Crown Minerals Inc.

(formerly Pocono Capital Inc.)

(An exploration stage company)

Audited Consolidated Financial Statements

Years Ended December 31, 2009 and 2008

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying audited consolidated financial statements of Crown Minerals Inc. were prepared by management in accordance with Canadian generally accepted accounting principles. Management acknowledges responsibility for the preparation and presentation of the audited consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 2 to the consolidated financial statements.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate control over its financial reporting. Management conducted an evaluation of the effectiveness of internal control over financial reporting based on "Internal Control Over Financial Reporting – Guidance for Smaller Public Companies" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as at December 31, 2009.

CONCLUSION RELATING TO DISCLOSURE CONTROLS AND PROCEDURES

An evaluation was performed under the supervision and with the participation of management, including the Chief Executive and Chief Financial Officers, of the effectiveness of the Company's disclosure controls and procedures as defined in the Multilateral National Instrument 52-109. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of the Company's disclosure controls and procedures were effective as at December 31, 2009.

"Stephen Dunn" "signed"	"James Fairbairn" "signed"
Chief Executive Officer	Chief Financial Officer

Collins Barrow
Chartered Accountants

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AUDITORS' REPORT

To the Shareholders of
Crown Minerals Inc. (formerly Pocono Capital Inc.)
(An exploration stage company)

We have audited the consolidated balance sheets of Crown Minerals Inc. (formerly Pocono Capital Inc.) (an exploration stage company) as at December 31, 2009 and 2008 and the consolidated statements of operations, comprehensive loss, deficit, and cash flows for the years then ended. These 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 Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance 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.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Toronto LLP

Licensed Public Accountants
Chartered Accountants
Toronto, Ontario
April 23, 2010

Crown Minerals Inc.

(formerly Pocono Capital Inc.)

(An exploration stage company)

Consolidated Balance Sheets

As at December 31,	2009	2008
Assets		
Current Assets		
Cash	$ 405,951	$ 816,286
Accounts receivable	63,809	24,085
Prepaid expenses	38,102	-
Deferred transaction costs	-	129,314
	507,862	969,685
Mineral properties and related deferred costs (Note 6)	2,353,795	930,247
	$ 2,861,657	$ 1,899,932
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 9)	$ 187,570	$ 240,670
	187,570	240,670
Long-term liabilities (Note 9)	60,000	90,000
Future tax liability (Note 10)	119,000	-
	366,570	330,670
Shareholders' Equity		
Share capital (Note 7)	2,501,831	1,744,454
Contributed surplus (Note 8)	562,393	226,393
Deficit	(569,137)	(401,585)
	2,495,087	1,569,262
	$ 2,861,657	$ 1,899,932

Going Concern (Note 1)
Segmented Information (Note 11)
Commitments (Notes 6 and 12)
Subsequent Events (Note 13)

Approved by the Board of Directors:

"Stephen Dunn" "signed"	"James Fairbairn" "signed"
Director	*Director*

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

Crown Minerals Inc.
(formerly Pocono Capital Inc.)

(An exploration stage company)

Consolidated Statements of Operations, Comprehensive Loss and Deficit

Years Ended December 31,		**2009**		**2008**
Expenses				
Professional fees (Note 9)	$	58,776	$	58,163
Consulting fees (Note 9)		30,000		265,400
Premises (Note 9)		14,077		12,000
Office, general and administration		35,581		3,516
Promotion and travel		29,014		28,030
Part XII.6 tax		10,266		286
		177,714		367,395
Loss before the undernoted		(177,714)		(367,395)
Writedown of mineral properties and related deferred costs (Note 6)		-		(25,648)
Interest		4,162		1,719
Loss before taxes		(173,552)		(391,324)
Future income tax recovery (Note 10)		6,000		12,000
Net loss and comprehensive loss		(167,552)		(379,324)
Deficit, beginning of year		(401,585)		(22,261)
Deficit, end of year		(569,137)		(401,585)
Loss per share-basic and fully diluted	$	(0.007)	$	(0.032)
Weighted average number of shares outstanding		24,003,285		11,881,654

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

Crown Minerals Inc.
(formerly Pocono Capital Inc.)

(An exploration stage company)

Consolidated Statements of Cash Flows

Years Ended December 31,	**2009**	**2008**
Operating Activities		
Net loss	$ (167,552)	$ (379,324)
Adjustments to reconcile net loss to cash flow from operating activities:		
Writedown of mineral properties and related deferred costs	-	25,648
Issue of common shares for consulting fees	-	216,400
Future income tax recovery	(6,000)	(12,000)
Net change in non-cash working capital items:		
Accounts receivable	(39,724)	(24,085)
Prepaid expenses	(38,102)	11,376
Accounts payable and accured liabilities	4,110	281,939
Cash flow provided from (used in) operating activities	(247,268)	119,954
Financing Activities		
Issue of common shares, net of issue costs	726,024	893,371
Transaction costs	(126,734)	(129,314)
Cash flow provided from financing activities	599,290	764,057
Investing Activities		
Redemption (purchase) of term deposit	-	145,000
Cash acquired on corporate merger (Note 5)	323,440	-
Acquisitions of mineral properties and related deferred costs	(1,085,797)	(337,001)
Cash flow used in investing activities	(762,357)	(192,001)
Net increase in cash	(410,335)	692,010
Cash, beginning of year	816,286	124,276
Cash, end of year	$ 405,951	$ 816,286

