NEWBRIDGE CAPITAL INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2011

MANNING ELLIOTT
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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Newbridge Capital Inc.

We have audited the accompanying financial statements of Newbridge Capital Inc. which comprise the balance sheets as at March 31, 2011 and 2010, and the statements of operations, comprehensive loss and deficit and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Newbridge Capital Inc. as at March 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter
We draw attention to Note 1 to these financial statements which describes the uncertainty related to the ability of Newbridge Capital Inc. to operate as a going concern in the future. Our opinion is not qualified in respect of this matter.

Manning Elliott LLP

CHARTERED ACCOUNTANTS

Vancouver, British Columbia

July 27, 2011

NEWBRIDGE CAPITAL INC.

BALANCE SHEETS

AS AT MARCH 31, 2011 AND 2010

	2011	2010
ASSETS		
CURRENT ASSETS		
Cash	$ 39,964	$ 396,014
Amounts receivable	4,020	2,335
Prepaid expenses and others	3,726	-
	47,710	398,349
MINERAL PROPERTY RECLAMATION BOND (Note 4)	5,000	
MINERAL PROPERTY (Note 5)	437,955	115,000
	$ 490,665	$ 513,349
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 46,788	$ 22,627
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 6)	667,682	666,277
CONTRIBUTED SURPLUS (Note 6)	128,914	56,933
DEFICIT	(352,719)	(232,488)
	443,877	490,722
	$ 490,665	$ 513,349

NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS (Note 1)

COMMITMENT (Note 12)

SUBSEQUENT EVENTS (Note 13)

Approved on Behalf of the Board:

"Alf Sanderson" Director

"Jonathan Younie" Director

The accompanying notes are an integral part of these financial statements

NEWBRIDGE CAPITAL INC.

STATEMENTS OF OPERATIONS, COMPREHENSIVE LOSS AND DEFICIT

FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

	2011	2010
EXPENSES		
Filing and transfer agent fees	$ 15,574	$ 23,657
Insurance	4,467	-
Office	64,808	9,302
Professional fees	19,295	91,250
Stock-based compensation	54,682	-
LOSS BEFORE INCOME TAXES	(158,826)	(124,209)
INCOME TAXES		
Future income tax recovery	38,595	-
NET LOSS AND COMPREHENSIVE LOSS	(120,231)	(124,209)
DEFICIT, BEGINNING OF YEAR	(232,488)	(108,279)
DEFICIT, END OF YEAR	$ (352,719)	$ (232,488)
NET LOSS PER SHARE, basic and diluted	$ (0.02)	$ (0.04)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	7,860,411	3,373,288

The accompanying notes are an integral part of these financial statements

NEWBRIDGE CAPITAL INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED MARCH 31, 2011 AND 2010

	2011	2010
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Net loss	$ (120,231)	$ (124,209)
Items not involving cash:		
Future income tax recovery	(38,595)	-
Stock-based compensation expense	54,682	-
Change in non-cash working capital items		
(Increase) decrease in amounts receivable	(1,685)	6,372
Increase in prepaid expenses	(3,726)	-
Increase in accounts payable and accrued liabilities	24,161	12,493
	(85,394)	(105,344)
FINANCING ACTIVITY		
Proceeds from shares issued, net	-	266,076
INVESTING ACTIVITIES		
Mineral property expenditures	(265,656)	(100,000)
Reclamation bond	(5,000)	-
	(270,656)	(100,000)
INCREASE (DECREASE) IN CASH	(356,050)	60,732
CASH, BEGINNING OF YEAR	396,014	335,282
CASH, END OF YEAR	$ 39,964	$ 396,014
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	$ -	$ -
Income tax paid	$ -	$ -
NON-CASH TRANSACTION		
Shares issued for mineral property option payments	$ 40,000	$ 15,000
Warrants issued for mineral property option payments	$ 17,299	$ -

The accompanying notes are an integral part of these financial statements

1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS

Newbridge Capital Inc. (the "Company") was incorporated under the Business Corporations Act of British Columbia on September 12, 2005. The Company was a Capital Pool Company as defined by Policy 2.4 of the TSX Venture Exchange (the "Exchange"), until March 12, 2010 when the Exchange approved the Qualifying Transaction of the Company to acquire 100% interest in the Treadwell-Allies Property from Treadwell, and the Company's shares were listed for trading on the TSX-V.

