NEWBRIDGE CAPITAL INC.

Condensed Consolidated Interim Financial Statements
(Expressed in Canadian dollars)

Three Months Ended June 30, 2011 and June 30, 2010
(Unaudited)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying un-audited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Vancouver, Canada

September 28, 2011

NEWBRIDGE CAPITAL INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(unaudited)
As at June 30, 2011, March 31, 2011 and April 1, 2010

	As at June 30, 2011	As at March 31, 2011	As at April 1, 2010
	$	$	$
ASSETS			
Current Assets			
Cash	16,381	39,964	396,014
Amounts receivable	7,282	4,020	2,335
Prepaid expenses and others	1,684	3,726	-
Total Current Assets	25,347	47,710	398,349
Mineral property reclamation bond	5,000	5,000	-
Mineral properties	444,541	437,955	115,000
TOTAL ASSETS	474,888	490,665	513,349
LIABILITIES and SHAREHOLDER'S EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	17,077	46,788	22,627
TOTAL LIABILITIES	17,077	46,788	22,627
SHAREHOLDER'S EQUITY			
Share capital	728,023	667,682	666,277
Contributed surplus	101,573	128,914	56,933
Deficit	(371,785)	(352,719)	(232,488)
TOTAL SHAREHOLDER'S EQUITY	457,811	443,877	490,722
TOTAL LIABILITIES and SHAREHOLDER'S EQUITY	474,888	490,665	513,349

NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS (Notes 1 and 2)
COMMITMENT (Note 12)
SUBSEQUENT EVENTS (Note 13)

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

Approved on Behalf of the Board:

"Alf Sanderson" Director

"Jonathan Younie" Director

NEWBRIDGE CAPITAL INC.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME/ LOSS AND COMPREHENSIVE INCOME/LOSS (unaudited)
For the three months ended June 30, 2011 and 2010

	For the Three Months Ended, June 30	
	2011	**2010**
	$	**$**
EXPENSES		
Filing and transfer agent fees	1,023	1,177
Insurance	2,043	-
Office and expenses	15,279	16,005
Professional fees	721	-
Total Expenses	(19,066)	(17,182)
Net Loss for the Period	(19,066)	(17,182)
Deficit, Beginning Of Period	(352,719)	(232,488)
Deficit, End Of Period	(371,785)	(232,488)
Basic And Diluted Loss Per Share Outstanding, Continuing Operations	(0.00)	(0.00)
Weighted Average Number Of Shares Outstanding	8,206,044	7,850,000

NEWBRIDGE CAPITAL INC.
CONDENSED INTERIM STATEMENT OF CASH FLOWS (unaudited)
For the three months ended June 30, 2011 and 2010

		For the Three Months Ended, June 30	
		2011	2010
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss) for the year		(19,066)	(17,183)
Changes in non-cash working capital items:			
(Increase) decrease in receivables		(3,262)	(1,409)
(Increase) decrease in prepaid expenses		2,043	-
Decrease in accounts payable and accrued liabilites		(29,711)	(18,353)
Cash used in operating activities		(49,997)	(36,944)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of capital		33,000	-
Cash provided by (used) in financing activities		33,000	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Mineral propery expenditures		(6,586)	(6,120)
Reclamation bond		-	-
Cash provided by (used) in investing activities		(6,586)	(6,120)
Increase (Decrease) in cash during the period		(23,583)	(43,064)
Cash, beginning of the period		39,964	396,014
Cash, end of the period		16,381	352,950
SUPPLEMENTAL CASH FLOW INFORMATION			
Interest paid	$	-	-
Income tax paid	$	-	-
NON-CASH TRANSACTION			
Shares issued for mineral property option payments	$	40,000	-
Warrants issued for mineral property option payments	$	17,299	-

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

NEWBRIDGE CAPITAL INC.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (unaudited)
For the three months ended June 30, 2011 and June 30, 2010