Supplementary Cash Flow Information:

Changes in non-cash investing and financing activites:		
Shares issued for purchase of mineral properties	$ 258,750	$ 493,600
Warrants issued for purchase of mineral properties	$ 79,000	$ -
Shares issued for settlement of accounts payable and accruals	$ 120,000	$ -

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

1. Nature of Operations and Going Concern

Crown Minerals Inc. ("Crown" or the "Company") *(formerly Pocono Capital Inc.)* is an exploration stage company and currently has interests in exploration properties in Ontario and Nevada, USA. Substantially all of the Company's efforts are devoted to financing and developing these properties. There has been no determination whether the Company's interests in mineral properties contain mineral reserves which are economically recoverable.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

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

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

2. Summary of Significant Accounting Policies

Principles of Consolidation

These consolidated financial statements include the accounts of the Company's wholly-owned subsidiaries.

Deferred Transaction Costs

Costs related directly to the amalgamation are deferred until completion, and then accounted for as transaction costs once complete.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results may differ from those estimates. Areas where management uses subjective judgment include, but are not limited to, recoverability of mineral properties and related deferred costs, future income taxes, the valuation of common shares issued for the acquisition of mineral resource properties and debt settlements and the valuation of warrants and options. Management believes that these estimates are reasonable.

2. Summary of Significant Accounting Policies (continued)

Mineral Properties and Related Deferred Costs

The Company records its interest in mineral properties at cost. Direct costs relating to the acquisition, exploration and development of mineral properties, less recoveries, are deferred until such time as the properties are either put into commercial production, sold, determined not to be economically viable or abandoned. If the property is placed into production, deferred costs will be amortized and depleted using the straight line method over the estimated economic life of the mine. The deferred costs would be written off if the property is sold or abandoned.

The amounts shown for mineral properties and related deferred costs represent costs incurred to date, less write-offs and recoveries, and do not necessarily reflect present or future values of the particular properties.

The Company reviews its mineral properties and related deferred costs on an annual basis to determine if events or changes in circumstances have transpired which indicate that its carrying value may not be recoverable. The recoverability of costs incurred on the mineral properties and deferred related costs is dependant upon numerous factors including exploration results, environmental risks, commodity risks, political risks, and the Company's ability to attain profitable production. It is possible that conditions in the near-term could change the Company's assessment of the carrying value.

Asset Retirement Obligations

The Company follows CICA 3110, "Asset Retirement Obligations" which requires that the estimated fair value of liabilities for asset retirement obligations be recognized in the period in which they are incurred. A corresponding increase to the carrying amount of the related asset is recorded and depreciated over the life of the asset. The estimates used in the valuations are based primarily on legal and regulatory requirements. It is possible that the Company's estimates of its ultimate reclamation and closure liabilities could change as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation or cost estimates. Changes in estimates are accounted for prospectively from the period the estimate is revised.

An obligation has not been recorded with respect to asset retirement obligations (i.e. environmental remediation) for the Company's exploration and development properties. This is based on the fact that the mining and processing activities that give rise to the legal obligation have not yet occurred and/or the environmental disturbance which has occurred is not yet significant.

As at December 31, 2009 and 2008, the Company has not incurred or committed any asset retirement obligations.

Flow-through Shares

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. Recording these expenditures for accounting purposes gives rise to taxable temporary differences.

The Emerging Issues Committee of the Canadian Institute of Chartered Accountants issued EIC 146 under which the Company is required to recognize the future income tax liability upon filing renunciation documents with the tax authorities and to treat it as a cost of issuing the flow-through shares.

Revenue Recognition

Interest income is recognized when earned over the passage of time.

2. Summary of Significant Accounting Policies (continued)

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on the differences between the carrying amount of assets and liabilities on the balance sheet and their corresponding tax values, using the substantively enacted tax rates expected to apply when these temporary differences are expected to reverse. Future income tax assets are recorded to recognize tax benefits only to the extent that, based on available evidence, it is more likely than not that they will be realized.

Stock-based Compensation

The Company applies the fair-value based method to all stock options granted and warrants issued. Accordingly, compensation cost is measured at fair value at the date of grant and is expensed on a straight line basis over the vesting period, with the related credit included in contributed surplus. The applicable contributed surplus is transferred to share capital, if and when stock options are exercised. Any consideration paid on the exercise of stock options and warrants are credited to capital stock.

The Company uses the Black-Scholes option pricing model to determine the value of all issued options and warrants. The table in note 7 summarizes the assumptions used with the Black-Scholes model for determining the value of the stock-based costs for the stock options and warrants issued in 2009 and 2008.

Other Stock-based Payments

The Company accounts for other stock-based payments based on the fair value of services granted or the equity instruments issued in exchange for the receipt of goods and services from non-employees by using the stock price and other measurement assumptions at the measurement date, whichever is the more reliably measured.

