

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended February 29, 2012

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: 0-29392

CALAIS RESOURCES INC.

(Exact name of registrant as specified in its charter)

British Columbia

(State or other jurisdiction of
incorporation or organization)

98-0434111

(IRS Employer
Identification No.)

4415 Caribou Road P.O. Box 653

Nederland, Colorado

(Address of principal executive offices)

80466-0653

(Zip Code)

Registrant's telephone number, including area code: **(303) 258-3806**

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 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. Yes No

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by checkmark 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 Smaller reporting company

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

Yes No

As of April 23, 2012 the registrant had 165,071,422 shares of common stock outstanding.

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PART I – FINANCIAL INFORMATION.

CALAIS RESOURCES, INC.
(A Mining Company in the Exploration Stage)
CONSOLIDATED BALANCE SHEETS

		As of	
		2/29/2012	5/31/2011
		(unaudited)	
ASSETS			
Current assets			
	Cash and cash equivalents	\$ 47,157	\$ 913,182
	Inventories	29,843	-
	Prepaid expenses and other assets	27,119	39,961
	Total current assets	104,119	953,143
	Restricted cash	15,400	15,400
	Note receivable	60,000	60,000
	Fixed assets, net	27,068	15,313
	Total assets	\$ 206,587	\$ 1,043,856
LIABILITIES			
Current Liabilities			
	Accounts payable and accrued liabilities	\$ 1,571,873	\$ 1,631,568
	Convertible debentures, current portion	-	702,964
	Notes payable due to related parties (Note 10)	42,000	-
	Notes payable and current portion of long-term debt (Note 10)	10,253,878	10,253,878
	Total current liabilities	11,867,751	12,588,410
	Royalty interest	150,000	150,000
	Convertible debentures, long-term (Notes 6 and 10)	755,654	-
	Environmental remediation liabilities	50,000	50,000
	Total liabilities	12,823,405	12,788,410
Shareholders' Deficit			
	Common stock, no par value, unlimited shares authorized, 164,446,422 and 149,184,986 shares issued and outstanding as of February 29, 2012 and May 31, 2011, respectively	37,708,729	35,866,729
	Deficit accumulated in the exploration stage	(50,087,129)	(47,371,579)
	Accumulated other comprehensive loss	(238,418)	(239,704)
	Total Shareholders' Deficit	(12,616,818)	(11,744,554)
	Total Liabilities and Shareholders' Deficit	\$ 206,587	\$ 1,043,856

See accompanying notes to the unaudited consolidated financial statements.

CALAIS RESOURCES, INC.
(A Mining Company in the Exploration Stage)
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended		Nine Months Ended		December 30, 1986
	February 29,	February 28,	February 29,	February 28,	(inception) through
	2012	2011	2012	2011	February 29, 2012
Revenues	\$ 7,237	\$ -	\$ 83,260	\$ -	\$ 83,260
Operating Costs and Expenses					
Costs applicable to sales	159,431	-	706,634	-	706,634
General and administrative	307,815	1,034,855	1,542,306	1,668,883	13,857,283
Exploration and mine development	15,409	61,871	55,535	120,047	12,437,488
Depreciation and amortization	1,802	100	4,380	199	207,082
Total operating costs and expenses	484,457	1,096,826	2,308,855	1,789,129	27,208,487
Loss from Operations	(477,220)	(1,096,826)	(2,225,595)	(1,789,129)	(27,125,227)
Other (income) and expenses					
Loss on impairment	-	-	-	-	9,808,572
Loss (gain) on settlement of debts	(82,452)	(2,614,853)	25,233	(2,927,784)	(3,363,509)
Interest and financing fees	206,884	203,227	617,782	626,649	15,057,127
Foreign currency transaction loss	-	1,368,064	3,485	1,368,174	1,371,356
Other (income) expense	-	(581)	(156,545)	(737)	88,356
Total other (income) and expenses	124,432	(1,044,143)	489,955	(933,698)	22,961,902
Loss before income taxes	(601,652)	(52,683)	(2,715,550)	(855,431)	(50,087,129)
Income tax expense (benefit)	-	-	-	-	-
Net loss	(601,652)	(52,683)	(2,715,550)	(855,431)	(50,087,129)
Other comprehensive loss (income) - foreign currency translation adjustments	(31,254)	(1,296,172)	1,286	(1,129,889)	(238,418)
Comprehensive (loss) income	\$ (632,906)	\$ 1,243,489	\$ (2,714,264)	\$ 274,458	\$ (50,325,547)
Basic and diluted weighted-average number of common shares outstanding	163,265,104	137,426,187	157,612,383	107,627,924	
Basic and diluted loss per common share	\$ (0.00)	\$ (0.00)	\$ (0.02)	\$ (0.01)	

See accompanying notes to the unaudited consolidated financial statements.

