ASTORIUS RESOURCES LTD.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED

MARCH 31, 2012

(Unaudited)

Notice of No Auditor Review of Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors. The Company’s independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established for a review of interim financial statements by an entity’s auditors.

ASTORIUS RESOURCES LTD.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

(Unaudited)

		March 31, 2012		September 30, 2011
ASSETS				
Current				
Cash and cash equivalents	**$**	**71,543**	$	178,222
Amounts receivable		**19,032**		14,142
Prepaid expenses		**6,400**		2,426
		96,975		194,790
Reclamation deposit		**5,000**		–
Mineral property exploration *[Note 4]*		**292,217**		240,747
	$	**394,192**	$	435,537
LIABILITIES				
Current				
Accounts payable and accrued expenses	**$**	**14,536**	$	6,855
SHAREHOLDERS' EQUITY				
Share capital *[Note 5]*		**994,965**		958,965
Contributed surplus		**137,790**		137,790
Deficit		**(753,099)**		(668,073)
		379,656		428,682
	$	**394,192**	$	435,537

Approved on behalf of the Board on May 25, 2012:

/s/ “Malcolm Powell” — Malcolm Powell, Director

/s/ “Carl Jonsson” — Carl Jonsson, Director

(The Accompanying Notes are an Integral Part of These Condensed Interim Financial Statements)

ASTORIUS RESOURCES LTD.

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(Expressed in Canadian dollars)

(Unaudited)

	Three months ended March 31, 2012	Three months ended March 31, 2011	Six months ended March 31, 2012	Six months ended March 31, 2011
EXPENSES				
Accounting fees	**$ 18,500**	$ 9,500	**$ 26,000**	$ 18,000
Filing and transfer agent fees	**6,913**	8,426	**10,265**	9,959
Legal fees	**3,530**	7,825	**4,935**	12,025
Management fees	**15,000**	15,000	**30,000**	30,000
Office and miscellaneous	**5,780**	9,573	**13,438**	15,046
Share-based payments	**–**	–	–	22,068
	49,723	50,324	**84,638**	107,098
LOSS BEFORE OTHER ITEMS	**(49,723)**	(50,324)	**(84,638)**	(107,098)
OTHER ITEM				
Interest (expense) income	**–**	962	**(388)**	2,856
NET LOSS AND COMPREHENSIVE LOSS	**$ (49,723)**	$ (49,362)	**$ (85,026)**	$ (104,242)
LOSS PER SHARE – BASIC AND DILUTED	**$ (0.01)**	$ (0.01)	**$ (0.01)**	$ (0.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	**8,947,811**	8,750,000	**8,968,681**	8,711,530

(The Accompanying Notes are an Integral Part of These Condensed Interim Financial Statements)

ASTORIUS RESOURCES LTD.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

(Expressed in Canadian dollars)

(Unaudited)

	Six months ended March 31, 2012	Six months ended March 31, 2011
CASH PROVIDED BY (USED IN):		
OPERATIONS		
Net loss for the period	**$ (85,026)**	$ (104,242)
Add (deduct) items not involving cash:		
Share-based payments	**–**	22,068
	(85,026)	(82,174)
Changes in non-cash working capital balances:		
Decrease (increase) in amounts receivable	**(4,890)**	(9,809)
Decrease (increase) in prepaid expenses	**(3,974)**	(8,784)
Increase (decrease) in accounts payable	**7,681**	2,719
	(86,209)	(98,048)
INVESTING ACTIVITIES		
Reclamation deposit	**(5,000)**	–
Exploration expenditures	**(15,470)**	(32,508)
	(20,470)	(32,508)
DECREASE IN CASH AND CASH EQUIVALENTS	**(106,679)**	(130,556)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**178,222**	496,713
CASH AND CASH EQUIVALENTS, END OF PERIOD	**$ 71,543**	$ 366,157
Non cash investing and financing activities		
Shares issued as mineral property payment	**$ 36,000**	$ 18,000

(The Accompanying Notes are an Integral Part of These Condensed Interim Financial Statements)

ASTORIUS RESOURCES LTD.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian dollars)

(Unaudited)

	Number of Common Shares	Amount of Common Shares	Contributed Surplus	Deficit	Total
As at October 1, 2010	8,650,000	$ 923,465	$ 115,722	$ (542,342)	$ 496,845
Shares issued as finder's fees for mineral properties	100,000	18,000	–	–	18,000
Share-based payments	–	–	22,068	–	22,068
Net loss for the period	–	–	–	(104,242)	(104,242)
As March 31, 2011	8,750,000	$ 941,465	$ 137,790	$ (646,584)	$ 432,671
As at September 30, 2011	8,850,000	$ 958,965	$ 137,790	$ (668,073)	$ 428,682
Shares issued as mineral property payment	200,000	36,000	–	–	36,000
Net loss for the period	–	–	–	(85,026)	(85,026)
As at March 31, 2012	9,050,000	$ 994,965	$ 137,790	$ (753,099)	$ 379,656

(The Accompanying Notes are an Integral Part of These Condensed Interim Financial Statements)

1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

Astorius Resources Ltd. (the "Company") was incorporated under the Business Corporation Act of British Columbia on May 4, 2007 and is listed on the TSX Venture Exchange and trades under the symbol ASQ. The address of the Company's corporate office and its principal place of business is Suite 2300 -1066 West Hastings Street, Vancouver, British Columbia, Canada.