Financial Instruments

All financial assets and liabilities are initially recognized at fair value. In subsequent periods, financial assets and liabilities which are held for trading are recorded at fair value with gains and losses recognized in net income; financial assets which are loans and receivables or held to maturity are recorded at amortized cost using the effective interest rate method and gains and losses recognized in net income; financial assets which are available for sale are recorded at fair value with gains and losses recognized (net of applicable taxes) in other comprehensive income; financial liabilities that are not held for trading are recorded at amortized cost using the effective interest rate method and gains and losses recognized in net income.

Effective January 1, 2009, Crown adopted the amendment to CICA Handbook Section 3862, financial instruments, which requires disclosure about inputs to fair value measurements within fair value measurement hierarchy as follows:

i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
ii) Level 3: inputs for the asset or liability that are not based on observable market data.

Loss Per Share

Loss per share and is calculated based on the weighted average number of shares issued and outstanding during the year. In the years when the Company reports a net loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive and, therefore, basic and diluted loss per share is the same.

2. Summary of Significant Accounting Policies (continued)

Foreign Exchange

Monetary assets and liabilities have been translated at the exchange rate prevailing at the balance sheet dates. Income and expenses are translated at rates prevailing at the dates of the related transactions. Non-monetary assets, liabilities are translated at historic rates. Gains or losses on foreign exchange for the year are included in the statements of operations.

Comparative Amounts

Comparative amounts in the consolidated financial statements shown for 2008 are those of Rykala only (note 5). Certain prior year amounts have been reclassified to conform to account presentation in the current year. The net loss stated in prior year has not been affected by these changes.

Newly-Adopted Accounting Changes

Goodwill and Intangible Assets

Effective January 1, 2009 the Company adopted *Section 3064 - Goodwill and Intangible Assets*, which replace CICA Handbook sections 3062 and 3450, EIC 27 and part of Accounting Guideline 11. Under previous Canadian standards, more items were recognized as assets than under International Financial Reporting Standards (“IFRS”). The objectives of CICA 3064 are to reinforce the principle based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition and to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing asset items that do not meet the definition and recognition criteria is eliminated. The portions in the new standard with respect to Goodwill remain unchanged. The provisions relating to the definition and initial recognition of intangible assets intend to reduce the differences with IFRS in the accounting for intangible assets. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets. The adoption of this standard did not have an impact on the consolidated financial statements as at, or for the year ended December 31, 2009.

Future Accounting Pronouncements

Convergence with International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011, will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS is currently being evaluated.

2. Summary of Significant Accounting Policies (continued)

Future Accounting Pronouncements (continued)

Business combinations, financial statements & Non-controlling interests

In October 2008, the CICA issued Sections 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling Interests". Section 1582 establishes standards for the measurement of a business combination and the recognition and measurement of assets acquired and liabilities assumed. Section 1601 carries forward the existing Canadian guidance on aspects of the preparation of financial statements subsequent to acquisition other than non-controlling interests. Section 1602 establishes guidance for the treatment of non-controlling interests subsequent to acquisition through a business combination. These new standards are effective for the Company in the first quarter of fiscal 2011 with earlier adoption permitted. The Company does not expect that the adoption of these new Sections will have a material impact on its financial statements.

3. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its shareholders' equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2009. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be shareholders' equity, which is comprised of Share Capital, contributed surplus, and deficit, which as at December 31, 2009 totaled $2,495,087 (2008 - $1,569,262).

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the identification and development of mineral deposits.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly rated financial instruments, such as cash, and short-term guarantee deposits, all held with a major Canadian financial institution.

4. Financial Risk Factors

Credit Risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations.

The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions.

Market Risk

Foreign Currency Risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company has no material currency exposure at December 31, 2009.

Fair Value

The Company has designated its cash as held-for-trading, which is measured at fair value. Accounts payable and accrued liabilities are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also equals fair value.

As at December 31, 2009, the carrying and fair value amounts of the Company's financial instruments are approximately equivalent.

Liquidity Risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2009, the Company had current assets of $507,862 (2008 - $969,685) and current liabilities of $187,570 (2008 - $240,670). With the exception of $60,000 which has been classified as a long-term liability (note 9) and is due on January 1, 2011, all of the Company’s financial liabilities and receivables are subject to normal trade terms. Current working capital of the Company as of December 31, 2009, is $320,292 (2008 - $729,015).

Interest Rate Risk

The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.

5. Corporate Merger

On February 11, 2009, Crown completed a Qualifying Transaction (the "Transaction") with Rykala Resources Inc. ("Rykala") whereby Crown acquired all of the issued and outstanding shares of Rykala, which was amalgamated with a wholly-owned subsidiary of Crown. Pursuant to the Transaction, the Company issued one common share in its share capital for each of the 19,456,635 outstanding common shares in the capital of Rykala prior to the Transaction. In addition, warrants to purchase an aggregate of 6,164,412 Rykala common shares immediately prior to the Transaction are now exercisable to purchase an equivalent number of Crown common shares in lieu thereof, on economically equivalent terms and conditions. Since the Transaction resulted in the former shareholders of Rykala owning approximately 83% of the outstanding shares of Crown, the Transaction has been accounted for in the consolidated financial statements as a reverse takeover.

