FINANCIAL STATEMENTS

APRIL 30, 2012 AND 2011

(Expressed in Canadian Dollars)

McGovern, Hurley, Cunningham, LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Wabi Exploration Inc.:

We have audited the accompanying financial statements of Wabi Exploration Inc., which comprise the statements of financial position as at April 30, 2012, April 30, 2011 and May 1, 2010, and the statements of operations and comprehensive loss, statements of cash flows and statements of changes in equity for the years ended April 30, 2012 and 2011, and 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 International Financial Reporting Standards 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.

Auditor's 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 the auditor's 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, the auditor considers 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 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 Wabi Exploration Inc. as at April 30, 2012, April 30, 2011 and May 1, 2010, and its financial performance and cash flows for the years ended April 30, 2012 and 2011 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements indicating the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

McGOVERN, HURLEY, CUNNINGHAM, LLP

McGovern, Hurley, Cunningham, LLP

Chartered Accountants
Licensed Public Accountants

TORONTO, Canada
August 16, 2012

WABI EXPLORATION INC.
Statements of Financial Position
(Expressed in Canadian Dollars)

As at	**April 30, 2012 $**	April 30, 2011 $	May 1, 2010 $
		(Note 18)	(Note 18)
ASSETS			
CURRENT			
Cash (Note 15)	**26,288**	22,235	719
Amounts receivable (Note 5)	**2,543**	1,634	1,996
Prepaid expenses	**607**	2,000	-
TOTAL CURRENT	**29,438**	25,869	2,715
Equipment (Note 8)	**1,072**	1,608	-
Exploration and evaluation property (Note 7)	**24,000**	21,000	-
TOTAL	**54,510**	48,477	2,715
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities (Note 6)	**73,251**	42,449	34,798
Convertible debenture (Note 9)	**63,303**	-	-
TOTAL CURRENT	**136,554**	42,449	34,798
DUE TO SHAREHOLDER (Note 9)	**-**	34,508	125,197
DUE TO RELATED PARTIES (Note 10)	**-**	-	47,211
TOTAL	**136,554**	76,957	207,206
SHAREHOLDERS' EQUITY (DEFICIENCY)			
CAPITAL STOCK (Note 11(b))	**2,251,464**	2,135,964	2,013,527
EQUITY PORTION OF CONVERTIBLE DEBENTURE (Note 9)	**6,539**	-	-
CAPITAL STOCK TO BE ISSUED (Note 11(b)(i))	**-**	25,000	-
SHARE-BASED PAYMENTS RESERVE (Note 12)	**107,003**	94,503	15,760
DEFICIT	**(2,447,050)**	(2,283,947)	(2,233,778)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)	**(82,044)**	(28,480)	(204,491)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)	**54,510**	48,477	2,715

GOING CONCERN (Note 1)
SUBSEQUENT EVENT (Note 9)
CONTINGENCIES (Note 17)

APPROVED ON BEHALF OF THE BOARD:

Signed, "Andrew McQuire" Director

Signed, "James Brady" Director

See notes to the accompanying financial statements

WABI EXPLORATION INC.
Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended April 30,	2012 $	2011 $ (Note 18)
EXPENSES		
Exploration expenditures		
Geology	**12,486**	-
Technical consulting	**18,533**	-
Program planning and reports	**10,713**	2,400
Lab work	**686**	-
Licences and permits	**120**	-
	42,538	2,400
General and administrative expenses		
Professional fees	**42,794**	26,336
Office and general	**36,025**	9,505
Shareholder relations	**35,712**	6,783
Accretion expense (Note 9)	**5,324**	-
Stock-based compensation	**-**	5,000
Amortization	**536**	-
Interest and bank charges	**174**	145
	120,565	47,769
NET LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	**(163,103)**	(50,169)
Loss per share - basic and diluted	**(0.01)**	(0.00)
Weighted average number of shares outstanding - basic and diluted	**18,492,845**	14,290,120

See notes to the accompanying financial statements

WABI EXPLORATION INC.
Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended April 30,	2012 $	2011 $ (Note 18)
Operating activities:		
Net loss for the year	**(163,103)**	(50,169)
Non-cash items included in net loss:		
Stock-based compensation	**-**	5,000
Accretion expense	**5,324**	-
Amortization	**536**	-
Net change in non-cash working capital balances:		
Amounts receivable	**(909)**	362
Prepaid expenses	**1,393**	(2,000)
Accounts payable and accrued liabilities	**30,320**	7,651
Cash used in operating activities	**(126,439)**	(39,156)
Financing activities:		
Proceeds from private placement	**100,000**	-
Shares to be issued	**-**	25,000
Issuance of convertible debenture	**65,000**	-
(Payments to) advances from shareholder	**(34,508)**	52,280
Cash provided by financing activities	**130,492**	77,280
Investing activities:		
Purchase of equipment	**-**	**(1,608)**
Increase in mineral property	**-**	**(15,000)**
Cash used in investing activities	**-**	**(16,608)**
Increase in cash	**4,053**	21,516
Cash, beginning of year	**22,235**	719
Cash, end of year	**26,288**	22,235

