

DAWSON GOLD CORP.
(Formerly Uldaman Capital Corp.)

CONSOLIDATED FINANCIAL STATEMENTS
Unaudited – Prepared by Management

October 31, 2010

NOTICE TO READER

Our auditors have not reviewed these unaudited consolidated financial statements for the interim period ended October 31, 2010. Dawson Gold Corp.'s management prepared these financial statements in accordance with accounting principles generally accepted in Canada, consistent with previous quarters and years. You should read these unaudited consolidated financial statements in conjunction with the audited financial statements of Dawson Gold Corp. (formerly Uldaman Capital Corp.) for the year ended April 30, 2010.

DAWSON GOLD CORP.
(Formerly Uldaman Capital Corp.)
Consolidated Balance Sheets
Unaudited – Prepared by Management

| | Note | October 31, 2010 \$ | April 30, 2010 \$ |
|--|------|---------------------------|-------------------------|
| ASSETS | | | |
| Current | | | |
| Cash | | 1,117,139 | 119,537 |
| Receivables | | 11,478 | 4,151 |
| Prepaid expenses | | - | 833 |
| | | 1,128,617 | 124,521 |
| Deferred financing costs | 9 | 18,298 | - |
| Advances to 0851045 BC Ltd. | 3 | 89,385 | 31,362 |
| | | 1,236,300 | 155,883 |
| LIABILITIES | | | |
| Current | | | |
| Accounts payable and accrued liabilities | | 101,320 | 68,091 |
| Due to related parties | 6 | 11,942 | 4,725 |
| | | 113,262 | 72,816 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 4 | 660,393 | 660,393 |
| Subscriptions received (receivable) | 9 | 1,137,900 | (15,500) |
| Contributed surplus | | 62,010 | 62,010 |
| Deficit | | (737,265) | (623,836) |
| | | 1,123,038 | 83,067 |
| | | 1,236,300 | 155,883 |
| Nature and continuance of operations | 1 | | |
| Subsequent event | 10 | | |

Approved on behalf of the board of directors:

"Paul Gray"
Director

"Bijay Singh"
Director

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

DAWSON GOLD CORP.
(Formerly Uldaman Capital Corp.)
Consolidated Statement of Changes in Shareholders' Equity
Unaudited – Prepared by Management

| | | Number of Shares | Common Shares | Share Subscriptions Received (Receivable) | Contributed Surplus | Deficit | Shareholders' Equity |
|-----------------------------------|------|---------------------|------------------|--|------------------------|-----------|-------------------------|
| | Note | | \$ | \$ | \$ | \$ | \$ |
| Balance - April 30, 2010 | | 6,076,063 | 660,393 | (15,500) | 62,010 | (623,836) | 83,067 |
| Share subscriptions received | 9 | - | - | 1,153,400 | | - | 1,153,400 |
| Loss for the period | | - | - | - | - | (113,429) | (113,429) |
| Balance - October 31, 2010 | | 6,076,063 | 660,393 | 1,137,900 | 62,010 | (737,265) | 1,123,038 |

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

DAWSON GOLD CORP.

(Formerly Uldaman Capital Corp.)

Consolidated Statement of Loss and Comprehensive Loss

Unaudited – Prepared by Management

| | | Three Months Ended October 31, | | Six Months Ended October 31, | |
|--|-------|-----------------------------------|-----------|---------------------------------|-----------|
| | Notes | 2010 | 2009 | 2010 | 2009 |
| | | \$ | \$ | \$ | \$ |
| General and administrative expenses | | | | | |
| Amortization | | - | 60 | - | 60 |
| Bank charges and interest | | 1,213 | 307 | 2,032 | 405 |
| Foreign exchange loss (gain) | | - | (244) | 74 | (244) |
| Management services | 6 | 12,421 | - | 12,421 | - |
| Professional fees | | 21,459 | 3,850 | 41,728 | 19,093 |
| Property investigations | | - | - | - | 1,817 |
| Office and administration | | 10,740 | 6,000 | 14,240 | 12,000 |
| Rent | 6 | 8,610 | 7,500 | 16,110 | 15,000 |
| Regulatory and shareholder services | | 22,012 | 2,573 | 26,824 | 9,099 |
| Stock-based compensation | | - | 6,508 | - | 6,508 |
| Travel | | - | - | - | 1,000 |
| | | 76,455 | 26,554 | 113,429 | 64,738 |
| Loss for the period | | (76,455) | (26,554) | (113,429) | (64,738) |
| Loss per share, basic and diluted | | (0.01) | (0.01) | (0.02) | (0.02) |
| Weighted average common shares outstanding | | 6,076,063 | 4,085,956 | 6,076,063 | 2,858,456 |