In accordance with CICA EIC-10 Reverse Takeover Accounting, based on the relative ownership percentages of the combined Company by shareholders of Crown prior to the transaction and former Rykala shareholders, and composition of the Board of Directors of the newly combined Company, from an accounting perspective, Rykala is considered to be the accounting acquirer and therefore the Transaction has been accounted for as a reverse takeover. For financial reporting purposes, the Company is considered a continuation of Rykala, the legal subsidiary, except with regard to authorized and issued share capital, which is that of Crown, the legal parent. Consequently, comparative 2008 amounts in the consolidated financial statements are those of Rykala only, which were inclusive of Rykala Gold Corp. and Rykala Gold of Nevada Inc. The consolidated statement of operations, comprehensive loss and deficit includes the full result of Rykala for the full year from January 1, 2009 to December 31, 2009 and the results of operations of Crown from the closing date, February 11, 2009 to December 31, 2009. Crown was not considered to be an acquired business under the accounting guidance set out in CICA EIC-124 Definition of a Business, as it was a capital pool company ("CPC"). Therefore the Transaction has been accounted for as a capital transaction and not a business combination. As the acquirer for accounting purposes, Rykala's net assets are included in the consolidated balance sheet at their carrying value. Since the Transaction is accounted for as a capital transaction, in accordance with CICA EIC-124, the net assets of Crown were recorded at the closing date at their carrying values as follows:

Carrying Value of Crown's net assets acquired:

Cash	$	323,440
Deferred transaction costs		76,353
Accounts payable and accrued liabilities		(32,789)
Net assets acquired	$	367,004
Allocated to shares issued on Transaction (Note 7(a))	$	367,004

As part of the corporate merger, Crown issued to finders of the Transaction 525,000 common shares of the Company valued at $105,000 and paid cash transaction costs of $322,401. These transaction costs provide future income tax benefits of $127,000 to the Company.

6. Mineral Properties and Related Deferred Costs

A detailed breakdown of the Company's mineral properties and related deferred costs by property is as follows:

	December 31, 2007	Additions	Writedown	December 31, 2008	Additions	December 31, 2009
Black Warrior	$ -	$ 302,000	$ -	$ 302,000	$ 16,476	**$ 318,476**
Byers	120,295	75,973	-	196,268	281,010	**477,278**
101-English-Bartlett	-	25,648	(25,648)	-	-	**-**
Gowest	-	-	-	-	169,881	**169,881**
Stairs	-	-	-	-	414,986	**414,986**
Timore	-	-	-	-	262,890	**262,890**
Warren Whiteside	-	431,979	-	431,979	258,499	**690,478**
Other	-	-	-	-	19,806	**19,806**
Total	$ 120,295	$ 835,600	$ (25,648)	$ 930,247	$1,423,548	**$ 2,353,795**

Black Warrior
On March 14, 2008, the Company staked 14 claims in Esmeralda County, Nevada (the "Black Warrior Property") for $7,961.

On May 20, 2008, the Company acquired a 100% interest in 2 patented claims for US$25,000. Under the terms of the agreement, the Company entered into a consulting agreement for prospecting, exploration and development services at the rate of US$5,000 per year for 3 years from the closing date of the agreement.

On December 31, 2008, the Company acquired a 100% interest in 35 unpatented claims for 1,200,000 common shares of the Company valued at $240,000. The vendors retained a 2% net smelter royalty ("NSR") on the property, of which the Company has the option to purchase half for US$1,000,000.

Byers
On December 17, 2007, the Company acquired a 100% interest in 19 unpatented mining claims in the Byers, Thorburn and Moberly Townships in Ontario for $100,000 by the issuance of 1,666,667 common shares of the Company. The vendors retain a 2% NSR on the property, of which the Company has the option to purchase half for $1,000,000.

On January 30, 2008, the Company acquired a 100% interest in 2 unpatented mining claims in Byers Township in Ontario by the issuance of 300,000 common shares of the Company valued at $18,000. The vendors retain a 2% NSR on the properties, of which the Company has the option to purchase half for $1,000,000.

101-English-Bartlett
On February 14, 2008, the Company acquired a 100% interest in 8 unpatented mining claims Bartlett and English Townships in Ontario by the issuance of 400,000 common shares of the Company valued at $24,000. The vendors retained a 2% NSR on the property, of which the Company had the option to purchase half for $1,000,000. The Company abandoned the property and wrote off all costs associated with the property.

6. Mineral Properties and Related Deferred Costs (continued)

Gowest
On November 25, 2009, the Company entered into an option agreement to acquire a 100% interest in 5 patented claims in Whitney township near Timmins, Ontario for $20,000, payable $10,000 on signing (paid) and $10,000 within 90 days of signing the agreement, 750,000 shares of the Company valued at $101,250 and 750,000 warrants of the Company valued at $51,000. Each warrant entitles the holder to purchase one common share of the Company for a period of two years as follows; $0.15 for a period of six months from the date of issue, $0.20 for the next six months from the date of issue and $0.25 for a the remaining twelve months. Under the terms of the agreement, the Company must incur $400,000 in exploration expenditures prior to December 31, 2010. As at December 31, 2009, $1,000 has been spent. The vendors retain a 2% NSR on the property when the gold price is $950 per ounce or less, and 3% when the price of gold is greater than $950 per ounce. The Company has the right to purchase 1% of this royalty for $1,000,000 and a further right to reduce the royalty to 1% by paying another $1,000,000.