The Company is in the process of exploring its mineral property and has not yet determined whether the property contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral property is dependent upon the discovery of economically recoverable reserves, completion of payments required to obtain the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of its property, and upon future profitable production or proceeds from the disposition of the property.

At March 31, 2011, the Company has not achieved profitable operations, has working capital of $922 and has an accumulated deficit of $352,719 and expects to incur further losses in the development of its business. The Company's ability to continue its operations, develop its mineral property and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. Although the Company has been successful in raising funds for operations by the issuance of equity in the past, there is no certainty that it will continue to be able to do so in the future.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The financial statements are prepared in accordance with Canadian generally accepted accounting principles.

(b) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions may affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of management estimates include the recoverable value of mineral property, the recognition of contingent liabilities and the determination of future income tax assets and liabilities, and assumptions used in valuing options in stock-based compensation calculations. Actual results could differ from the estimates and assumptions used.

(c) Cash and cash equivalents

The Company considers all highly liquid instruments with original maturities of three months or less on the date of purchase to be cash equivalents. Cash equivalents are carried at cost, plus accrued interest, which approximates fair value.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Mineral properties

All costs related to the acquisition, exploration and development of mineral properties are capitalized. Upon commencement of commercial production, the related accumulated costs are amortized to income using the unit of production method over estimated recoverable ore reserves. Management periodically assesses carrying values of non-producing properties and if management determines that the carrying values cannot be recovered or the carrying values are related to properties that have lapsed, the unrecoverable amounts are expensed.

The recoverability of the carried amounts of mineral properties is dependent on the existence of economically recoverable ore reserves and the ability to obtain the necessary financing to complete the development of such ore reserves and the success of future operations. The Company has not yet determined whether any of its resources properties contains economically recoverable reserves. Amounts capitalized as mineral properties represent costs incurred to date, less write-downs and recoveries, and does not necessarily reflect present or future values.

When options are granted on mineral properties or properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

(e) Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset costs may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(f) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are expensed.

(g) Stock-based compensation

The Company applies the fair value method to stock-based payments for all awards that are direct awards of stock, that call for settlement in cash or other assets or are stock appreciation rights that call for settlement by the issuance of equity instruments. Compensation expense is recognized over the applicable vesting period with a corresponding increase in contributed surplus. When the options are exercised, the exercise price proceeds together with the amount initially recorded in contributed surplus are credited to share capital.

(h) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Future income tax assets and liabilities are determined based on temporary differences between the accounting and taxes bases for existing assets and liabilities, and are measured using the tax rates expected to apply when these differences reverse. A valuation allowance is recorded against any future income tax asset if it is more likely than not that the asset will not be realized.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Income taxes (continued)

The Company follows CICA Emerging Issues Committee Abstract 146 *Flow-Through Shares*. Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures, to the shareholders. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, a future income tax liability is recognized for the net tax effect of the deductions renounced, and share capital is reduced.

If the Company has sufficient unrecognized tax losses carried forward or other unrecognized future income tax assets to offset all or part of this future income tax liability, a portion of such unrecognized future income tax assets is recorded as a future income tax recovery up to the amount of the future income tax liability that would otherwise be recognized.

(i) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

(j) Financial instruments

The Company classifies financial assets and liabilities as held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition, except for those arising from certain related party transactions which are accounted for at the transferor's carrying amount or exchange amount in accordance with the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3840, *Related Party Transactions*.

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income. The Company has elected to expense transaction costs related to financial instruments.

(k) Comprehensive loss

Comprehensive loss reflects net loss and other comprehensive loss for the period. Other comprehensive loss includes changes in unrealized foreign currency translation amounts arising from self-sustaining foreign operations, unrealized gains and losses on available-for-sale assets, and changes in the fair value of derivatives designated as cash flow hedges to the extent they are effective. As the Company does not have items comprising other comprehensive loss, the Company's net loss is the same as the comprehensive loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset costs may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(m) Asset retirement obligations

Liability is recognized for retirement obligations associated with the Company's mineral properties. The standard requires the Company to recognize the fair value of the liability for an asset retirement obligation in the period in which it is incurred and record a corresponding increase in the carrying value of the related long-lived asset. Fair value is estimated using the present value of the estimated future cash outflows. The liability is subsequently adjusted for the passage of time, and is recognized as an accretion expense in the statements of operations. The increase in the carrying value of the asset is amortized on the same basis as the mineral properties. As at March 31, 2011 and 2010, the Company did not have any asset retirement obligations.