The Company is in the exploration stage and its principal business activity is the sourcing and exploration of mineral properties in North America. The Company is in the process of exploring and evaluating its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related capitalized exploration expenditures is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board. Subject to certain IFRS transition adjustments disclosed in Note 10, the Company has consistently applied the same accounting policies in its condensed interim financial statements and throughout all periods presented, as if the policies have always been in effect. These condensed interim financial statements do not contain all of the information required for full annual financial statements. The disclosures concerning the transition from Canadian Generally Accepted Accounting Principles ("GAAP") to IFRS and certain transition elections are described in the condensed interim financial statements for the three months ended December 31, 2011 and these condensed interim financial statements should be read in conjunction with the interim December 31, 2011 financial statements and the annual September 30, 2011 financial statements. IFRS reconciliation disclosures for March 31, 2011 balances presented for comparative purposes are described in Note 10.

b) Going Concern

These interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company has incurred losses since its inception and had an accumulated deficit of $753,099 at March 31, 2012 which has been funded primarily by issuance of shares. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future. The Company has been successful in the past in raising funds for operations by issuing shares but there is no assurance that it will be able continue to do so in the future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement basis - These condensed interim financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out in Note 3. All amounts are expressed in Canadian dollars unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents - The balance of cash and cash equivalents consists of cash deposits with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash and those that have maturities of 90 days or less when acquired to be cash equivalents.

Use of estimates - The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. Significant areas requiring the use of management estimates include the determination of impairment of mineral properties exploration assets, asset retirement obligations, deferred income tax assets and liabilities, and assumptions used in valuing options and warrants in share-based payments calculations. Actual results could differ from these estimates.

Mineral properties exploration - All expenditures related to the cost of exploration and evaluation of mineral resources including acquisition costs for interests in mineral claims are capitalized as mineral properties exploration and are classified as intangible assets. General exploration costs not related to specific mineral properties are expensed as incurred. If economically recoverable reserves are developed, capitalized costs of the related property are reclassified as mining assets and upon commencement of commercial production, are amortized using the units of production method over estimated recoverable reserves. Impairment is assessed at the level of cash-generating units. Management regularly assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if one of the following factors are present; the rights to explore have expired or are near to expiry with no expectation of renewal, no further substantive expenditures are planned or budgeted, exploration and evaluation work is discontinued in an area for which commercially viable quantities have not been discovered, indications that in an area with development likely to proceed the carrying amount is unlikely to be recovered in full be development or sale.

The recoverability of mineral properties and capitalized exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

Mineral properties are regularly reviewed for impairment or whenever events or changes in circumstances indicate that the carrying amount of reserve properties may exceed its recoverable amount. When an impairment review is undertaken, the recoverable amount is assessed by reference to the higher of a value in use (being the present value of expected future cash flows of the relevant cash-generating unit) and fair value less costs to sell. If the carrying amount of an asset exceeds the recoverable amount an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Provisions - Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government assistance - B.C. mining exploration tax credits for certain exploration expenditures incurred in B.C. are treated as a reduction of the exploration and development costs of the respective mineral property.

Income taxes - The Company provides for income taxes using the liability method of tax allocation. Under this method deferred income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities, and are measured using enacted or substantially enacted tax rates expected to apply when these differences reverse. Deferred income tax assets are recognized to the extent that it is probable the asset will be realized.

Share-based payments - The Company records all share-based payments at their fair value. The share-based compensation costs are charged to operations over the stock option vesting period and agents' options and warrants issued in connection with common share placements are recorded at their fair value on the date of issue as share issuance costs. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options expected to vest. On the exercise of stock options and agents' options and warrants, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

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.

Share issue costs - Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issue 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 share issue costs related to financing transactions that are not completed are charged to expenses.

Financial instruments - All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities. Financial instruments comprise cash and cash equivalents and accounts payable. At initial recognition management has classified financial assets and liabilities as follows:

a) Financial assets

The Company has recognized its cash and cash equivalents at FVTPL. A financial instrument is classified at FVTPL if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Financial instruments at FVTPL are measured at fair value and changes therein are recognized in income.

b) Financial liabilities

The Company has recognized its accounts payable as other financial liabilities. Accounts payable are recognized at the amount required to be paid less, when material, a discount to reduce the payable to fair value. The Company derecognizes a financial liability when it its contractual obligations are discharged, cancelled or expire.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards issued but not yet effective - Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after October 1, 2010, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New accounting standards effective October 1, 2013

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 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation - Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements.*

IFRS 11 *Joint Arrangements* - IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-monetary Contributions by Venturers*.