The fair value of the warrants of $51,000 was calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	0.01%
Expected volatility	101%
Expected life of warrants	2 years
Expected dividend yield	Nil

Stairs
On November 16, 2009, the Company entered into an option agreement to acquire a 100% interest in 18 mining leases totaling 338 hectares, which includes the former Stairs gold mine near Matachewan, for $10,000 (paid), 500,000 shares of the Company valued at $60,000 and 500,000 warrants of the Company valued at $28,000. Each warrant entitles the holder to purchase one common share of the Company at $0.15 for a period of two years from the date of issue. Under the terms of the agreement the Company must incur $1,500,000 in exploration expenditures as follows; $300,000 by October 31, 2010 and the remaining $1,200,000 by October 31, 2012. As at December 31, 2009, the Company met its minimum commitment of $300,000 as $308,000 had been spent. The vendor retains a 1.5% NSR on the property.

The vendor has reserved the right to earn back a 51% interest in the property by spending two times the amount spent by the Company up to $3,000,000 on the property and an additional 14% by spending an additional $1,500,000. The vendor will retain a 1.5% net smelter royalty if it elects not to earn back an interest in the property.

The fair value of the warrants of $28,000 was calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.1%
Expected volatility	101%
Expected life of warrants	2 years
Expected dividend yield	Nil

6. Mineral Properties and Related Deferred Costs (continued)

Timore
On October 8, 2009, the Company entered into an option agreement to acquire a 100% interest in patented claims covering 3 gold exploration properties near Timmins, Ontario and 1 gold exploration property near Red Lake, Ontario, for $20,000 plus legal fees in cash (paid) and 1,500,000 shares of the Company valued at $97,500. Under the terms of the agreement, the Company must incur $1,000,000 in exploration expenditures in annual stages of $300,000, $300,000 and $400,000 respectively over a three year period ending October 15, 2012. The vendor will retain a 3% NSR, one half of which can be purchased for $1,000,000. The Company must spend at least $250,000 on the Red Lake property or can disclaim that property, reduce the aggregate exploration expenditures to $750,000 and complete the expenditures on the Timmins properties only. As at December 31, 2009, $125,000 has been spent.

Warren Whiteside
On January 29, 2008, the Company acquired a 100% interest in 14 mining claims in Whiteside Township in Ontario (the "Warren Properties") by a payment of a deposit of $5,000 on December 18, 2007, the payment of $45,000 and the issuance of 500,000 common shares of the Company valued at $100,000. The vendors retain a 1.5% NSR on the Warren Properties, of which the Company has the option to purchase half for $1,000,000.

On January 30, 2008, the Company acquired a 100% interest in 2 unpatented mining claims in Whiteside/Massey Township in Ontario (the "Lalonde-Whiteside Properties") by issuance of 500,000 common shares of the Company valued at $30,000. The vendors retain a 2% NSR on the Lalonde-Whiteside properties, of which the Company has the option to purchase half for $1,000,000.

On July 31, 2008, the Company acquired 3 unpatented mining claims adjoining the Warren Whiteside Property (the "Warren Add-on Property") for 240,000 common shares of the Company valued at $81,600. The vendors retain a 2% NSR on the Warren Add-on Property, of which the Company has the option to purchase half for $1,000,000.

Other
On April 24, 2009, the Company entered into an option agreement to acquire a 100% interest on several lots in the Goldfield Mining District of Esmeralda County, Nevada for US$40,000, payable US$7,000 on signing (paid) and US$11,000 on or before April 24, 2010, US$11,000 on or before April 24, 2011, and US$11,000 on or before April 24, 2012.

7. Share Capital

(a) Common Shares

Crown's authorized share capital consists of an unlimited number of common shares.

The issued and outstanding common shares are as follows:

	Number of Shares		Stated Value
COMMON SHARES			
Balance, December 31, 2007 of Rykala	9,402,223	$	379,477
Issued for cash consideration:			
Private placement - January	200,000		24,000
Flow through private placement - June & December	5,254,412		970,250
Issued for non-cash consideration:			
Issued for mineral properties (Note 6)	3,140,000		493,600
Issued for consulting fees	1,460,000		216,400
Share issue costs net of future income tax benefits	-		(100,880)
Fair value assigned to warrants issued	-		(178,085)
Fair value assigned to agent warrants issued			(48,308)
Future tax liability pursuant to flow through shares renunciation	-		(12,000)
Balance, December 31, 2008 and February 10, 2009 of Rykala	**19,456,635**		**1,744,454**
Balance, December 31, 2008 and February 10, 2009 of Crown	**3,550,000**		**404,733**
Shares issued on corporate merger (Note 5)	**19,456,635**		**367,004**
Share capital of Rykala eliminated on consolidation	**(19,456,635)**		**-**
Share capital of Crown eliminated on consolidation	**-**		**(404,733)**
Balance, February 10, 2009 post merger	**23,006,635**		**2,111,458**
Issued for cash consideration:			
Private placement - November	**3,830,000**		**459,600**
Flow through private placement - December	**3,333,331**		**500,000**
Issued for non-cash consideration:			
Issued for mineral properties (Note 6)	**2,750,000**		**258,750**
Commission on corporate merger (Note 5)	**525,000**		**105,000**
Transaction costs on corporate merger costs net of future income tax benefits (Note 5)	**-**		**(310,401)**
Cash share issue costs net of future income tax benefits	**-**		**(84,576)**
Fair value assigned to warrants issued	**-**		**(198,000)**
Fair value assigned to agent warrants issued	**-**		**(59,000)**
Future tax liability pursuant to flow through shares renunciation	**-**		**(281,000)**
Balance, December 31, 2009	**33,444,966**	**$**	**2,501,831**

