Summary Compensation Table

The following table sets forth, for the years ended December 31, 2010 and 2009, compensation paid to our Chief Executive Officer, Chief Financial Officer and President (collectively, the "Named Executive Officers").

**SUMMARY COMPENSATION TABLE  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009 and 2008**

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Stock Awards (\$)</u>	<u>Option Awards (\$)</u>	<u>Total (\$)</u>
<b>John P. Ryan (1)</b> Chief Executive Officer	2010	—	—	—	—
	2009	—	—	—	—
<b>Terrence J. Dunne (2)</b> President	2010	—	—	—	—
	2009	—	—	—	—
<b>Matt J. Colbert (3)</b> Chief Financial Officer	2010	\$ 24,000	—	—	\$ 24,000
	2009	\$ 24,000	—	—	\$ 24,000

- (1) Mr. Ryan was appointed Chief Executive Officer on November 13, 2008 and Director on June 5, 2008. The \$20,000 Stock Award was for services as a Director. Mr. Ryan later resigned as President on December 16, 2009. Mr. Ryan receives no compensation for his role as CEO or when he served as President.
- (2) Mr. Dunne was appointed President on December 16, 2009. Mr. Dunne receives no compensation for his role as President.
- (3) Mr. Colbert went from a full-time to a part-time employee beginning on September 16, 2008.

### Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information concerning year-end number and value of unexercised options, stock that has not vested and equity incentive plan awards for each of the Named Executive Officers.

## OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) <u>Exercisable</u>	Number of Securities Underlying Unexercised Options (#) <u>Unexercisable</u>	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)
<b>John P. Ryan</b> Chief Executive Officer	—	—				
<b>Terrence J. Dunne</b> President	1,500,000	—	\$ 0.53	6/18/12		
<b>Matt J. Colbert</b> Chief Financial Officer	125,000	—	\$ 0.28	9/11/12		

### *Employment Agreements*

There are no employment agreements that were in effect between us and each of the Named Executive Officers during the last fiscal year.

### *Director Compensation*

There was no director compensation paid for the year ended December 31, 2010 to directors and as such, no table is provided.

## **ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

### **Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth information as of March 10, 2011 regarding the ownership of our Common Stock by:

- each person who is known by us to own more than 5% of our shares of common stock;
- each of our named executive officers and directors; and
- all of our executive officers and directors as a group.

The number of shares beneficially owned and the percentage of shares beneficially owned are based on 88,205,828 shares of common stock outstanding as of March 10, 2011.

For the purposes of the information provided below, beneficial ownership is determined in accordance with the rules of the SEC, and for each person includes shares that person has the right to acquire within 60 days following March 10, 2011 subject to options, warrants or similar instruments.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
John P. Ryan 301 Central Ave., Apt. 384, Hilton Head, SC 29926	3,535,000	4.01%
Robert W. O'Brien 1511 S. Riegel Ct., Spokane, WA 99212	3,223,935	3.66%
Terrence J. Dunne <sup>(1)</sup> 1224 W. Riverside Ave., Apt 1006 Spokane, WA 99201	10,279,585	11.46%
Daniel R. McKinney Sr. 607 S. Government Way, Spokane, WA 99224	1,400,000	1.59%
Matt J. Colbert <sup>(2)</sup> 724 E. Metler Lane, Spokane, WA 99218	125,000	0.14%
Total of all executive officers and directors (5 individuals) <sup>(3)</sup>	18,563,520	20.66%
Tony Alford <sup>(4)</sup> 7040 Interlaken Dr., Kernersville, NC 27284	4,520,520	5.12%
Cougar Gold LLC <sup>(5)</sup> 1700 Lincoln St., Ste 2600, Denver, CO 80203	5,666,667	6.42%

(1) Includes 1,500,000 shares issuable upon the exercise of vested options.

(2) Includes 125,000 shares issuable upon the exercise of vested options.

(3) Includes 1,625,000 shares issuable upon the exercise of vested options.