IFRS 12 *Disclosure of Interests in Other Entities* - IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 *Fair Value Measurement* - IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendments to other standards - In addition, there have been other amendments to existing standards, including IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

Amendments to IAS 1 *Presentation of Financial Statements* - The IASB has amended IAS 1 to require entities to separate items presented in other comprehensive income ("OCI") into two groups, based on whether or not items may be reclassified into profit or loss in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New accounting standards effective October 1, 2013 (continued)

IFRIC 20 ***Stripping Costs in the Production Phase of a Surface Mine*** - IFRIC 20 addresses the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. Stripping activity may result in two types of benefits: i) inventory produced and ii) improved access to ore that will be mined in the future. Stripping costs associated with inventory production should be accounted for as a current production cost in accordance with IAS 2 Inventories, and those associated with improved access to ore should be accounted for as an addition to, or enhancement of, an existing asset.

Each of the new standards, IFRS 10 to 13, IFRIC 20 and the amendments to other 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 condensed interim financial statements or whether to early adopt any of the new requirements.

New accounting standards effective October 1, 2015

IFRS 9 ***Financial Instruments*** - IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new standard will have on its condensed interim financial statements or whether to early adopt the new requirements.

(Expressed in Canadian Dollars)

4. MINERAL PROPERTY EXPLORATION

Expenditures on interests in mineral properties are considered exploration and evaluation assets.

		Babine Project
Acquisition costs		
Balance, September 30, 2010	$	–
Cash paid for acquisition of property		13,000
Staking fees		36,353
Shares issued as property payment		35,500
Balance, September 30, 2011		84,853
Staking fees		2,163
Shares issued as property payment		36,000
Balance, March 31, 2012	$	123,016
Exploration costs		
Balance, September 30, 2010	$	–
Consulting		15,317
Geophysical survey		139,334
Other		1,243
Balance, September 30, 2011		155,894
Consulting		11,401
Geophysical		1,906
Balance, March 31, 2012	$	169,201
Total Balance, March 31, 2012	$	292,217

During October 2010, the Company staked twenty-four mineral claims located in British Columbia, covering an area of 6,782 hectares known as the Babine Project. The Company plans to carry out geological, geophysical, geochemical prospecting programs in the Babine Project.

On November 2, 2010, the Company expanded its mineral tenure within its Babine Project area by four claims covering an area of 925 hectares. The newly acquired claims were sold to the Company for a cash purchase price of $8,000.

On December 9, 2010, the Company issued 100,000 shares to a consultant for assistance in acquiring the Babine Project. The fair value of these shares was $18,000.

On February 2, 2011, the Company expanded its mineral tenure by three claims covering an area of 1,314 hectares. The three claims were acquired by the Company for a cash purchase price of $5,000.

On February 7, 2011, the Company further expanded its mineral tenure by fifteen claims covering an area of 3,323 hectares. The Company agreed to issues 300,000 common shares as consideration for the fifteen claims. The common shares will be issued in three tranches of 100,000 each, issued 4, 8 and 12 months from the date of TSX Venture Exchange acceptance. On August 24, 2011, 100,000 shares were issued in connection with this agreement, valued at $17,500. On October 21, 2011, a further 100,000 shares were issued, valued at $17,000. On March 14, 2012, the remaining 100,000 shares were issued, valued at $19,000.

(Expressed in Canadian Dollars)

4. MINERAL PROPERTY EXPLORATION (continued)

On February 22, 2011, the Company staked four claims covering an area of 1,313 hectares.

On May 4, 2011, the Company staked thirty-eight claims covering an area of 16,769 hectares.

On June 20, 2011, the Company staked four claims covering an area of 1,426 hectares.

On November 16, 2011, the Company staked nine claims covering an area of 4,160 hectares.

As of March 31, 2012, the Company owns, or holds under option, 101 claims covering 36,012 hectares in the Babine Project area.

5. SHARE CAPITAL

The Company has authorized share capital of an unlimited number of common voting shares without par value. Disclosures on any common shares issued are provided in the Statements of Changes in Equity.

6. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS

The Company has established a stock option plan for directors, employees, and consultants. The following table summarizes the stock options outstanding and exercisable at March 31, 2012:

Price	Number Outstanding	Number Exercisable	Expiry Date
$0.15	680,000	680,000	January 8, 2013
$0.15	170,000	170,000	October 18, 2015
	850,000	850,000	

Under the Company's stock option plan, the exercise price of each option is determined by the Board, subject to the pricing policies of the TSX Venture Exchange. Options vest immediately when granted and expire five years from the date of the grant, unless the Board establishes more restrictive terms.