3. RECENT ACCOUNTING PRONOUNCEMENTS NOT ADOPTED

In January 2009, the Accounting Standards Board ("AcSB") issued CICA Handbook Section 1582, *Business Combinations*, which replaces Section 1581, *Business Combinations*. The AcSB also issued Section 1601, *Consolidated Financial Statements*, and Section 1602, *Non-Controlling Interests*, which replace Section 1600, *Consolidated Financial Statements*. These new sections are based on the International Accounting Standards Board's ("IASB") International Financial Reporting Standard 3, *Business Combinations*. These new standards replace the existing guidance on business combinations and consolidated financial statements. These new standards require that most assets acquired and liabilities assumed, including contingent liabilities, to be measured at fair value and all acquisition costs to be expensed. These new standards also require non-controlling interests to be recognized as a separate component of equity and net earnings to be calculated without a deduction for non-controlling interests. The objective of these new standards is to harmonize Canadian accounting for business combinations with the international and U.S. accounting standards. The new standards are to be applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011, with earlier application permitted. Assets and liabilities that arose from business combinations whose acquisition dates preceded the application of the new standards will not be adjusted upon application of these new standards. The Non-Controlling Interests standard should be applied retrospectively except for certain items. The Company does not expect that the adoption of these standards will have a material impact on its Financial Statements.

In February 2008, the AcSB adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canadian GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company anticipated an IFRS transition date of April 1, 2011 which will require the restatement for comparative purposes of amounts reported by the Company for the year ended March 31, 2011. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

4. RECLAMATION BOND

The $5,000 reclamation bond is in the form of a BMO Bank of Montreal Safe Keeping Agreement. The amount will be held by BMO Bank of Montreal until such time as the Company reclaims the surface of the land affected by the Treadwell project exploration program. At that time the Company can apply to the BC Ministry of Mines to have the amount refunded.

5. MINERAL PROPERTY

Mineral Property Continuity Schedule
For the year ended March 31, 2011

		Treadwell
Acquisition costs		
Balance, as at March 31, 2010	$	115,000
Additions during the year		82,299
Balance, as at March 31, 2011		197,299
Deferred exploration costs		
Balance, as at March 31, 2010		-
Additions during the year:		
Geophysics		6,000
Drilling		211,007
Assays		15,804
Mineral property tenure		7,846
Balance, as at March 31, 2011		240,656
Total at March 31, 2011	$	437,955

Mineral Property Continuity Schedule
For the year ended March 31, 2010

		Treadwell
Acquisition costs		
Balance, as at March 31, 2009	$	-
Additions during the year		115,000
Balance, as at March 31, 2010		115,000
Total at March 31, 2010	$	115,000

On October 30, 2009, the Company signed an arm's length option agreement (the "Option Agreement") with Treadwell Resources Ltd. ("Treadwell") pursuant to which the Company has been granted an option (the "Option") to earn a 100% undivided interest in the Treadwell Project located in the Southern edge of the Tranquille Plateau, Kamloops mining district, British Columbia, Canada (the "Project").

Under the terms of the Option Agreement, the Company can acquire a 100% interest in the Project, less a 2% Net Smelter Return Royalty (NSR), by making Option payments totaling $250,000 and issuing 1,050,000 Units valued at $0.06 per unit of the Company to Treadwell and incurring an aggregate of at least $850,000 of expenditures on the Property. Each unit consisted of one common

5. MINERAL PROPERTY (continued)

share of the Company valued at $0.06 per unit and one share purchase warrant, each warrant entitling the holder to purchase one additional share for a period of two years from the date of issuance at a price equal to 200% of the 10-day average closing price of the shares ending on the trading day preceding the date of issuance of the units subject to any minimum price requirements of the Exchange.