(4) Mr. Alford is not an Officer or Director of the Company but is a 5% or greater shareholder. The shares were verified by a shareholder of record report dated March 3, 2010 obtained from Columbia Stock Transfer Company.

(5) Cougar Gold LLC is a 5% or greater shareholder. The shares were verified by the schedule 13G filed with the Securities and Exchange Commission on June 16, 2008 and a shareholder of record report dated March 3, 2010 obtained from Columbia Stock Transfer Company.

There are no arrangements known to the Company, the operation of which may at a subsequent time result in the change of control of the Company.

#### Securities Authorized for Issuance under Equity Compensation Plans

The table below sets forth certain information with respect to our equity compensation plans as of December 31, 2010:

	<u>Number of securities to be issued upon exercise of outstanding options</u>	<u>Weighted average excise price of outstanding options</u>	<u>Number of securities remaining available for future issuance under equity compensation plans</u>
Equity compensation plans approved by security holders:			
2007 Stock Plan	<u>5,280,000</u>	\$ 0.52	<u>6,270,000</u> (1)
Total	5,280,000	\$ 0.52	6,270,000

(1) The aggregate number of shares of common stock that may be issued pursuant to awards granted under the 2007 Stock Plan will not exceed 12,000,000.

### **ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

During the years ended December 31, 2010 and 2009, and to date in 2011, the following related transactions occurred:

On March 13, 2009, the Company signed an Asset Purchase Agreement (the "Agreement") with Frank Duval, who, up until November 3, 2009, was a greater than 5% shareholder of the Company, for the purpose of acquiring the mining claims in Idaho known as our Golden Meadows Project. Under the terms of the Agreement the Company sold all of the Company's rights, title and interest in and to its 46 unpatented federal mill site claims and 185 unpatented federal lode claims in the Stibnite District of Idaho known as the Golden Meadows Project for a total of \$50,000. In addition, the Company also agreed to assign its rights under the Mining Lease and Option to Purchase Agreement with the Bradley Mining Company, the Option and Real Property Sales Agreement with JJO, LLC, and the Option and Royalty Sales Agreement with the heirs of the Estate of J.J. Oberbillig, to Mr. Duval.

On May 1, 2009 the Company sold miscellaneous equipment to Cougar Gold LLC, a greater than 5% shareholder, at a price of \$15,000. At the time of the sale, the equipment had a carrying value of approximately \$18,141 and as such, a loss on the sale of equipment of \$3,141 was recorded. See "Note 4. Equipment".

In July and September of 2010, the Company sold miscellaneous equipment to Midas Gold, Inc. whose President is Frank Duval, who, up until November 3, 2009, was a greater than 5% shareholder, for a price of \$1,000. At the time of the sale, the equipment had an original cost of \$2,282 with accumulated depreciation of \$1,241 for a carrying value of \$1,041 and as such, a loss on the sale of equipment of \$41 was recorded. See "Note 4. Equipment".

On June 1, 2007, the Company entered into a twenty-one month consulting agreement with Janice Duval, the wife of Frank Duval, who, up until November 3, 2009, was a greater than 5% (five percent) shareholder, as payment for professional services rendered to the Company. The agreement was for \$3,000 per month for twenty-one months ending February 2009. During the year ended December 31, 2008 the Company paid Mrs. Duval \$6,000 and accrued in accounts payable another \$30,000 and in 2009 accrued another \$6,000. As of December 31, 2009 the total outstanding payable is \$36,000.

#### **Director Independence**

Directors Robert W. O'Brien and Daniel R. McKinney are independent members of the board of directors as defined by NASDAQ Marketplace Rule 4200(a)(15).

In determining the matter of independence, Mr. O'Brien and Mr. McKinney had no transactions, relationships or arrangements with the Company within the last three years. Mr. McKinney had shares granted to him as directors' fees, and both Mr. O'Brien and Mr. McKinney had investment participation in the Company's private placements on the same terms as all other investors in that offering.