The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued shares at the time the options are granted. The aggregate number of options granted to any one optionee in a 12-month period is limited to 5% of the issued shares of the corporation.

A summary of the Company's stock options for the period ended March 31, 2012 is presented below:

	Number	**Weighted Average Exercise Price**
Outstanding, September 30, 2011 and March 31, 2012	850,000	$ 0.15

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

a) The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties and on terms and conditions similar to non-related parties as follows:

   i) The Company incurred legal fees of $4,935 (March 31, 2011: $12,025) from a law firm of which a director is a principal.

   ii) The Company incurred office services, facilities and rent expense of $9,000 (March 31, 2011: $9,000) from a corporation with common directors.

   iii) The remuneration of the Company's directors and other key management:

	March 31, 2012	March 31, 2011
Management fees	$ 30,000	$ 30,000
Share-based payments	–	22,068
Total	$ 30,000	$ 52,068

b) At March 31, 2012, accounts payable and accrued liabilities included $2,703 (September 30, 2011: $1,855) for amounts due to a law firm of which a director is a member.

8. FINANCIAL INSTRUMENTS

Credit Risk - Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and cash equivalents. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Liquidity Risk - The Company ensures its holding of cash and cash equivalents is sufficient to meet its short-term exploration, development, and general and administrative expenditures. The Company's cash equivalents are invested in business guaranteed investment certificates which are immediately available on demand when required. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk - The Company does not have foreign currency denominated financial instruments and is not exposed to significant foreign exchange risk.

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 - Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The sale of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is exposed to market risk in trading its investments, and unfavourable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments are accounted for at estimated fair values and are sensitive to changes in market prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. The Company's ability to raise capital to fund mineral resource exploration is subject to risks associated with fluctuations in mineral resource prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(Expressed in Canadian Dollars)

9. OPERATING SEGMENT INFORMATION

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. The Company has mineral properties located in Canada in the Province of British Columbia.

10. ADOPTION OF IFRS

a) Transition to IFRS

The Company has adopted IFRS effective October 1, 2011 with a transition date of October 1, 2010. Prior to the adoption of IFRS the Company prepared its financial statements in accordance with Canadian GAAP.

The comparative information presented in these condensed interim financial statements for the three and six months ended March 31, 2011 and year ended September 30, 2011 have been prepared in accordance with the accounting policies referenced in Note 3. For disclosures and reconciliations related to the first time adoption of IFRS, refer to the Company's condensed interim financial statements for the three months ended December 31, 2011.

b) Reconciliation between Canadian GAAP and IFRS

In preparing the Company's IFRS Transition Date statement of financial position management noted that no adjustments were necessary to be made by the Company previously in its financial statements prepared in accordance with previous Canadian GAAP.

The March 31, 2011 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

Statement of Financial Position	March 31, 2011 Canadian GAAP	Effect of IFRS Transition	March 31, 2011 IFRS
Total Assets	$ 445,528	$ –	$ 445,528
Total Liabilities	$ 12,857	$ –	$ 12,857
Total Shareholders' Equity	$ 432,671	$ –	$ 432,671
Total Liabilities and Shareholders' Equity	$ 445,528	$ –	$ 445,528

(Expressed in Canadian Dollars)

10. ADOPTION OF IFRS (continued)

d) Reconciliation between Canadian GAAP and IFRS (continued)

IFRS 1 also requires reconciliation disclosures that explain how the transition from Canadian GAAP to IFRS has affected the Company's previously reported comprehensive income (loss) for the three and six months ended March 31, 2011. As management noted that no reconciling adjustments were made, an explanation of how the transition from previous Canadian GAAP to IFRS has affected the Company's comprehensive income (loss) is not included in the accompanying notes.

Statement of Operations and Comprehensive Loss	3 months ended March 31, 2011 Canadian GAAP	Effect of IFRS Transition	3 months ended March 31, 2011 IFRS
Revenue	$ –	$ –	$ –
Total expenses	$ (50,324)	$ –	$ (50,324)
Total other items	962	–	962
Net loss and comprehensive loss	$ (49,362)	$ –	$ (49,362)

Statement of Operations and Comprehensive Loss	6 months ended March 31, 2011 Canadian GAAP	Effect of IFRS Transition	6 months ended March 31, 2011 IFRS
Revenue	$ –	$ –	$ –
Total expenses	$ (107,098)	$ –	$ (107,098)
Total other items	2,856	–	2,856
Net loss and comprehensive loss	$ (104,242)	$ –	$ (104,242)

There are no material differences between the condensed interim statement of cash flows presented under IFRS and the condensed interim statement of cash flows presented under previous Canadian GAAP.