CALAIS RESOURCES, INC.
(A Mining Company in the Exploration Stage)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine Months Ended February,		December 30, 1986 (inception) through February 29,
	2012	2011	2012
Cash flows from operating activities:			
Net loss	\$ (2,715,550)	\$ (855,431)	\$ (50,087,129)
Adjustments to reconcile net loss to net cash used in operating activities:			
Accretion expense	-	-	105,655
Amortization of deferred financing costs	-	-	3,369,936
Depreciation and depletion	4,380	199	205,415
Non-cash interest expense	415,915	613,907	12,255,815
Loss on impairment of mineral properties	-	-	8,824,989
Loss on impairment of investment	-	-	983,583
Common shares issued in connection with trust deed modification	-	-	90,000
Common shares issued in connection with debt settlement	-	-	1,048,053
Common shares issued for services	163,500	753,092	1,687,941
Warrants cancelled for services	-	-	(18,173)
Warrants issued in connection with debt restructure	-	-	155,007
Loss (gain) recognized in connection with debt settlement	25,233	(2,927,785)	(3,073,613)
Gain on sale of property, plant and equipment	(156,500)	-	(151,627)
Loss on disposal of property, plant and equipment	-	-	8,040,143
Loss on abandonment of mineral properties	-	-	300,600
Loss on default of exploration development agreement	-	-	456,090
Loss on foreign exchange	3,485	1,296,172	1,690,126
Environmental remediation liability	-	-	50,000
Changes in operating assets and liabilities:			
Increase in inventories	(29,843)	-	(29,843)
(Decrease) increase in prepaid expenses	12,842	(37,565)	(68,461)
(Decrease) increase in accounts payable and other current liabilities	(393,159)	(225,542)	2,124,872
Decrease (increase) in other operating assets and liabilities	-	17,840	(202,668)
Net cash used in operating activities	(2,669,697)	(1,365,113)	(12,243,289)
Cash flows from investing activities:			
Purchase of mineral properties & equipment	-	-	(17,481,692)
Dispositions of equipment	156,500	-	317,852
Net additions to equipment	(16,135)	(5,464)	(199,677)
Deferred exploration expenditures	-	-	(143,071)
Deposit on equipment	-	-	(17,880)
Acquisition of shares of subsidiary	-	-	(715,932)
Advance to subsidiary	-	-	(177,875)
Payable under option agreement	-	-	716,481
Refundable deposit on purchase of shares of subsidiary	-	-	(73,847)
Net cash (used in) provided by investing activities	140,365	(5,464)	(17,775,641)

See accompanying notes to the unaudited consolidated financial statements.

CALAIS RESOURCES, INC.
(A Mining Company in the Exploration Stage)
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(UNAUDITED)

	Nine Months Ended February		December 30, 1986 (inception) through February 29,
	2012	2011	2012
Cash flows from financing activities:			
Proceeds from sale of common shares	\$ 1,678,500	\$ 2,342,500	\$ 23,483,579
Proceeds from sale of private equity	-	-	345,000
Proceeds from debt	42,000	-	17,071,960
Proceeds from borrowing on shareholder note	-	-	282,000
Repayments of debt	-	-	(11,902,794)
Repayments of debt - convertible debentures	(57,193)	(224,227)	(529,817)
Advances to affiliated companies, shareholders and directors	-	-	(106,730)
Restricted cash	-	-	(31,789)
Share subscriptions received in advance	-	-	518,415
Net cash provided by financing activities	1,663,307	2,118,273	29,129,824
Effect of foreign exchange	-	-	936,263
Net change in cash and cash equivalents	(866,025)	747,696	47,157
Cash at beginning of period	913,182	27,919	-
Cash at end of period	\$ 47,157	\$ 775,615	\$ 47,157
<u>Supplemental Cash Flow Information</u>			
Interest expense paid in cash	\$ 205,013	\$ -	\$ 1,408,346
Interest received	\$ 46	\$ -	\$ 4,045
Non-cash financing and investing activity:			
Debt restructuring - warrants issued	\$ -	\$ -	\$ 412,407
Common shares issued in connection with debt restructuring and settlement of accrued liabilities	\$ -	\$ 2,665,604	\$ 4,987,140
Common shares issued for acquisition of property	\$ -	\$ -	\$ 32,500
Shares issued for mineral property development	\$ -	\$ -	\$ 96,315
Shares issued for repayment of shareholder advances	\$ -	\$ -	\$ 9,240,146

See accompanying notes to the unaudited consolidated financial statements.

CALAIS RESOURCES, INC.
(A Mining Company in the Exploration Stage)
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
February 29, 2012

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

Calais Resources, Inc. was incorporated under the laws of the Province of British Columbia, Canada, on December 30, 1986. Calais Resources, Inc. and its subsidiaries (collectively with its subsidiaries, referred to herein as “Calais”, “we”, “us” or “our”) are currently in the process of exploring various mineral interests, primarily gold and silver. We are headquartered in Colorado and have mining interests in Colorado and Nevada.

Our consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The more significant areas requiring the use of management estimates and assumptions relate to the valuation of deferred tax assets accruals for liabilities and the fair value of financial instruments. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results may differ significantly from these estimates under different assumptions or conditions.

Our activities to date have primarily consisted of raising capital and acquiring and exploring our mining interests. We have had no significant revenue in our history. Accordingly, we are considered to be in the exploration stage.