Under the requirement of the TSX Venture Exchange, 3,524,167 common shares held by directors are held in escrow. These shares will be released from escrow in allotments of 704,833 in 2, 8, 14, 20 and 26 months following year end.

7. Share Capital (continued)

Private Placements – 2009

On November 30, 2009, the Company completed a private placement of 3,830,000 units at a price of $0.12 per unit for proceeds of $459,600. Each unit consists of one common share and one half common share purchase warrant, each whole warrant entitling the holder to purchase one common share for $0.18 until May 31, 2011.

The fair value of the warrants of $114,000 was calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.1%
Expected volatility	101%
Expected life of warrants	18 months
Expected dividend yield	Nil

In connection with the private placement, the Company paid a commission of $27,168, representing 5.9% of the gross proceeds and issued 283,000 unit finder warrants being 7.4% of the aggregate number of units purchased under the private placement. Each unit finder warrant entitles the holder to purchase one unit at a price of $0.12 per unit until May 31, 2011. Each unit consists of one common share and one half common share purchase warrant entitling the holder to purchase one common share for $0.18 until May 31, 2011.

The fair value of the unit finder warrants of $29,000 was calculated using the Black-Scholes option pricing model using the same assumptions above.

On December 18, 2009, the Company completed a private placement of 3,333,331 units at a price of $0.15 per unit for proceeds of $500,000. Each unit consisted of one common share issued on a flow-through basis under the Income Tax Act (Canada) and one half common share purchase warrant, each whole warrant entitling the holder to purchase one common share for $0.25 until June 18, 2011.

The fair value of the warrants of $84,000 was calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.3%
Expected volatility	101%
Expected life of warrants	18 months
Expected dividend yield	Nil

In connection with the private placement, the Company paid a commission of $38,000, representing 7.6% of the gross proceeds and issued 316,666 unit finder warrants being 9.5% of the aggregate number of units purchased under the private placement. Each unit finder warrant entitles the holder to purchase one unit at a price of $0.15 per unit until June 18, 2011. Each unit consists of one common share and one half common share purchase warrant entitling the holder to purchase one common share for $0.25 until June 18, 2011.

The fair value of the unit finder warrants of $30,000 was calculated using the Black-Scholes option pricing model using the same assumptions above.

Private Placements – 2008

On January 18, 2008, the Company completed a private placement of 200,000 common shares at a price of $0.12 per common share for proceeds of $24,000.

7. Share Capital (continued)

Private Placements – 2008 (continued)
On February 14, 2008, the Company completed a private placement of 100,000 common shares issued on a flow-through basis under the Income Tax Act (Canada) at a price of $0.18 per common share for proceeds of $18,000.

On June 30, 2008, the Company completed a private placement of 304,412 units at a price of $0.34 per unit for proceeds of $103,500. Each unit consisted of one common share issued on a flow-through basis under the Income Tax Act (Canada) and one common share purchase warrant entitling the holder to purchase one common share at price of $0.50 per common share until June 30, 2010, subject to the right of the Company to call for an earlier expiry date on 30 days notice in the event that the common shares are listed on a Canadian stock exchange and trade at or above $0.60 per common share for 20 consecutive trading days.

In connection with the private placement, the Company issued 20,000 unit purchase warrants entitling the holder to purchase one unit at a price of $0.34 per unit until June 30, 2010. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share for $0.50 until June 30, 2010, subject to the right of the Company to call for an earlier expiry date on 30 days notice in the event that the common shares are listed on a Canadian stock exchange and trade at or above $0.60 per common share for 20 consecutive trading days.

The fair value of $19,670 for the common share purchase warrants and the fair value of $3,651 for the unit purchase warrants issued for this private placement was calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	3.45%
Expected volatility	100%
Expected life of warrants	2 years
Expected dividend yield	Nil

On December 30, 2008, the Company completed a private placement of 4,850,000 units at a price of $0.175 per unit for proceeds of $848,750. Each unit consists of one flow-through common share and one common share purchase warrant entitling the holder to purchase one common share for $0.40 until December 30, 2010, subject to the right of the Company to call for an earlier expiry date on 30 days notice in the event that the common shares are listed on a Canadian stock exchange and trade at or above $0.60 per common share for 20 consecutive trading days any time after April 30, 2009.