"Independent director" means a person other than an executive officer or employee of the Company or any other individual having a relationship which, in the opinion of the issuer's board of directors, would interfere with the exercise of independent judgement in carrying out the responsibilities of a director.

In determining the matter of director independence, the following independence criteria were utilized:

- (1) a director who is, or at any time during the past three years was, employed by the company or by any parent or subsidiary of the company;
- (2) a director who accepted or who has a Family Member who accepted any compensation from the company in excess of \$60,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:
  - (i) compensation for board or board committee service;
  - (ii) compensation paid to a Family Member who is an employee (other than an executive officer) of the company ; or
  - (iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation
- (3) Other relationships include:
  - (i) a director who is a Family Member of an individual who is, or at any time during the past three years was, employed by the Company as an executive officer, or a director who is, or has a family member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which the Company

made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, other than (a) payments arising solely from investments in the company's securities; or (b) payments under non-discretionary charitable contribution matching programs.

(ii) a director of the Company who is, or has a Family Member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of the Company serve on the compensation committee of such other entity; or

(iii) a director who is, or has a Family Member who is, a current partner of the Company's outside auditor, or was a partner or employee of the Company's outside auditor who worked on the company's audit at any time during any of the past three years.

#### **ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

##### **Audit Fees**

The aggregate fees billed for professional services rendered by the Company's independent registered public accounting firm for the audit of the Company's annual consolidated financial statements for the fiscal years ended December 31, 2010 and 2009 and reviews of the consolidated financial statements included in the Company's Forms 10-Q were \$18,500 and \$18,000, respectively.

##### **Audit-Related Fees**

There were no fees billed in the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the Company's financial statements except as set forth in the preceding paragraph.

##### **Tax Fees**

The Company's auditors billed \$2,500 and \$2,500 for professional services for tax compliance, tax advice and tax planning for fiscal 2010 and 2009, respectively.

##### **All Other Fees**

The Company incurred no fees from the principal accountant during the last two fiscal years for products and services other than as set forth above.

##### **Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services of Independent Auditors**

The Audit Committee meets prior to the filing of any Form 10-Q or 10-K to approve those filings. In addition, the Company's audit committee pre-approves all services provided to the Company by DeCoria, Maichel & Teague P.S. or any other professional services firm that are related to the preparation of the Company's financial statements.