Our fiscal year end is May 31st. Through May 31, 2004, we reported our financial information using Canadian Generally Accepted Accounting Principles (“Canadian GAAP”) using the Canadian dollar as our functional and reporting currency. During the fiscal year ended May 31, 2005, we changed our reporting basis to the United States Generally Accepted Accounting Principles (“U.S. GAAP”) and our functional and reporting currency to the United States dollar (“U.S. dollar”). Accordingly, historical cumulative financial information included in this Quarterly Report on Form 10-Q has been restated using U.S. GAAP with a functional and reporting currency of the U.S. dollar, unless otherwise noted. All references herein to “\$” and “US\$” refer to U.S. dollars. Unless otherwise specified, all dollar amounts are expressed in United States dollars. All references to Common Shares refer to shares of our common stock (without par value) unless otherwise indicated.

These interim unaudited financial statements have been prepared on the same basis as the annual financial statements and in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly our financial position, results of operations and cash flows for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for a full year or for any future period.

NOTE 2 – LIQUIDITY

As of February 29, 2012, we had a working capital deficit of \$11.8 million, and for the nine months then ended cash used in operating activities amounted to \$2.7 million. To date, we have generated only nominal revenues from operations (\$83,260) and have incurred losses since inception resulting in a deficit accumulated during the development stage of \$50.1 million through February 29, 2012. Further losses are anticipated as we continue to be in the exploration stage, as defined in ASC Topic 915, *Development Stage Entities*.

Our ability to continue as a going concern depends upon our ability to generate profitable operations in the future and/or to raise additional funds through equity or debt financing. Since inception, we have raised \$24,346,944 through the issuance of equity securities and \$17,353,960 through the issuance of debt instruments, which has been used primarily to provide operating funds, repay long-term debt, and acquire mineral interests. Subsequent to February 29, 2012, we have acquired an additional \$50,000 through issuance of equity securities, as described more

fully in Note 12. On December 1, 2011, the Brigus note (see Note 5) matured and we have not made payment as of the date of these financial statements. There is no assurance that we will be able to obtain additional funding when needed, or that such funding, if available, can be obtained on terms acceptable to us or at all. If we cannot obtain needed funds for implementing our mine plan after completion of the feasibility study, we may be forced to curtail or cease our activities. Equity financing, if available, may result in substantial dilution to existing stockholders. All of these factors cause substantial doubt about our ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event we cannot continue as a going concern.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories

Stockpiled ore inventories represent mineralized material that has been mined and hauled to the surface from our Cross Mine. This inventoried stockpile is ready for shipping for further processing by an outside source. Stockpiles are measured by estimating the number of tons added and removed from the stockpile, the number of contained metal ounces or pounds (based on assay data) and the estimated metallurgical recovery rates (based on the expected processing method).

Ore stockpile inventories are carried at the lower of average cost or net realizable value. Net realizable value represents the estimated future sales price of the product based on current and long-term metals prices, less the estimated costs to complete production and bring the product to sale. Write-downs of stockpiled ore inventories, resulting from net realizable value impairments, are reported as a component of production costs applicable to sales. The current portion of ore stockpiles is determined based on the expected amounts to be processed within the next 12 months. Ore stockpile inventories not expected to be processed within the next 12 months, if any, are classified as long-term. At February 29, 2012, all ore stockpile inventories were classified as current.

Accrued Vacation

Our full-time employees are entitled to paid vacation, depending on job classification, length of service, and other factors. A liability has been recorded in the accompanying financial statements for accrued vacation leave.

Revenue Recognition

We have generated limited income from the sale of gold from our ores processed at an offsite third party mill facility. Revenues from the sale of minerals are recognized when the ores are processed by the third party.

Foreign Currency

We have recorded amounts payable related to a convertible debenture that is denominated in Canadian dollars. As of February 29, 2012 and May 31, 2011, adjustments resulting from liabilities denominated in a foreign currency have been reported as other comprehensive income in our financial statements.

Impairment of Long-Lived Assets

We review and evaluate long-lived assets for impairment at least once per year, or more often when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. During the nine months ended February 29, 2012 and February 28, 2011, we did not record any impairment expense.

Use of Estimates and Significant Estimates

Certain amounts in our financial statements are based upon significant estimates including environmental remediation obligations, accrued liabilities and a provision for income taxes. Actual results could materially differ from those estimates.

Reclassifications

Certain accounts and financial statement captions in the prior periods have been reclassified to conform to the presentation in the current period financial statements.

Recent Accounting Pronouncements

The Company evaluates the pronouncements of various authoritative accounting organizations, primarily the Financial Accounting Standards Board (“FASB”), the SEC, and the Emerging Issues Task Force (“EITF”), to determine the impact of new pronouncements on U.S. GAAP and the impact on the Company.

In January 2010, the FASB issued ASU 2010-06, *Fair Value Measurements and Disclosures (Topic 820)*, which requires reporting entities to make new disclosures about recurring or nonrecurring fair value measurements including significant transfers into and out of Level 1 and Level 2 fair value measurements and information on purchases, sales, issuances, and settlements on a gross basis in the reconciliation of Level 3 fair value measurements. ASU 2010-6 is effective for annual reporting periods beginning after December 15, 2009, except for Level 3 reconciliation disclosures which are effective for annual periods beginning after December 15, 2010. We do not have any assets or liabilities classified as Level 3. We have adopted the Level 1 and Level 2 amendments accordingly. As the update only pertained to disclosures, it had no impact on our financial position, results of operations, or cash flows upon adoption.