The fair value of the warrants of $158,416 was calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.08%
Expected volatility	100%
Expected life of warrants	2 years
Expected dividend yield	Nil

7. Share Capital (continued)

Private Placements – 2008 (continued)
In connection with the private placement, the Company paid a commission of $67,900, representing 8% of the gross proceeds and issued 485,000 unit purchase warrants entitling the holder to purchase one unit at a price of $0.175 per unit until December 30, 2010. Each unit consists of one common share and one common share purchase warrant entitling the holder to purchase one common share for $0.40 until December 30, 2010, subject to the right of the Company to call for an earlier expiry date on 30 days notice in the event that the common shares are listed on a Canadian stock exchange and trade at or above $0.60 per common share for 20 consecutive trading days at any time after April 30, 2009.

The fair value of the unit purchase warrants of $44,656 was calculated using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	1.08%
Expected volatility	100%
Expected life of warrants	2 years
Expected dividend yield	Nil

(b) Warrants

The outstanding warrants at December 31, 2009, are comprised as follows:

Date of Expiry	Type	No. of Warrants	Exercise Price $
June 30, 2010	Warrants	304,412	0.50
June 30, 2010	Finders unit warrants	20,000	0.34
June 30, 2010	Finders warrants	20,000	(i) 0.50
December 30, 2010	Warrants	4,850,000	0.40
December 30, 2010	Finders unit warrants	485,000	0.175
December 30, 2010	Finders warrants	485,000	(i) 0.40
May 31, 2011	Warrants	1,915,000	0.18
May 31, 2011	Finders unit warrants	283,000	0.12
May 31, 2011	Finders warrants	141,500	(i) 0.18
June 18, 2011	Warrants	1,666,666	0.25
June 18, 2011	Finders unit warrants	316,666	0.15
June 18, 2011	Finders warrants	158,333	(i) 0.25
November 18, 2011	Warrants - Property	500,000	0.15
December 4, 2011	Warrants - Property	750,000	(ii) 0.15
Total		**11,895,577**	

(i) Represents the warrant to be issued if the finder unit warrants above it are exercised.

(ii) Each warrant is exercisable at $0.15 within the first six months, $0.20 within the second six months, and $0.25 in year two.

7. Share Capital (continued)

(c) Options

Crown has a 10% rolling stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors, employees and consultants. As at December 31, 2009, the Company had 2,989,497 (2008 – Nil) options available for issuance under the plan. Continuity of the unexercised options to purchase common shares is as follows:

As at December 31,	**2009**		2008	
	Weighted Average Exercise Price ($)	**No. of Options**	Weighted Average Exercise Price ($)	No. of Options
Outstanding at beginning of year	0.20	585,000	0.20	585,000
Transactions during the year:				
Expired	**(0.20)**	**(230,000)**	-	-
Outstanding at end of year	**0.20**	**355,000**	0.20	585,000

The following table provides additional information about outstanding stock options at December 31, 2009:

Range of Exercise Prices ($)	**No. of Options Outstanding**	**Weighted Average Remaining Life (Years)**	**Weighted Average Exercise Price ($)**
0.20	**355,000**	**0.1**	**0.20**

8. Contributed Surplus

Balance at December 31, 2007	$ -
Fair value of issued warrants - subscribers	178,085
Fair value of issued warrants - finders	48,308
Balance at December 31, 2008	**226,393**
Fair value of issued warrants - subscribers	**198,000**
Fair value of issued warrants - finders	**59,000**
Fair value of issued warrants - property	**79,000**
Balance at December 31, 2009	**$ 562,393**

9. Related Party Transactions and Balances

Certain corporate entities and consultants that are related to the Company's officers and directors or persons holding more than 10% of the issued and outstanding shares of the Company provide consulting and other services to Crown. All transactions were conducted in the normal course of operations and are measured at the exchange amounts as follows:

Years ended December 31,	**2009**	**2008**
Balances:		
Amount included in accounts payable, due to a director and officer	**$ 7,541**	**$ -**
Due to a company owned by a director and officer	**-**	**44,100**
Amount included in accounts payable, due to a law firm, of which an executive officer and shareholder is a director of the Company	**51,205**	**190,721**
Long-term liability due to a law firm, of which an executive officer and shareholder is a director of the Company	**60,000**	**90,000**
	$ 118,746	**$ 324,821**
Transactions:		
Management fees incurred to directors and officers as follows:		
Consulting fees	**$ 30,000**	**$ 30,000**
Mineral properties and related deferred costs	**30,000**	**-**
Premises fees incurred to directors and officers	**-**	**12,000**
Legal fees incurred to a law firm, of which an executive officer is a director of the Company as follows:		
Professional fees	**22,727**	**44,163**
Transaction costs relating to corporate merger	**104,402**	**96,812**
Mineral properties and related deferred costs	**35,265**	**31,458**
Share issue costs	**31,030**	**34,031**
	$ 253,424	**$ 248,464**

Amounts due to directors and officers are non-interest bearing, have no set terms of repayment and are due on demand, except for the amount in long-term liabilities, which is due in full on January 1, 2011. During the year, the Company settled long-term liabilities of $30,000 and accounts payable and accrued liabilities of $90,000 as part of the proceeds on the November private placement by issuing 1,000,000 units.