**PART IV**

**ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES**

<b>Exhibit Number</b>	<b>Description of Document</b>
3.1	Articles of Incorporation for Silver Crest Mines, Inc. 9/11/1968. Filed as Exhibit 3.1 with the Company's 10-SB12G on January 8, 2007.
3.2	Articles of Merger of Domestic Corporations into Silver Crest Mines, Inc. 12/20/1982. Filed as Exhibit 3.2 with the Company's 10-SB12G on January 8, 2007.
3.3	Articles of Incorporation of Silver Crest Resources, Inc. 1/28/2003. Filed as Exhibit 3.3 with the Company's 10-SB12G on January 8, 2007.
3.4	Articles of Merger between Silver Crest Mines, Inc. into Silver Crest Resources, Inc. as filed in Nevada on 6/11/2003. Filed as Exhibit 3.4 with the Company's 10-SB12G on January 8, 2007.
3.5	Articles of Merger between Silver Crest Mines, Inc. into Silver Crest Resources, Inc. as filed in Idaho on 6/11/2003. Filed as Exhibit 3.5 with the Company's 10-SB12G on January 8, 2007.
3.6	Articles of Exchange of Niagara Mining and Development Company, Inc., and Silver Crest Resources, Inc. as filed in Nevada on 8/4/2006. Filed as Exhibit 3.6 with the Company's 10-SB12G on January 8, 2007.
3.7	Articles of Exchange of Niagara Mining and Development Company, Inc., and Silver Crest Resources, Inc. as filed in Idaho on 8/4/2006. Filed as Exhibit 3.7 with the Company's 10-SB12G on January 8, 2007.
3.8	Certificate of Amendment to Articles of Incorporation for a Nevada Corporation 8/14/2006. Filed as Exhibit 3.8 with the Company's 10-SB12G on January 8, 2007.
3.9	Articles of Incorporation for Kisa Gold Mining, Inc. 7/28/2006. Filed as Exhibit 3.9 with the Company's 10-SB12G on January 8, 2007.
3.10	Articles of Incorporation for Niagara Mining and Development Company, Inc. 1/11/2005. Filed as Exhibit 3.10 with the Company's 10-SB12G on January 8, 2007.
3.11	Amended Bylaws adopted September 12, 2007. Filed as Exhibit 3.11 with the Company's 10-KSB on March 26, 2008.
10.4	Golden Lynx, LLC, Limited Liability Company Agreement dated April 18, 2008, between Kisa Gold Mining, Inc. and Cougar Gold LLC. Filed as Exhibit 10.6 with the Company's 10-Q on August 11, 2008.
10.5	Purchase Agreement dated March 13, 2009, between Gold Crest Mines, Inc. and Frank Duval. Filed as Exhibit 10.9 with the Company's 10-K on March 25, 2009.
14	Code of Conduct and Ethics of Gold Crest Mines, Inc. adopted March 3, 2008. Filed as Exhibit 14.1 with the Company's 8-K on March 3, 2008.
21	Subsidiaries of the Issuer. Filed as Exhibit 21 with the Company's 10-SB12G on January 8, 2007.
99	Gold Crest Mines, Inc., 2007 Stock Plan. Filed as Exhibit 99 with the Company's 10-SB12G/A on August 6, 2007.
31.1	Certification of CEO pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act. Filed herewith.
31.2	Certification of CFO pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act. Filed herewith
32.1	Certification of CEO pursuant to 18 U.S.C. Section 1350. Filed herewith
32.2	Certification of CFO pursuant to 18 U.S.C. Section 1350. Filed herewith

## SIGNATURES

In accordance with the requirements of the Section 13 or 15(d) of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized in Spokane, Washington on March 16 2011.

### **GOLD CREST MINES, INC.**

By: /s/ John P. Ryan  
John P. Ryan  
Chief Executive Officer  
(Principal Executive Officer)

In accordance with the requirements of the Section 13 or 15(d) of the Exchange Act, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities on March 16, 2011.

/s/ JOHN P. RYAN  
John P. Ryan  
(Principal Executive Officer)

Chief Executive Officer and Director

/s/ MATT J. COLBERT  
Matt J. Colbert  
(Principal Financial and Accounting Officer)

Chief Financial Officer and Secretary/Treasurer

/s/ TERRENCE J. DUNNE  
Terrence J. Dunne

President and Director

/s/ ROBERT W. O'BRIEN  
Robert W. O'Brien

Director

/s/ DANIEL R. MCKINNEY, SR.  
Daniel R. McKinney, Sr.

Director

**Exhibit 31.1**

**Certification pursuant to rules 13a-14(a) and 15d-14(a), as  
adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002**

**Principal Executive Officer**

I, John P. Ryan, certify that:

- (1) I have reviewed this quarterly report on Form 10-K of Gold Crest Mines, Inc.
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 16, 2011

/s/ John P. Ryan  
John P. Ryan  
Chief Executive Officer



Exhibit 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, John P. Ryan, President and CEO of Gold Crest Mines, Inc. (“the “Registrant”) do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. This annual report on Form 10-K of the Registrant for the year ended December 31, 2010, as filed with the Securities and Exchange Commission (the “report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: March 16, 2011

/s/ John P. Ryan

John P. Ryan  
Chief Executive Officer

Exhibit 32.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Matt J. Colbert, Chief Financial Officer of Gold Crest Mines, Inc. (“the “Registrant”) do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. This annual report on Form 10-K of the Registrant for the year ended December 31, 2010, as filed with the Securities and Exchange Commission (the “report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: March 16, 2011

/s/     Matt J. Colbert      
Matt J. Colbert  
Chief Financial Officer