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

DAWSON GOLD CORP.
(Formerly Uldaman Capital Corp.)
Consolidated Statement of Cash Flows
Unaudited – Prepared by Management

| | Notes | Three Months Ended October 31, | | Six Months Ended October 31, | |
|--|-------|-----------------------------------|------------|---------------------------------|------------|
| | | 2010 \$ | 2009 \$ | 2010 \$ | 2009 \$ |
| Cash provided by (used in): | | | | | |
| Operating activities | | | | | |
| Loss for the period | | (76,455) | (26,554) | (113,429) | (64,738) |
| Items not involving cash: | | | | | |
| Amortization | | - | 60 | - | 60 |
| Stock-based compensation | | - | 6,508 | - | 6,508 |
| Change in non-cash operating working capital | | | | | |
| Amounts receivable | | (8,165) | (542) | (7,327) | (2,218) |
| Prepaid expenses | | 833 | (4,792) | 833 | (4,792) |
| Accounts payable and accrued liabilities | | 46,147 | 1,930 | 40,446 | 2,752 |
| | | (37,640) | (23,390) | (79,477) | (62,428) |
| Financing activities | | | | | |
| Shares issued for cash, net of costs | | - | 221,903 | - | 241,403 |
| Shares subscriptions received | 9 | 1,153,400 | - | 1,153,400 | - |
| Deferred financing costs | 9 | (18,298) | - | (18,298) | - |
| | | 1,135,102 | 221,903 | 1,135,102 | 241,403 |
| Investing activities | | | | | |
| Deferred acquisition costs | | - | (1,580) | - | (1,580) |
| Advances to 0851045 BC Ltd. | 3 | (58,023) | - | (58,023) | - |
| Purchase of equipment | | - | (2,149) | - | (2,149) |
| | | (58,023) | (3,729) | (58,023) | (3,729) |
| Net change in cash | | 1,039,439 | 194,784 | 997,602 | 175,246 |
| Cash, beginning of period | | 77,700 | 38,232 | 119,537 | 57,770 |
| Cash, end of period | | 1,117,139 | 233,016 | 1,117,139 | 233,016 |

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

DAWSON GOLD CORP.

(Formerly Uldaman Capital Corp.)

Notes to the Consolidated Financial Statements

Unaudited – Prepared by Management

Six Months Ended October 31, 2010

1. NATURE AND CONTINUANCE OF OPERATIONS

Uldaman Capital Corp. was incorporated under the Business Corporations Act in British Columbia on January 16, 2006 and changed its name to the current one in August 2010. Dawson Gold Corp. (“Dawson Gold”) was a Capital Pool Company and, until the completion of a reverse takeover transaction (“RTO”) described below, was engaged in the identification and evaluation of companies, assets or business with a view to completing a Qualifying Transaction in accordance with Policy 2.4 of the TSX Venture Exchange (“Exchange”). In May 2010, as a result of not being able to complete its Qualifying Transaction on a timely basis, the Company started trading on the NEX Board. In November 2010, Dawson Gold and its subsidiary (collectively the “Company”) undertook an amalgamation by way of a share exchange with 0851045 B.C. Ltd. (“0851045”), a private British Columbia company. The transaction resulted in an RTO of the Company as described more fully in note 9.

In May 2010, Dawson Gold consolidated its share capital on a 1:2 basis. All common share balances and per share amounts in these financial statements have been updated to reflect the share consolidation.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing to develop its mineral properties and commence profitable operations. Further discussion of liquidity risk is disclosed in notes 7 and 8.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) and are presented in Canadian dollars.

2. RECENT ACCOUNTING PRONOUNCEMENTS

Goodwill and Intangible Assets – Section 3064; Business Combinations – Section 1582; Consolidated Financial Statements – Section 1601; and Non-Controlling Interests – Section 1602

In January 2009, the CICA issued Handbook Sections 1582 “Business Combinations”, 1601 “Consolidated Financial Statements” and 1602 “Non-Controlling Interests” which replace CICA Handbook Sections 1581 “Business Combinations” and 1600 “Consolidated Financial Statements”. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under international financial reporting standards (“IFRS”). Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. These sections are applicable for the Company’s interim and annual financial statements for its fiscal year beginning on or after May 1, 2011. Early adoption of these Sections is permitted but all three Sections must be adopted concurrently.