10. Income Taxes

Future Income Tax Recovery

The Company's income tax provision differs from the amount resulting from the application of the Canadian statutory income tax rate. A reconciliation of the combined Canadian federal and provincial income tax rates with the Company's effective tax rate is as follows:

	2009	2008
	$	$
Loss before income taxes	**(173,552)**	(391,324)
Combined Statutory rate	**33.00%**	33.50%
Estimated recovery of income taxes	**(57,000)**	(131,000)
Difference between current and future tax rates	**2,000**	-
Acquired on corporate merger and other	**(24,000)**	1,000
Change in valuation allowance	**73,000**	118,000
Future income tax recovery	**(6,000)**	(12,000)

The Canadian statutory income tax rate of 33.0% (2008 - 33.5%) is comprised of the federal income tax rate at approximately 19.0% (2008 – 19.5%) and the provincial income tax rate of approximately 14.00% (2008 – 14.00%). The primary differences which give rise to the future income tax recoveries at December 31, 2009 and 2008 are as follows:

	2009	2008
Future income tax assets	**$**	**$**
Share issuance costs	**144,000**	24,000
Non-capital losses carried forward	**220,000**	118,000
	364,000	142,000
Less : valuation allowance	**(213,000)**	(140,000)
Net future tax assets	**151,000**	2,000
Future tax liabilities		
Deferred exploration expenses	**(270,000)**	(2,000)
Net future tax liability	**(119,000)**	-

The unamortized balance, for income tax purposes, of the share issuance fees and transaction costs amounts to approximately $577,000 (2008 - $85,000) and will be deductible in Canada over the next 4 years.

The Company has available for carry forward non-capital losses of $876,000 (2008 - $409,000). As at December 31, 2009, the non-capital losses carry forwards expire as follows:

December 31,	Amount ($)
2026	22,000
2027	436,000
2028	84,000
2029	334,000
	876,000

11. Segmented Information

Crown is in the business of mineral exploration and production in the Ontario and Nevada, USA. As such, management has organized the Company's reportable segments by geographic area. Information concerning Crown's reportable segments is as follows:

		December 31, 2009		December 31, 2008
Consolidated net loss				
Canada	**$**	**167,552**	$	379,324
USA		**-**		-
	$	**167,552**	$	379,324
Identifiable assets				
Canada	**$**	**2,524,936**	$	1,597,932
USA		**336,721**		302,000
	$	**2,861,657**	$	1,899,932
Significant non-cash items				
Canada				
Issue of common shares for consulting fees	**$**	**-**	$	216,400
Writedown of mineral properties and related deferred costs		**-**		25,648
Future income tax recovery		**(6,000)**		(12,000)
	$	**(6,000)**	$	230,048

12. Commitments and Contractual Obligations

As of December 31, 2009, the Company is committed to spending approximately $456,000 on Canadian exploration costs by December 31, 2010 as part of its 2009 flow-through funding agreements.

The Company entered into a management agreement to pay a monthly management fee of $5,000 commencing on July 1, 2008 to a company controlled by an officer and director of the Company. The agreement contemplates an annual bonus of up to 50% of the annual management fees, as well as $1,000 per month for office and overhead expenses. The agreement renews annually unless terminated by either party on 6 months prior to any year end.

13. Subsequent Events

On January 15, 2010, the Company signed a property option agreement to acquire 100% interest in 3 unpatented claims in Yeo and Chester Townships near Timmins. As consideration for the agreement, the Company paid $15,000 in cash and issued 150,000 shares. The vendors retain a 2% NSR on the property, one half of which can be purchased for $1,000,000.

On February 23, 2010, the Company issued 900,000 options to directors and officers of the Company exercisable at $0.12 up until December 31, 2014.

On March 26, 2010, the Company completed a share-for-debt private placement to issue 180,000 common shares at $0.16 per share to reduce accounts payable by $28,800.

13. Subsequent Events (continued)

On April 9, 2010, the Company signed a property option agreement to acquire 100% interest in 12 patented claims totaling 192 hectares near Kirkland Lake. Crown has agreed to pay $36,000 in cash, issue 100,000 shares and incur up to $300,000 in exploration expenditures over a period ending December 31, 2013. The vendors retain a 2% NSR on the property, one half of which can be purchased for $1,000,000.

On April 15, 2010, the Company signed a letter of intent with Gold Summit Corporation ("GSM") to complete an "all share" business combination, which would give the original holders of GSM a 42% stake in the combined company, while the Company's original shareholders would retain a 58% stake in the combined company. Completion of the transaction is subject to usual terms and conditions for such a transaction, including completion of due diligence, completion and execution of definitive business combination documentation, receipt of all required regulatory and security holder approvals and no material adverse changes occurring in the financial condition of either company.

The Company and GSM have agreed to the following: prior to the completion of the business combination neither company will issue any further securities or amend the terms of any issued and outstanding securities without the consent of the other, and both companies have agreed to conduct business only in the ordinary course. They also agreed to exclusivity and non-solicitation provisions subject to an exception for superior proposals. The definitive transaction documentation will provide that in certain circumstances where one party decides not to complete the business combination, it will pay the other party an expense reimbursement payment equal to the greater of $100,000 or the other party's professional costs incurred in connection with the transaction. In the event that the proposed transaction is terminated and GSM completes an alternative business combination, GSM will pay Crown a fee in accordance with TSXV policies. The structure of the business combination will be determined by the two companies in consultation with their professional advisors.