Date	Number of Shares	Capital Stock	Contributed Surplus	Deficit	Total Equity
Balance, March 31, 2010	7,850,000	666,277	56,933	(232,488)	490,722
Net Loss and Comprehensive Loss for the period		-	-	(17,182)	(17,182)
Balance, June 30, 2010	7,850,000	666,277	56,933	(249,670)	473,540
Balance, March 31, 2011	8,050,000	667,682	128,914	(352,719)	443,877
Exercise of Stock Options	200,000	33,000	-	-	33,000
Fair Value of options exercised		27,341	(27,341)	-	-
Net Loss and Comprehensive Loss for the period		-	-	(19,066)	(19,066)
Balance, June 30, 2011	8,250,000	728,023	101,573	(371,785)	457,811

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

1. CORPORATE INFORMATION

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 address of the Company's corporate office and principal place of business is # 530 – 625 Howe Street, Vancouver, British Columbia, V6C 2T6

2. BASIS OF OPERATIONS

(a) Statement of Compliance

The consolidated financial statements of the Company for the year-ending March 31, 2012 will be prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), having previously prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian GAAP"). These condensed interim financial statements for the three month period ended June 30, 2011 have been prepared in accordance with IAS 34 Interim Financial Reporting, and as they are part of the Company's first IFRS annual reporting period, IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied.

As these condensed interim financial statements are the Company's first financial statements prepared using IFRS, certain disclosures that are required to be included in annual financial statements prepared in accordance with IFRS that were not included in the Company's most recent annual financial statements prepared in accordance with pre-changeover Canadian GAAP have been included in these financial statements for the comparative annual period. However, these condensed interim financial statements do not include all of the information required for full annual financial statements.

These condensed interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2011. The explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in Notes 14 and 15. The condensed interim financial statements were authorized for issue by the Board of Directors on Sept 28, 2011.

(b) Basis of Presentation and Measurement

These condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

2. BASIS OF OPERATIONS (Contd.)

(c) Going Concern of Operations

At June 30, 2011, the Company has not achieved profitable operations, has working capital of $8,270 and has an accumulated deficit of $371,785 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.

The Company is in the process of exploring its mineral property and has not yet determined whether the property contains 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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents:

Cash and cash equivalents include all cash accounts, which are not subject to withdrawal restrictions or penalties, and all short-term highly-liquid investments with original maturities to the holder of three months or less, and which can be converted into known amounts of cash.

(b) Mineral properties:

The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain reserves that are economically recoverable. The cost of acquiring mineral properties and exploration expenditures are deferred until such time as the mineral properties are placed into production or the prospect is determined by management to be impaired or abandoned; at that time the deferred acquisition costs are amortized on a unit-of-production basis or written off.

Title to mineral properties involves certain inherent risks due to the difficulties in determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties, and to the best of the Company's knowledge, titles to all of its properties are in good standing.

(c) Impairment of long-lived assets:

The Company assesses the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used are measured by a comparison of the carrying value of the asset to the future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the amount of the impairment recorded is the amount by which the carrying amount of the asset exceeds its fair value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Environmental protection practices:

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

(e) Asset retirement obligations:

The fair value of a liability for an asset retirement obligation such as site reclamation costs is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The Company is required to record the estimated present value of future cash flows associated with site reclamation as a liability when the liability is incurred and to increase the carrying value of the related assets for that amount. The Company has a $5,000 reclamation bond on its Treadmill property.

(f) Income taxes:

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for table temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting not taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(g) Stock-based compensation:

The Company accounts for stock-based compensation using the fair value based method with respect to all stock-based payments to directors, employees and non-employees. Under the fair value based method, stock-based compensation is measured at fair value and recognized in operations over the vesting period. Fair value is determined using the Black-Scholes option pricing model. Any consideration paid on exercise of stock options together with the related fair value previously recognized in contributed surplus is credit to share capital

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Share capital:

Proceeds from the exercise of stock options and warrants are recorded as share capital at the amount for which the stock option and warrant enabled the holder to purchase shares of the Company. Share capital issued for non-monetary consideration is recorded at fair value based on the quoted market price on the date of issuance. Share issue costs, which include commissions and professional and regulatory fees are charged directly to share capital.

(i) Basic and diluted loss per share:

Basic loss per share is calculated by dividing the loss for the year by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. The treasury stock method is used to determine the dilutive effect of stock options, warrants and other dilutive instruments. Basic and diluted loss per share(continued)

Diluted loss per share is equal to basic loss per share for the years presented as the effect of any outstanding stock options and warrants would be anti-dilutive.