DAWSON GOLD CORP.
(Formerly Uldaman Capital Corp.)
Notes to the Consolidated Financial Statements
Unaudited – Prepared by Management
Six Months Ended October 31, 2010

3. ADVANCES TO 0851045 BC LTD.

The Company advanced exploration monies and a loan to 0851045, a company related by a director in common and with which the Company subsequently completed an RTO (note 9).

| | October 31, 2010 \$ | April 30, 2010 \$ |
|---|---------------------------|-------------------------|
| <i>Exploration Advances</i> | | |
| Non-refundable exploration advances to be used for payments required under a mineral property option agreement. This amount is unsecured and does not bear interest. | 39,385 | 31,362 |
| <i>Loan Payable</i> | | |
| Loan secured by a first position general security interest in all of 0851045's assets, bearing interest at 2% per year and payable on August 13, 2011. On completion of the RTO, the loan agreement terminated. | 50,000 | - |
| | 89,385 | 31,362 |

4. SHARE CAPITAL

Authorized share capital

Unlimited common shares without par value

Issued share capital

6,076,063 common shares

5. STOCK OPTIONS

The Company adopted an incentive stock option plan, which provides that the board of directors of the Company may grant non-transferable options to purchase common shares to directors, officers, employees and technical consultants. The number of options is limited to a maximum of 10% of the Company's issued common shares outstanding. Such options may be exercisable for a period of up to ten years from the date of grant and are subject to the policies of the Exchange. Options granted by the Company typically vest on issuance and have a term of five years.

DAWSON GOLD CORP.
(Formerly Uldaman Capital Corp.)
Notes to the Consolidated Financial Statements
Unaudited – Prepared by Management
Six Months Ended October 31, 2010

5. STOCK OPTIONS (continued)

The Company had the following stock option transactions during the six months ended October 31, 2010:

| | October 31, 2010 | | April 30, 2009 | |
|--|------------------|---------------------------------------|----------------|---------------------------------------|
| | Number | Weighted Avg. Exercise Price \$ | Number | Weighted Avg. Exercise Price \$ |
| Options outstanding, beginning of period | 200,000 | 0.25 | 100,000 | 0.30 |
| Granted | - | - | 100,000 | 0.20 |
| Exercised | - | - | - | - |
| Options outstanding, end of period | <u>200,000</u> | 0.25 | <u>200,000</u> | 0.25 |
| Options exercisable, end of period | <u>200,000</u> | 0.25 | <u>200,000</u> | 0.25 |

Options at October 31, 2010 comprise:

| Exercise Price | Outstanding Options | | Exercisable Options |
|----------------|---------------------|---|---------------------|
| | Number Outstanding | Weighted Average Remaining Life (Years) | Number Exercisable |
| \$0.20 | 100,000 | 3.87 | 100,000 |
| \$0.30 | 100,000 | 0.99 | 100,000 |
| | <u>200,000</u> | 2.43 | <u>200,000</u> |

Subsequent to quarter-end, the Company issued 3,160,000 options to directors, officers and contractors of the Company. The granted options are exercisable at \$0.20 for a term of five years. The Company also cancelled options to purchase up to 50,000 shares at an exercise price of \$0.30 with the consent of the option holder.

DAWSON GOLD CORP.

(Formerly Uldaman Capital Corp.)

Notes to the Consolidated Financial Statements

Unaudited – Prepared by Management

Six Months Ended October 31, 2010**6. RELATED PARTY TRANSACTIONS**

The Company incurred the following expenses through transactions with companies having directors in common with the Company:

Six months ended October 31, 2010

| | Management Fees | Rent |
|--------------------------------------|--------------------|------------------|
| SNJ Holdings Corp. (a) | \$ 25,000 | \$ 15,000 |
| Northern Freegold Resources Ltd. (b) | - | 1,110 |
| | <u>\$ 25,000</u> | <u>\$ 16,110</u> |

Six months ended October 31, 2009

| | Management Fees | Rent |
|------------------------|--------------------|------------------|
| SNJ Holdings Corp. (a) | \$ 12,000 | \$ 15,000 |
| | <u>\$ 12,000</u> | <u>\$ 15,000</u> |

a) SNJ Holdings Corp. is a company 50% owned by a director of the Company.

b) Northern Freegold Resources Ltd. has a director in common with the Company.

At October 31, 2010, the Company owed \$11,942 (April 30, 2010 - \$4,725) to SNJ Holdings Corp., a company 50% owned by a director of the Company.

All related party transactions have been recorded at the exchange amount, which is the amount of consideration established and agreed to between the parties.

DAWSON GOLD CORP.

(Formerly Uldaman Capital Corp.)

Notes to the Consolidated Financial Statements

Unaudited – Prepared by Management

Six Months Ended October 31, 2010

7. CAPITAL MANAGEMENT

Capital is comprised of the Company's share capital and any debt that it may issue. The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain sufficient working capital to meet current financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to raise equity funding to finance its capital expenditures and acquisition activity.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic circumstances.