Specific details of payments and units to be issued in the Option Agreement are as follows:

Date for Completion	Option Payment	Number of Units	Exploration Expenditures
Execution of letter of intent (October 30, 2009) - paid	$ 25,000	Nil	$ Nil
Exchange approval date (March 12, 2010) - issued	75,000	250,000	Nil
1st anniversary of approval date (March 12, 2011) – issued and paid	25,000	200,000	200,000
2nd anniversary of approval date (March 12, 2012)	30,000	200,000	200,000
3rd anniversary of approval date (March 12, 2013)	40,000	200,000	200,000
4th anniversary of approval date (March 12, 2014)	55,000	200,000	250,000
Total	$250,000	1,050,000	$850,000

The Company shall have the option (the "Buy-Out Option") to purchase for an aggregate consideration of $1,000,000 for one half of the NSR, namely one percent, thereby reducing Treadwell's NSR to one percent. The Buy-Out Option may be exercised by the Company at any time on or before the first anniversary of the date of commencement of commercial production from the Project.

6. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value.

(b) Issued and fully paid

	Number of Shares	Amount
Balance, March 31, 2009	3,100,000	$ 385,201
Private placement of flow-through shares	4,500,000	270,000
Shares issued for property option payment (Note 5)	250,000	15,000
Share issuance costs	-	(3,924)
Balance, March 31, 2010	7,850,000	$ 666,277
Shares issued for property option payment (Note 5)	200,000	40,000
Renunciation of tax benefits to flow-through shares	-	(38,595)
Balance, March 31, 2011	8,050,000	$ 667,682

Concurrent with the closing of the Qualifying Transaction in 2010, the Company completed a private placement of $270,000 to finance mineral property option costs, and issued 2,573,000 flow-through units and 1,927,000 non-flow-through units at a price of $0.06 per unit respectively. Each flow-through unit was comprised of one flow through common share and one share purchase warrant entitling the holder to acquire one additional common share for a period of five years at a price of $0.12. Each non-flow-through unit was comprised of one common share and one share purchase warrant entitling the holder to acquire one additional common share for a period of five years at a price of $0.12. The units issued in the Qualifying Transaction were valued at $0.06 per unit which is the same amount received in the private placement.

6. SHARE CAPITAL (continued)

(c) Share Purchase Warrants

A summary of the Company's share purchase warrants is as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, March 31, 2009	200,000	$	0.20
Expired	(200,000)		0.20
Issued	4,750,000		0.12
Balance, March 31, 2010	4,750,000	$	0.12
Issued	200,000		0.40
Balance, March 31, 2011	4,950,000	$	0.13

Share purchase warrants outstanding are summarized as follows

Number of Warrants	Exercise Price	Expiry Date
250,000	$ 0.12	March 12, 2012
200,000	0.40	March 12, 2013
4,500,000	0.12	March 11, 2015
4,950,000		

(d) Contributed Surplus

Balance, March 31, 2009 and 2010	$	56,933
Stock-based compensation		54,682
Warrants issued for property option payment (Note 5)		17,299
Balance, March 31, 2011	$	128,914

The fair value of the warrants issued for property option payment (Note 5) have been estimated using the Black-Scholes option pricing model using the following assumptions: risk-free interest rate of 1.75%, dividend yield of $nil, volatility of 113%, and an expected life of 2 years. The fair value of the warrants were valued at $17,299.

(e) Escrow Shares

At March 31, 2011 a total of 660,000 common shares issued and outstanding were held in escrow. Pursuant to an escrow agreement effective on the initial public offering, 10% of the escrowed shares were released on the issuance of the Final Exchange Bulletin for the TSX Venture Exchange's acceptance of a Qualifying Transaction, and 15% will be released every six months thereafter for a period of thirty-six months.

7. STOCK OPTION PLAN

The Company has adopted a stock option plan applicable to directors, employees, and consultants, under which the total outstanding stock options are limited to 10% of the outstanding common shares of the Company at any one time. Under the plan, the exercise price of an option shall not be less than the discounted market price at the time of granting, or as permitted by the policies of the Exchange, and an option's maximum term is five years from the grant date.

	Number of Options	Weighted Average Exercise Price
Balance, March 31, 2009	310,000	$0.20
Forfeited	(93,000)	0.20
Balance, March 31, 2010	217,000	$0.20
Granted	400,000	0.165
Expired	(95,821)	0.20
Forfeited	(121,179)	0.20
Balance, March 31, 2011	400,000	$0.165

At March 31, 2011, the Company had 400,000 options outstanding and exercisable with a weighted average contract life remaining of 4.4 years (March 31, 2010: 1.33 years).