In June 2011, the FASB issued ASU No. 2011-05, *Comprehensive Income (Topic 220) – Presentation of Comprehensive Income* (“ASU 2011-05”). ASU 2011-05 requires entities to present net income and other comprehensive income in either a single continuous statement or in two separate, but consecutive, statements of net income and other comprehensive income. ASU 2011-05 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011 (November 30, 2012 for the Company). We do not expect the adoption of ASU 2011-05 to have a material impact on our results of operations, financial condition, or cash flows.

In December 2011, the FASB issued ASU No. 2011-12, *Comprehensive Income (Topic 220) – Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05* (“ASU 2011-12”). ASU 2011-12 defers changes in Update 2011-05 that relate to the presentation of reclassification adjustments. ASU 2011-12 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011 (November 30, 2012 for the Company). We do not expect the adoption of ASU 2011-12 to have a material impact on our results of operations, financial condition, or cash flows.

NOTE 4 – MINERAL INTERESTS

There were no material changes to our mineral properties from those disclosed in the audited annual consolidated financial statements for the year ended May 31, 2011.

During the nine months ended February 29, 2012, we began test mining operations at our Cross mine. We have begun test processing at an out of state facility. We have incurred \$706,634 in costs associated with these operations, and have generated revenues of \$83,260 for the nine months ended February 29, 2012.

On August 11, 2011, we renewed a convertible debenture payable to Aardvark Agencies Inc. “AAI” which contained repurchase rights for interests in our Caribou properties, including the price payable for the reacquisition (a total of Cdn\$747,728) and AAI’s right to convert that debenture before it is paid (Note 6).

NOTE 5 – DEBT

As of February 29, 2012 and May 31, 2011, we had one outstanding note payable (the “Brigus Note”) in the amount of \$10,253,878. The original maturity date for the note was February 1, 2011. On January 15, 2011, we received forbearance under the terms of an agreement effectively extending the maturity date of the debt to June 30, 2011. On June 8, 2011, we and the note holder extended the maturity of the note through October 31, 2011. In connection

with this forbearance we paid the note holder \$1,000,000 which was applied against interest due on the promissory notes. On October 24, 2011, we and the note holder further extended the maturity of the note through December 1, 2011. In connection with this forbearance we paid the note holder \$200,000 which was applied against interest due on the notes. The note bears interest at 8% and is secured by a lien on our Caribou property.

We continue to explore financing opportunities related to the December 1, 2011 maturity date of the Brigus Note. As of February 29, 2012 and May 31, 2011, we have accrued interest in the amount of \$505,796 and \$1,090,001, respectively.

NOTE 6 – DEBENTURES

A summary of convertible debentures outstanding is as follows:

	February 29, 2102	May 31, 2011
Debenture	\$ 755,654	\$ 702,964
Less: Current portion	-	(702,964)
Long-term portion	<u>\$ 755,654</u>	<u>\$ -</u>

This debenture is unsecured, non-interest bearing, and initially matured in May 2011. This debenture is owned by Marlowe Harvey who was the President and a director of ours until he resigned as President in 2000 and as a director in November 2003. The debenture is convertible into common stock at \$1.23 in Canadian Dollars at the holder's discretion and contains no restrictive covenants.

This debenture matured in May 2011. On August 11, 2011 the convertible debenture was renewed for a period of ten years maturing on August 31, 2021. All terms contained in the debenture agreement remain consistent with the original note.

On March 23, 2012, Calais received a default notice from the note holder demanding payment of all principal and interest by March 29, 2012. We are in discussion with the note holder and the note holder has not begun any legal proceedings as of the date of these financial statements.

NOTE 7 – SHAREHOLDERS' DEFICIT

Common Stock - We have authorized an unlimited number of common shares of our no par value common stock. Common shares outstanding as of February 29, 2012 and May 31, 2011 were 164,446,422 and 149,184,986, respectively.

Transactions involving our common stock during the nine months ended February 29, 2012 were as follows:

- We raised \$1,678,500 in cash from accredited investors for the sale of units comprising 13,626,668 shares of restricted common stock and warrants to purchase 6,813,335 common shares. The common stock prices ranged from \$0.08 to \$0.20 per share and the warrants have an exercise price from \$0.20 to \$0.30 per share with expiration dates of June 2012 through February 2015.
- In connection with the issuance of some of the shares mentioned above, as compensation for consulting services we issued 1,635,000 shares of restricted common stock at \$0.10 and warrants to purchase 250,000 common shares at an exercise price of \$0.30 with expiration dates of October 2012 through December 2012.