(j) Foreign currency translation:

The Company's functional and reporting currency is the Canadian dollar. Transactions denominated in other currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction date. Carrying values of monetary assets and liabilities denominated in foreign currencies are adjusted at each balance sheet date to reflect exchange rates prevailing at that date. Foreign exchange gains and losses are included in operations.

(k) Future accounting policies:

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company:

i) IFRS 9, “Financial Instruments”:

As of January 1, 2013, AOC will be required to adopt IFRS 9, “Financial Instruments”, which is the result of the first phase of the IASB’s project to replace IAS 39, “Financial Instruments: Recognition and Measurement”. The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. The adoption of this standard should not have a material impact on the Company's consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ii) Recent Pronouncements:

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company: IFRS 10, Consolidated Financial Statements (IFRS 10), IFRS 11, Joint Arrangements (IFRS 11), IFRS 12, Disclosure of Interests in Other Entities (IFRS 12), IAS 27, Separate Financial Statements (IAS 27), IFRS 13, Fair Value Measurement (IFRS 13) and amended IAS 28, Investments in Associates and Joint Ventures (IAS 28). Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim financial statements within the next financial year are discussed below:

i) Rehabilitation Provisions

Asset retirement obligation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market conditions at the time of the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently estimated.

ii) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

iii) Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

iv) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same table entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

v) Share-based Payment Transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 7 (e).

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

(Expressed in Canadian dollars and unaudited)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (cont'd…)

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrumented granted, measured at the repurchase date. Any such excess is recognized as an expense.

5. RECLAMATION BOND

The $5,000 reclamation bond is in the form of a BMO Bank of Montreal Safe Keeping Agreement. ("SKA") 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.

6. MINERAL PROPERTY

Mineral Property Continuity Schedule
For the three months ended June 30, 2011

		Treadwell
Acquisition costs		
Balance, as at March 31, 2011	$	197,299
Additions during the period		-
Balance, as at June 30, 2011		197,299
Deferred exploration costs		
Balance, as at March 31, 2011		240,656
Additions during the period:		
Mineral property tenure		6,586
Balance, as at June 30, 2011		247,242
Total at June 30, 2011	$	444,541

(Expressed in Canadian dollars and unaudited)

6. MINERAL PROPERTY (cont'd…)

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

		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	$	437,656

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 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.

(Expressed in Canadian dollars and unaudited)

6. MINERAL PROPERTY (cont'd…)

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.

7. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value.

(b) Issued and fully paid

	Number of Shares	Amount
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
Exercise of stock options	200,000	33,000
Fair value of options exercised	-	27,341
Balance, June 30, 2011	8,250,000	$ 728,023

(Expressed in Canadian dollars and unaudited)

7. SHARE CAPITAL (cont'd…)

(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, 2010	4,750,000	$	0.12
Issued	200,000		0.40
Balance, March 31 and June 30, 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, 2010	$	56,933
Stock-based compensation		54,682
Warrants issued for property option payment (Note 5)		17,299
Balance, March 31, 2011	$	128,914
Fair value of stock options exercised		(27,341)
Balance, June 30, 2011	$	101,573

The fair value of the warrants issued for property option payment (Note 6) 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 June 30, 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.

(Expressed in Canadian dollars and unaudited)

8. 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, 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
Exercised	(200,000)	0.165
Balance, June 30, 2011	200,000	$0.165

At June 30, 2011, the Company had 200,000 options outstanding and exercisable with a weighted average contract life remaining of 4.15 years (March 31, 2011: 4.4 years).

Number of Options	Exercise Price	Expiry Date
200,000	$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:

	Fiscal 2012	Fiscal 2011
Risk-free interest rate	n/a	1.87%
Expected life of options	n/a	5 years
Annualized volatility	n/a	120%
Dividend rate	n/a	0.00

9. RISK

The Company is subject to risk, categorized as follows:

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

There were no related party transactions during the three months ended June 30, 2011. During the three months ended June 30, 2010, administrative services of $12,000 and rent of $3,000 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 June 30, 2011 the Company issued 100,000 common shares upon the exercise of 100,000 incentive stock options for gross proceeds of $16,500.

14. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company's consolidated financial statements for the year ending March 31, 2012 will be the first annual financial statements to be prepared in accordance with IFRS. IFRS 1, First Time Adoption of International Financial Reporting Standards, requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was April 1, 2010 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be March 31, 2012.

Prior to transition to IFRS, the Company prepared its financial statements in accordance with pre-changeover Canadian Generally Accepted Accounting Principles ("pre-changeover Canadian GAAP").

However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption In preparing the Company's opening IFRS financial statements, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with pre-changeover Canadian GAAP.

No mandatory exceptions were applied.

Four optional exemptions were applied.

IFRS 1 First-Time Adoption of International Financial Reporting Standards allows first time adopters certain exemptions from the retrospective application of certain IFRS.

The Company applied the following exemptions:

Deemed costs

At the transition date, the Company elected to continue with the policy of measuring mineral property costs at the previous Canadian GAAP historical cost.

Share-based Payment Transactions

The exemption directs that a first-time adopter is encouraged, but not required, to apply IFRS 2 Share-based payment transactions to equity instruments that were granted on or before November 7, 2002. This exemption has been taken, since it restricts the time period for share-based payment review to November 7, 2002 forward.

14. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (cont.d…)

Under a second exemption, options granted subsequent to November 7, 2002 which vested prior to the transition date require no further review. The Company has elected not to retrospectively apply IFRS 2 to equity instruments that were granted and had vested before the Transition Date. As a result of applying this exemption, the Company will apply the provisions of IFRS 2 only to all outstanding equity instruments that are unvested as at the Transition Date to IFRS.

Options unvested at the transition date would be subject to review. At the transition date, the Company had unvested options. However the Company expensed the unvested portion of these options prior to the transition date. No adjustment is required upon transition.

Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 provides guidance on how an entity should account for such transactions in accordance with IAS 39 Financial Instruments: Recognition and Measurement and IAS 32 Financial Instruments: Presentation. A first-time adopter may apply the transitional provisions in IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments for such transactions occurring prior to the Transition date.

Cumulative Translation Differences

The exemption directs that cumulative translation differences for all foreign operations are deemed to be zero at the date of transition to IFRS: and the gain or loss on a subsequent disposal of any foreign operation shall exclude translation differences that arose before the date of transition to IFRS and shall include later translations differences. Taking the exemption is precautionary in nature. Any potential subsequent re-interpretation of the functional currency of the company will be limited retroactively to the date of transition.

15. RECONCILIATIONS OF PRE-CHANGEOVER CANADIAN GAAP EQUITY AND COMPREHENSIVE INCOME TO IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The changes made to the statement of financial position and statements of comprehensive income have resulted in no material adjustments to the statement of cash. Therefore, no reconciliations of cash flows have been provided.

(Expressed in Canadian dollars and unaudited)

RECONCILIATION OF STATEMENT OF FINANCIAL POSITION AS AT APRIL 1, 2010 – TRANSITION DATE

	As at April 1, 2010 GAAP	April 1, 2010 IFRS Adjustments	As at April 1, 2010 IFRS
	$	$	$
ASSETS			
Current Assets			
Cash	396,014	-	396,014
Amounts receivables	2,335	-	2,335
Prepaid expenses and others	-	-	-
Total Current Assets	398,349	-	398,349
Mineral property reclamation bond	-	-	-
Mineral properties	115,000	-	115,000
TOTAL ASSETS	513,349	-	513,349
LIABILITIES and SHAREHOLDER'S EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	22,627	-	22,627
TOTAL LIABILITIES	22,627	-	22,627
SHAREHOLDER'S EQUITY			
Share capital	666,277	-	666,277
Contributed surplus	56,933	-	56,933
Deficit	(232,488)	-	(232,488)
TOTAL SHAREHOLDER'S EQUITY	490,722	-	490,722
TOTAL LIABILITIES and SHAREHOLDER'S EQUITY	513,349	-	513,349

(Expressed in Canadian dollars and unaudited)