The Company has historically issued shares through non-brokered private placements. The net proceeds received are typically only sufficient to identify and evaluate a limited number of mineral properties. Additional funds will be required to finance the Company subsequent to the RTO.

The Company is not subject to externally imposed capital requirements.

8. FINANCIAL RISK MANAGEMENT

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank account, which balance was \$1,117,139 at October 31, 2010. The bank account is held with a major Canadian chartered bank. The Company's secondary exposure to credit risk is on its receivables, however, this risk is minimal as receivables consist primarily of refundable government sales taxes.

Currency Risk

At October 31, 2010, the Company operated solely in Canada and therefore was not exposed to significant foreign exchange risk arising from transactions denominated in a foreign currency.

Interest Rate Risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company is not exposed to interest rate risk.

Liquidity and Funding Risks

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. Under current market conditions, both liquidity and funding risks are high.

DAWSON GOLD CORP.

(Formerly Uldaman Capital Corp.)

Notes to the Consolidated Financial Statements

Unaudited – Prepared by Management

Six Months Ended October 31, 2010

9. REVERSE TAKEOVER

On November 5, 2010 the Company and 0851045 completed an RTO in which the 0851045 amalgamated with a wholly owned subsidiary of Dawson Gold. The shareholders of 0851045 received 8,864,357 common shares of the Company in exchange for all of the issued and outstanding shares of 0851045. One Company common share was issued in exchange for the issued and outstanding share of the Company's subsidiary, which was immediately cancelled. Upon completion of the transaction, 0851045 became a wholly owned subsidiary of Dawson Gold. For accounting purposes, the transaction is deemed to be a financing of 0851045. Accordingly, following the guidance provided in EIC No 10. *Reverse Takeover Accounting*, 0851045 is considered to be the acquirer for accounting purposes. As part of the transaction, the Company and 0851045 were required to complete private placements. The securities issued pursuant to the respective private placements and related finders' fees are subject to a hold period expiring on March 6, 2011.

0851045 has mineral property interests comprising an option to acquire an undivided 100% interest in the Toro Project located in the Whitehorse Mining District of Yukon.

Private Placements by the Company

The Company completed a unit financing of 16,578,829 units at a price of \$0.15 per unit for gross proceeds of \$2,486,824. Each unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable into an additional common share of the Company at \$0.25 per share until November 5, 2011 and at \$0.35 per share until May 5, 2012. In connection with the private placement, the Company paid finders' fees of \$151,886 in cash, 250,533 common shares, and 504,480 share purchase warrants exercisable until May 5, 2012 at a price of \$0.15 per share.

The Company received \$1,137,900 and incurred \$18,298 of expenses related to this financing prior to October 31, 2010.

0851045 Private Placement

In anticipation of the RTO, 0851045 issued 1,348,333 units at a price of \$0.15 per unit for total proceeds of \$202,250. Each unit consisted of one common share and one share purchase warrant exercisable into an additional common share of the Company at a price of \$0.25 per share until October 6, 2011 and at a price of \$0.35 until April 6, 2012.

0851045 also issued 842,500 flow-through shares at a price of \$0.20 per unit for total proceeds of \$168,500. There was an inconsistency between the flow-through offering term sheet, which included warrants, and the subscription agreement, which did not. The Company intends to honour the issuance of warrants in accordance with the term sheet, but will have to seek Exchange approval to do so.

The Company paid finder's fees of \$10,380 in cash and 68,533 common shares in connection with these share issuances.

Other Share Issuances Made in Connection with the RTO

Pursuant to a finder's fee agreement, 0851045 committed to issue 400,000 common shares, which was satisfied by the issuance of 400,000 common shares of the Company.

The Company also issued 1,000,000 common shares to Northern Freegold Resources Ltd. pursuant to the mineral property option agreement entered into by 0851045 to acquire an undivided 100% interest in the Toro Project.

DAWSON GOLD CORP.

(Formerly Uldaman Capital Corp.)

Notes to the Consolidated Financial Statements

Unaudited – Prepared by Management

Six Months Ended October 31, 2010

10. SUBSEQUENT EVENT

Orofino Letter of Intent

In November 2010 the Company signed a letter of intent with Yale Resources Ltd. (“Yale”) for the option to earn a 70% interest in the Orofino project located in Sonora State, Mexico. The Company paid Yale \$10,000 upon signing the letter of intent and then undertook due diligence on the property. Following due diligence, the Company decided not to proceed with this project.