NOTE 8 – COMMON STOCK WARRANTS

The following table summarizes information about outstanding stock purchase warrants as of February 29, 2012:

	Number of Warrants Outstanding	Exercise Price
Outstanding as of May 31, 2011	31,498,196	\$0.12-\$0.25
Issued	7,063,335	\$0.20-\$0.30
Expirations	-	
Balance at February 29, 2012	38,561,531	\$0.12-\$0.30

Exercise Price	Number of Shares	Remaining Contractual Life in Years	Exercise Price Times Number of Shares	Weighted Average Exercise Price
\$0.12	20,923,296	1.2	\$2,510,795	
\$0.12	7,000,000	2.4	840,000	
\$0.12	1,249,900	9.7	149,988	
\$0.20	6,655,000	1.0	1,331,000	
\$0.25	233,335	1.5	58,334	
\$0.25	875,000	7.8	218,750	
\$0.30	1,625,000	0.5	487,500	
	38,561,531		\$5,596,367	\$0.15

NOTE 9 – LOSS PER SHARE

Basic loss per share is computed by dividing income available to common stockholders by the weighted-average number of shares outstanding during the period. Diluted earnings per share reflect the potential of securities that could share in our earnings. All of the common shares underlying warrants outstanding as of February 29, 2012 and February 28, 2011 were excluded from diluted weighted average shares outstanding for each of the respective years because their effects were considered anti-dilutive.

NOTE 10 – RELATED PARTY TRANSACTIONS

We have frequent transactions with related parties, employees and shareholders holding more than 10% of our outstanding common stock. Transactions involving related parties during the nine months ended February 29, 2012 were as follows:

- Notes payable due to related parties consist of \$20,000 principal due to the Chief Financial Officer, Brent E. Timmons, and \$22,000 principal due to the former Chief Executive Officer, R. David Russell. Both of these notes bear interest at 12.0% and are secured by future gold production.
- Our notes payable balance as of February 29, 2012 consisted of one note payable to Brigus Gold Corp. (“Brigus”). When this note was consummated in February 2010, the counterparty to this note was Apollo Gold Corp., a predecessor of Brigus. Our former CEO, R. David Russell, was the CEO of Apollo Gold Corp. at that time.
- From time to time, our President and Vice President of Corporate Development incur expenses on behalf of the Company and are reimbursed by us. As of February 29, 2012, included in accounts payable are amounts due to the officers as reimbursement. These amounts are not considered to be material.
- The Canadian-dollar denominated convertible debenture (Note 6) is owned by a company related to a shareholder and former director.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

There have been no material changes to our obligations as described in our annual report on Form 10-K issued in connection with the fiscal year ended May 31, 2011. We may from time to time become subject to various claims and litigation. The Company vigorously defends its legal position when these matters arise. The Company is neither a party to, nor the subject of, any material pending legal proceeding nor to the knowledge of the Company are there any such legal proceedings threatened against the Company.

The Company filed its brief in support of the petition by the September 16, 2011 due date. The SEC filed its brief in opposition by the October 17, 2011 due date and the Company filed its reply brief by the October 31, 2011 due date. Because the Petition for Review has been filed, the Initial Decision shall not become final until the Commission rules on the Petition.

The British Columbia Securities Commission ("BCSC") has issued comment letters on the Application and the Company has responded to those comments. The latest comment letter is dated October 28, 2011 and the Company has filed a response to that letter.

NOTE 12 – SUBSEQUENT EVENTS

We have evaluated all of our activity and have concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the unaudited consolidated financial statements, except as disclosed below.

Common Stock

Since February 29, 2012, we issued 625,000 shares of our restricted common stock and 312,500 warrants to purchase our common shares for net proceeds of \$50,000.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Statement Regarding Forward-Looking Statements

The following discussion and analysis should be read in conjunction with the accompanying financial statements and related notes included elsewhere in this report. It contains forward looking statements that reflect our future plans, estimates, beliefs and expected performance. The forward looking statements are dependent upon events, risks and uncertainties that may be outside our control. Our actual results could differ materially from those discussed in these forward looking statements.

In our effort to make the information in this report more meaningful, this Quarterly Report on Form 10-Q and documents incorporated by reference herein (or otherwise made by us or on our behalf) contain both historical and forward-looking statements. Such forward-looking statements are not based on historical facts, but rather reflect the current expectations of our management concerning future results and events. Forward-looking statements are generally accompanied by words such as "estimate," "project," "predict," "believe," "expect," "anticipate," "plan," "goal" or other similar words or variations that convey the uncertainty of future events or outcomes. These statements are based on the beliefs and assumptions of our management based on information currently available to us. These statements by their nature are subject to certain risks, uncertainties and assumptions and will be influenced by various factors, some of which are beyond our control. Actual results could vary materially from future results expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from the forward-looking statements include, without limitation, the following risk factors:

- our ability to execute against our plans;
- our ability to continue as a going concern;
- the possible loss of our interest in our Caribou properties if we do not meet our debt obligations;
- the potential that we will not obtain good title to our Manhattan project;
- the volatility and low trading volume of our common stock;
- our ability to secure additional capital;
- the possibility we may never achieve significant mineral production;
- the future dilution to our shareholders from future capital-raising activities and payments to employees, directors and consultants;
- the possibility our Board of Directors may issue authorized and unissued shares of common stock and preferred stock;
- the effects the penny stock rules may have on the trading of our stock;
- our dependence on a few key employees;
- the influence of a few large shareholders on our business;
- risks associated with our incorporation in Canada;
- our lack of experience in mining and selling minerals;
- operational and environmental risks associated with the mining industry;
- the effect of government regulations on our business;
- lack of clear title to our mineral prospects;
- the fact our mineral interests are not yet proven;
- fluctuation in the prices of gold and silver; and
- the limited liquidity in our common stock due to a cease trade order issued by the British Columbia Securities Commission in February 2005 and an administrative action initiated by the Securities and Exchange Commission to revoke our registration as a reporting company under the Securities Exchange Act of 1934.