Number of Options	Exercise Price	Expiry Date
400,000	$0.165	August 23, 2015

During the year ended March 31, 2011, the Company granted 400,000 options with an exercise price of $0.165 to directors of the Company. The fair value of the 400,000 options, granted and fully vested on the grant date, has been estimated using the Black-Scholes option pricing model to be $54,682. The amount was expensed to operations as stock-based compensation and was included in contributed surplus (Note 6(d)). For purposes of the calculation, the following weighted average assumptions were used under the Black-Scholes option pricing model:

	2011	2010
Risk-free interest rate	1.87%	N/A
Expected life of options	5 years	N/A
Annualized volatility	120%	N/A
Dividend rate	0.00	N/A

8. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	2011	**2010**
Canadian statutory income tax rate	28.01%	30.75%
Income tax recovery at statutory rate	$ 44,482	$ 38,199
Effect of income taxes of:		
Permanent differences	(24,802)	1,207
Change in income tax rates	2,031	(7,372)
Increase in valuation allowance	16,884	(32,033)
Income tax recovery	$ 38,595	$ -

Significant components of the Company's future income tax assets are shown below:

	2011	**2010**
Non-capital loss	$ 96,268	$ 64,786
Mineral property	(42,920)	-
Share issuance costs	5,838	11,284
Less: Valuation allowance	(59,186)	(76,070)
Net future income tax assets	$ -	$ -

At March 31, 2011, the Company had approximately $385,100 of non-capital loss carry forwards available to reduce taxable income for future years. These losses expire as follows:

2027	$ 5,800
2028	49,600
2029	57,700
2030	146,000
2031	126,000
	$ 385,100

In assessing the realizability of future income tax assets, management considers whether it is more likely than not that some portion of all of the future income tax assets will not be realized. The ultimate realization of future income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of future income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

9. FINANCIAL INSTRUMENTS AND RISK

Financial Instruments

As at March 31, 2011, the Company's financial instruments consist of cash and accounts payable.

Under Canadian generally accepted accounting principles, financial instruments are classified into one of the following categories: held for trading, held-to-maturity investments, available-for-sale, loans and receivables and other financial liabilities. The Company classifies its cash as held-for-trading and its accounts payable as other financial liabilities.

The following table summarizes information regarding the carrying values of the Company's financial instruments:

		March 31, 2011		March 31, 2010
Held for trading (i)	$	39,964	$	396,014
Other financial liabilities (ii)	$	36,787	$	22,627

(i) Cash
(ii) Accounts payable

Fair Value

The estimated fair values of cash and accounts payable approximate their respective carrying values due to the immediate or short period to maturity. For fair value estimates the Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in CICA Handbook section 3862 *Financial Instruments –Disclosures*:

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - Significant unobservable inputs which are supported by little or no market activity.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy at March 31, 2011:

		Level 1		Level 2		Level 3		Total
Cash	$	39,964	$	-	$	-	$	39,964

9. FINANCIAL INSTRUMENTS AND RISK (continued)

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with high credit quality financial institutions.

Liquidity Risk

The Company ensures its holding of cash is sufficient to meet its short-term general and administrative expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits. The Company ensures that it has sufficient capital to meet its short-term financial obligations.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is exposed to interest rate risk. The Company manages its interest rate risk by obtaining the best commercial deposit interest rates available in the market by the major Canadian financial institutions.

Market Risk and Foreign Exchange Rate Risk

Market risk and foreign exchange rate risk are the risks that the fair value of, or future cash flows from, financial instruments will significantly fluctuate due to changes in market prices or foreign exchange rates. In management's opinion the Company is not exposed to market risk or foreign exchange rate risk.

10. RELATED PARTY TRANSACTIONS

During the year, administrative services of $20,000 (2010 - $4,000) and rent of $5,000 (2010 - $1,000) were paid to a company in which the former Vice-President was an officer.

The above transaction, occurring in the normal course of operations, are measured at the exchange amount, which is the consideration established and agreed to by the related parties and are on terms and conditions similar to non-related parties.

11. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its properties and to maintain flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of share capital as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash. Management reviews the capital structure on an ongoing basis and believes that this approach, given the relative size of the company, is reasonable. The Company is not subject to externally imposed capital requirements.

12. COMMITMENT

The Company is committed to pay cash, issue units and incur exploration development expenditures in connection with the Option Agreement as described in Note 5.

13. SUBSEQUENT EVENTS

Subsequent to March 31, 2011 the Company issued 200,000 common shares upon the exercise of 200,000 incentive stock options for gross proceeds of $33,000.