RECONCILIATION OF STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2010

	As at June 30, 2010 GAAP $	April 1, 2010 IFRS Adjustments $	June 30, 2010 IFRS Adjustments $	As at June 30, 2010 IFRS $
ASSETS				
Current Assets				
Cash	352,950	-	-	352,950
Amounts receivables	3,744	-	-	3,744
Prepaid expenses and others	-	-	-	-
Total Current Assets	356,694	-	-	356,694
Mineral property reclamation bond	-	-	-	-
Mineral properties	121,120	-	-	121,120
TOTAL ASSETS	477,814	-	-	477,814
LIABILITIES and SHAREHOLDER'S EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	4,274	-	-	4,274
TOTAL LIABILITIES	4,274	-	-	4,274
SHAREHOLDER'S EQUITY				
Share capital	666,277	-	-	666,277
Contributed surplus	56,933	-	-	56,933
Deficit	(249,670)	-	-	(249,670)
TOTAL SHAREHOLDER'S EQUITY	473,540	-	-	473,540
TOTAL LIABILITIES and SHAREHOLDER'S EQUITY	477,814	-	-	477,814

(Expressed in Canadian dollars and unaudited)

RECONCILIATION OF STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2011

	As at March 31, 2011 GAAP $	April 1, 2010 IFRS Adjustments $	March 31, 2011 IFRS Adjustments $	As at March 31, 2011 IFRS $
ASSETS				
Current Assets				
Cash	39,964	-	-	39,964
Amounts receivables	4,020	-	-	4,020
Prepaid expenses and others	3,726	-	-	3,726
Total Current Assets	47,710	-	-	47,710
Mineral property reclamation bond	5,000	-	-	5,000
Mineral properties	437,955	-	-	437,955
TOTAL ASSETS	490,665	-	-	490,665
LIABILITIES and SHAREHOLDER'S EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	46,788	-	-	46,788
TOTAL LIABILITIES	46,788	-	-	46,788
SHAREHOLDER'S EQUITY				
Share capital	667,682	-	-	667,682
Contributed surplus	128,914	-	-	128,914
Deficit	(352,719)	-	-	(352,719)
TOTAL SHAREHOLDER'S EQUITY	443,877	-	-	443,877
TOTAL LIABILITIES and SHAREHOLDER'S EQUITY	490,665	-	-	490,665

(Expressed in Canadian dollars and unaudited)

RECONCILIATION OF COMPREHENSIVE LOSS/INCOME FOR THE THREE MONTHS ENDED JUNE 30, 2010

	For the 3 months to June 30, 2010 GAAP $	June 30, 2010 IFRS Adjustments $	For the 3 months to June 30, 2010 IFRS $
EXPENSES			
Filing and transfer agent fees	1,177	-	1,177
Insurance	-	-	-
Office	16,005	-	16,005
Professional fees	-	-	-
Stock-based compensation	-	-	-
Total Expenses	(17,182)	-	(17,182)
Net Loss for the Period before Income Taxes	(17,182)	-	(17,182)
Income taxes			
Future income tax recovery	-	-	-
Net Loss and Comprehensive Loss	(17,182)	-	(17,182)
Deficit, Beginning Of Period	(232,488)	-	(232,488)
Deficit, End Of Period	(249,670)	-	(249,670)
Basic And Diluted Loss Per Share Outstanding, Continuing Operations	(0.00)	-	(0.00)
Weighted Average Number Of Shares Outstanding	7,850,000	-	7,850,000

(Expressed in Canadian dollars and unaudited)

RECONCILIATION OF COMPREHENSIVE LOSS/INCOME FOR THE YEAR ENDED MARCH 31, 2011

	For the 12 months to March 31, 2011 GAAP $	March 31, 2011 IFRS Adjustments $	For the 12 months to March 31, 2011 IFRS $
EXPENSES			
Filing and transfer agent fees	15,574	-	15,574
Insurance	4,467	-	4,467
Office	64,808	-	64,808
Professional fees	19,295	-	19,295
Stock-based compensation	54,682	-	54,682
Total Expenses	(158,826)	-	(158,826)
Net Loss for the Period before Income Taxes	(158,826)	-	(158,826)
Income taxes			
Future income tax recovery	38,595	-	38,595
Net Loss and Comprehensive Loss	(120,231)	-	(120,231)
Deficit, Beginning Of Period	(232,488)	-	(232,488)
Deficit, End Of Period	(352,719)	-	(352,719)
Basic And Diluted Loss Per Share Outstanding, Continuing Operations	(0.02)	-	(0.02)
Weighted Average Number Of Shares Outstanding	7,860,411	-	7,860,411