All forward-looking statements speak only as of the date made. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by these cautionary statements. Except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances.

Executive Summary

We are a mineral exploration company engaged directly and indirectly through subsidiaries, in the acquisition and exploration of minerals and metals, primarily gold and silver. Our business is currently in the exploratory or exploration stage as defined by Accounting Standards Codification (“ASC”) 915-10 and SEC Industry Guide 7 and, to date, our activities have not included development or significant mining operations. Our primary property is the Caribou project (advanced exploration stage) located in Nederland, Colorado; we also have properties in Nye County, Nevada.

Recent Events

Mining and Milling Operations

During the nine months ended February 29, 2012, we began test mining operations at our Cross mine. We have begun test processing at an out of state facility. We have incurred \$706,634 in costs associated with these operations, and have generated revenues of \$83,260 for the nine months ended February 29, 2012. We need to accumulate approximately 500 tons of ore before the offsite mill will process another batch of the Cross mine ore. We had 205 tons of ore stockpiled as of February 29, 2012.

Note Payable

On January 15, 2011, we received forbearance under the terms of an agreement effectively extending the maturity date of our 8% \$10,253,878 note payable through June 30, 2011. This note was originally due on February 1, 2011 and is secured by a lien on our Caribou property. On June 8, 2011, we and Brigus Gold Corp. (“Brigus”) extended the maturity under the forbearance to October 31, 2011, under the provision that we pay Brigus at least \$1,000,000 on or before June 30, 2011, which would be applied against interest due on the promissory note covered by the Forbearance Agreement. We paid Brigus \$1,000,000 on June 8, 2011 thereby extending the maturity date to October 31, 2011. On October 24, 2011, we and Brigus further extended the maturity to December 1, 2011. In connection with this additional forbearance we paid Brigus \$200,000 which was applied against interest due on the promissory notes. As of the date of this report, we had not repaid the Brigus note nor otherwise reached an agreement to extend the note or otherwise settle it. On March 23, 2012, we received a default notice from Brigus demanding payment of all principal and interest by March 29, 2012. We are in discussion with Brigus and Brigus has not begun any legal proceedings as of the date of this report. We are in discussions with Brigus and others to negotiate the repayment of the Brigus note, however, we cannot guarantee that a satisfactory agreement will be reached between Calais and Brigus or any other parties.

Common Stock

During the quarter ended February 29, 2012, we have issued 2,250,000 shares of our restricted common stock as follows:

- 2,000,000 for cash proceeds of \$180,000
- 250,000 for consulting services valued at \$25,000

Departure of Chief Executive Officer

On February 10, 2012, R. David Russell resigned as Chief Executive Officer and Chairman of the Board for personal reasons. David K. Young, our President and COO, is serving as the interim CEO.

Interim Financial Statements

The financial information with respect to the three and nine months ended February 29, 2012 and February 28, 2012, discussed below, is unaudited. In the opinion of management, such information contains all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of the results for such periods. The results of operations for interim periods are not necessarily indicative of the results of operations for the full fiscal years.

Results of Operations

During the three months and nine months ended February 29, 2012, we generated net losses of \$601,652 and \$2,715,550, respectively, compared to net losses of \$52,683 and \$855,431 during the three and nine month prior periods ended February 28, 2011. The increases in net losses of \$548,969 (1042%) and \$1,860,119 (217%) result from the start of test mining operations at our Cross mine, as well as higher wages and benefits expense and higher consulting and professional fees in 2011 as compared to 2010, as discussed further below.

Revenues

During the three and nine months ended February 29, 2012, we recorded revenues of \$7,237 and \$83,260, respectively, our first mineral sales in our history. Revenues were from the sale of 52.6 ounces of payable gold at an offsite mill at an average price of \$1,589 per ounce of gold. The 52.6 ounces were processed from 134 dry tons of ore at a grade of 0.428 ounces per ton at a 96% recovery rate. The revenues from the three months ended February 29, 2012 were from stockpiles already delivered to an offsite mill and we need to accumulate approximately 500 tons of ore before the offsite mill will process another batch of our ores. We had 205 tons of ore stockpiled as of February 29, 2012.

Costs applicable to Sales

During the prior quarter ended November 30, 2011, we resumed test mining operations at our Cross mine. Consequently, for the three and nine months ended February 29, 2012, we incurred costs applicable to sales of \$159,431 and \$706,634, respectively, as compared to \$nil in the corresponding 2011 periods. The increase in costs applicable to sales increased during the 2012 period as we began ore extraction on our Cross mine property. Included in these costs are waste ore removal and mine development costs that must be expensed immediately under generally accepted accounting principles in the U.S. since we report no proven or probable reserves.

General and Administrative Expense

For the three and nine months ended February 29, 2012, general and administrative expense was \$307,815 and \$1,542,306, respectively, as compared to \$1,034,855 and \$1,668,883 in the corresponding 2011 fiscal periods. The decreases of \$727,040 (70%) and \$126,577 (8%) were the result of higher costs in the prior year for fund raising activities and for accounting costs as we began the process of attempting to regain compliance with SEC reporting requirements as discussed further below.

Consulting and professional fees. For the three and nine months ended February 29, 2012, consulting and professional fees were \$68,286 and \$533,023, respectively, compared to \$837,161 and \$1,231,345 in the corresponding 2011 fiscal periods. The respective decreases in fiscal 2012 of \$837,161 (92%) and \$1,231,345 (57%) is related primarily to fundraising activities that took place in the prior year through outside consultants and accounting and legal services as we began the process of attempting to regain compliance with our SEC and Canadian reporting requirements and we hired a CFO and additional accounting staff to manage some of those accounting functions in house.

Wages and benefits expense. For the three and nine months ended February 29, 2012, wages and benefits expense amounted to \$298,192 and \$823,537, respectively, compared to \$104,566 and \$266,783 in the corresponding 2011 fiscal periods. The increases are a result of the addition of our CEO and Chairman of the Board in January 2011 and renegotiating certain officer's contracts in September 2011, which included the recognition of a full calendar year of accrued vacation as of February 29, 2012 for those officers. Additionally, we added our CFO and other accounting staff while we discontinued using outside services for accounting and financial statement preparation.

Other Income and Expenses

Gain on sale of assets. During the nine months ended February 29, 2012, the Company sold fully depreciated and idle assets for \$156,500 in cash proceeds. The Company recognized the full amount as a gain on sale of assets in its first quarter financial statements, due to the write-down and full depreciation of all assets to zero in prior periods.

Interest and financing fees. For the three and nine months ended February 29, 2012 and February 28, 2011, interest and financing fees were \$206,884 and \$617,782, respectively, compared to \$203,227 and \$626,649 in the corresponding 2011 periods. The interest is related to the Brigus notes.

Liquidity

Because we have not yet commenced our intended primary operations and are not yet generating significant revenues from any source, our liquidity is completely reliant on our ability to generate cash through capital-raising activities. During the nine months ended February 29, 2012, we issued 13,626,668 shares of our common stock for cash proceeds of \$1,678,500.

Net cash flows from operating, investing and financing activities for the nine months ended February 29, 2012 and February 28, 2011 were as follows:

	<u>2012</u>	<u>2011</u>
Net cash used in operating activities	\$ (2,669,697)	\$ (1,365,113)
Net cash provided by (used in) investing activities	\$ 140,365	\$ (5,464)
Net cash provided by financing activities	\$ 1,663,307	\$ 2,118,273

As of February 29, 2012, we had a working capital deficit of \$11.8 million and cash of \$47,157 while at May 31, 2011 we had a working capital deficit of \$11.6 million and cash of \$913,182. The working capital deficits are primarily attributable to the fact that we have no significant revenues from operations and continue to incur expenses. We do not expect our working capital deficit to decrease significantly or cash balance to increase significantly in the near future.

Net cash used in operating activities. Net cash used in operating activities of \$2,669,697 and \$1,365,113 for the nine months ended February 29, 2012 and February 28, 2011, respectively, are attributable to our net income adjusted for non-cash charges as presented in the consolidated statements of cash flows and changes in working capital as discussed above.

Net cash provided by investing activities. Net cash provided by (used in) investing activities of \$140,365 and (\$5,464) for the nine months ended February 29, 2012 and February 28, 2011, respectively, resulted primarily from the 2011 sale of fully depreciated and idle equipment.

Net cash provided by financing activities. Net cash provided by financing activities of \$1,663,307 and \$2,118,273 for the nine months ended February 29, 2012 and February 28, 2011, respectively, was primarily related to proceeds received from the sale of common stock, partially offset by repayments on convertible debentures.

Going Concern

The report of our independent registered public accounting firm on the financial statements as of and for the year ended May 31, 2011, includes an explanatory paragraph relating to the significant doubts about our ability to continue as a going concern. As of February 29, 2012, we had an accumulated deficit of \$50.2 million and have a working capital deficit of approximately \$11.8 million. We require significant additional funding to commence our plan of operation. Our ability to establish ourselves as a going concern is dependent upon our ability to obtain additional funding in order to finance our planned operations. If we are unable to raise funds to repay or to otherwise settle the Brigus note, we will need to curtail current test mining activities at the Cross mine.

Plan of Operation

For the remainder of our 2012 fiscal year and into 2013, our primary goals are to regain compliance with the SEC and British Columbia Securities Commission ("BCSC") so that we can apply for a revocation of a 2004 Cease Trade Order from the BCSC. We intend to continue to raise capital so that we may further explore extraction from our properties which began in August 2011, thereby bringing us out of the exploration stage. We cannot anticipate our

exact cash requirements for the remainder of the fiscal year. We currently have delinquent debt obligations of approximately \$10.5 million principal and interest that was due December 1, 2011 to Brigus and we require a significant amount of capital to continue test mining at our Cross mine. We are in discussions with Brigus and others to negotiate the repayment of the Brigus note, however, we cannot guarantee that a satisfactory agreement will be reached between Calais and Brigus or any other parties. In addition, we have ongoing lease payments on our mining properties and general and administrative expenses coupled with compliance related expenses. We will continue to need to raise capital to fund our operations and to continue to exist.

Off-Balance Sheet Arrangements

We do not have off-balance sheet arrangements.

Critical Accounting Policies and Estimates

For a discussion of accounting policies that we consider critical to our business operations and understanding of our results of operations, and that affect the more significant judgments and estimates used in the preparation of our unaudited condensed consolidated financial statements, see Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies” contained in our annual report on Form 10-K for the year ended May 31, 2011 and incorporated by reference herein.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Not required by Form 10-Q for Smaller Reporting Companies.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), are our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms.

During the fiscal period covered by this report, our management, with the participation of the Principal Executive Officer and Principal Financial Officer of the Company, carried out an evaluation of the effectiveness of the design and operation of our disclosure controls as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our Principal Executive Officer and Principal Financial Officer concluded that, as of February 29, 2012, our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the required time periods and are designed to ensure that information required to be disclosed is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended February 29, 2012 that has materially affected, or is reasonably likely to affect, our increased our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

There have been no changes to the disclosure contained in our annual report on Form 10-K for the fiscal year ended May 31, 2011, except as follows:

Securities and Exchange Commission Proceedings

The United States Securities and Exchange Commission (“SEC”) issued an order suspending trading in the common stock of Calais Resources Inc. (the “Company”) for the period from February 24, 2011 through March 9, 2011 because it had been delinquent in the filing of periodic reports since 2004. Also on February 24, 2011, the SEC issued an order instituting public administrative proceedings against the Company pursuant to Section 12(j) of the Securities Exchange Act of 1934 (the “Exchange Act”) to suspend for a period not exceeding twelve months or revoke the registration of the Company’s common stock under Section 12 of the Exchange Act.

On July 25, 2011, the Administrative Law Judge issued an Initial Decision ordering revocation of the registration of the Company’s common stock under the Exchange Act.

On August 12, 2011, the Company filed a Petition for Review of the Initial Decision with the SEC. On August 17, 2011, the SEC granted the Company’s petition for review and the Company filed its brief in support of the petition by the September 16, 2011 due date. The SEC filed its brief in opposition by the October 17, 2011 due date and the Company filed its reply brief by the October 31, 2011 due date. Because the Petition for Review has been filed, the Initial Decision shall not become final until the Commission rules on the Petition.

British Columbia Securities Commission Proceedings

The Company filed a Revocation Application under National Policy 12-202 with the British Columbia Securities Commission (“BCSC”), seeking to revoke the cease trade order that has been in place since February 2005. The BCSC has issued comment letters on the Application and the Company has responded to those comments. The latest comment letter is dated October 28, 2011 and the Company has filed a response to that letter.

ITEM 1A. RISK FACTORS.

An investment in our common stock involves a number of significant risks. There have been no material changes to the risk factors contained in our Annual Report on Form 10-K for the year ended May 31, 2011. We caution the reader to carefully consider such risk factors, which are more thoroughly described in the section entitled “Risk Factors” under Item 1A of our Annual Report on Form 10-K for the year ended May 31, 2011 as well as any other Risk Factors described in subsequent filings with the Securities and Exchange Commission.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Date of Sale	Name of Purchaser	Title of Securities	Shares of Stock	Warrants			Consideration (\$)
				Number of Warrants	Exercise Prices	Expiration Date	
12/11	1 consultant	Common Stock	250,000	125,000	\$0.30	12/12	25,000 (a)
12/11	1 accredited investors	Common Stock	1,000,000	500,000	\$0.20	12/12	100,000 (b)
02/12	3 accredited investors	Common Stock	1,000,000	500,000	\$0.20	02/15	80,000 (b)

(a) Issued as compensation for consulting services.

(b) Issued for cash consideration.

We relied upon the exemption from registration contained in Section 4(2) of the Securities Act, as these persons were deemed to be sophisticated with respect to the investment in the securities due to their financial condition and involvement in our business and had access to the kind of information which registration would disclose.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES

We are the operator of the Cross mine, which includes an underground mine located in Nederland, Colorado. We are currently performing test mining and evaluating the development of the mine for production. We have had no mine safety violations or other regulatory matters to report.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

<u>Exhibit Number</u>	<u>Description</u>
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act.
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act.
32	Certification of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted, pursuant to Section 906 of the Sarbanes-Oxley Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CALAIS RESOURCES, INC.

April 23, 2012

By: /s/ David K. Young
David K. Young
President, Chief Operating Officer

April 23, 2012

By: /s/ Brent E. Timmons
Brent E. Timmons
Vice President of Finance and Chief Financial Officer

EXHIBIT 31.1

**CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, David K. Young, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Calais Resources, 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 officer 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.
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.

Date: April 23, 2012

/s/ David K. Young

David K. Young
President, Chief Operating Officer
(Principal Executive Officer)

EXHIBIT 31.2

**CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brent E. Timmons, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Calais Resources, 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 officer 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.
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.

Date: April 23, 2012

/s/ Brent E. Timmons

Brent E. Timmons
Vice President of Finance and Chief Financial Officer

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350 AS ADOPTED BY
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the report on Form 10-Q of Calais Resources, Inc. (the "Company") for the quarter ended February 29, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies, pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) 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 Company.

Date: April 23, 2012

/s/ David K. Young

David K. Young
President, Chief Operating Officer

Date: April 23, 2012

/s/ Brent E. Timmons

Brent E. Timmons
Vice President of Finance and Chief Financial Officer