Supplemental Information:		
Common shares issued for mineral property	**3,000**	6,000
Common shares issued for decrease in amounts due to related party	**-**	28,905
Common shares issued for decrease in amounts due to shareholder	**-**	87,532
Warrants issued for decrease in amounts due to related party	**-**	18,306
Warrants issued for decrease in amounts due to shareholder	**-**	55,437

See notes to the accompanying financial statements

WABI EXPLORATION INC.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Shares	Capital Stock $	Equity Portion of Convertible Debenture $	Share-based Payments Reserve $	Shares to be issued $	Retained Earnings (Deficit) $	Total Equity $
Balance May 1, 2010	12,336,512	2,013,527	-	15,760	-	(2,233,778)	(204,491)
Net Loss After Tax	-	-	-	-	-	(50,169)	(50,169)
Shares issued for debt	3,803,604	116,437	-	-	-	-	116,437
Warrants issued	-	-	-	73,743	-	-	73,743
Shares issued for property	200,000	6,000	-	-	-	-	6,000
Share-based payments	-	-	-	5,000	-	-	5,000
Private placement	-	-	-	-	25,000	-	25,000
Balance April 30, 2011	16,340,116	2,135,964	-	94,503	25,000	(2,283,947)	(28,480)
Net Loss After Tax	-	-	-	-	-	(163,103)	(163,103)
Private placement-common shares issued	2,500,000	125,000	-	-	(25,000)	-	100,000
Private placement-warrants issued	-	(12,500)	-	12,500	-	-	-
Issuance of convertible debenture	-	-	6,539	-	-	-	6,539
Shares issued for property	200,000	3,000	-	-	-	-	3,000
Cancellation of shares (Note 11(b)(ii))	(6,417)	-	-	-	-	-	-
Balance April 30, 2012	19,033,699	2,251,464	6,539	107,003	-	(2,447,050)	(82,044)

See notes to the accompanying financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Wabi Exploration Inc. (the "Company") currently has an interest in an exploration property in Canada. The Company is in the process of exploring and evaluating its interests in resource properties. Substantially all of the Company's efforts are devoted to financing this property. There has been no determination whether the Company's interest in its mineral property contains mineral reserves which are economically recoverable. The Company is incorporated and domiciled in Ontario, Canada. The registered address of the Company and its principal place of business is 1010-130 Adelaide Street West, Toronto, ON M5H 3P5. The Company's shares are listed on the CNSX (Canadian National Stock Exchange).

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

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

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, under which material uncertainties that may cast significant doubt upon the Company' s ability to continue as a going concern must be disclosed. As at April 30, 2012, the Company has not yet achieved profitable operations and continues to be dependent upon its ability to obtain sufficient working capital from external financing to meet the Company's liabilities as they become payable and ultimately to generate profitable future operations. As at April 30, 2012 the Company had a working capital deficit of $107,116. These financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in the accompanying financial statements.

2. BASIS OF PRESENTATION

These financial statements of Wabi Exploration Inc. as at and for the year ended April 30, 2012 have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). These are the Company's first financial statements prepared in accordance with IFRS, and IFRS 1, First-time Adoption of International Financial Reporting Standards, has been applied.

The significant accounting policies applied in these financial statements are presented in Note 3. The policies set out below were consistently applied to all the years presented unless otherwise noted.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 18. This note includes reconciliations of equity, operations, comprehensive loss, and the statements of financial position reported under previous Canadian generally accepted accounting principles to those reported under IFRS for the year ended April 30, 2011 and as at the date of transition, May 1, 2010.

These financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been applied in the preparation of these financial statements are summarized below. The Board of Directors approved these financial statements for issue on August 16, 2012.

These accounting policies have been used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to IFRS. The exemptions applied by the Company and the effects of transition to IFRS are presented in Note 18.

(i) Presentation currency

The Company's presentation and functional currency is the Canadian Dollar ("CAD").

(ii) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Stock option expense incorporates an expected forfeiture rate for those options that do not vest immediately.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods, or when the counterparty renders the service.

Upon expiry the value of share-based payments such as stock options and warrants will be reallocated from share-based reserve to deficit.

(iii) Taxation

Current tax
Income tax expense represents the tax currently payable on the taxable income using tax rates that have been enacted or substantively enacted by the end of the reporting period, adjusted for amendments to tax payable with regards to previous years.

Deferred tax
In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are presented as non-current.

(iv) Exploration and evaluation property

All acquisition costs and/or option payments are capitalized and recorded as exploration and evaluation properties on the statement of financial position. Exploration and evaluation costs are expensed as incurred. Once a project has been established as commercially viable and technically feasible, subsequent development expenditures are capitalized. On the commencement of commercial production, depletion of each property will be provide on a unit of production basis using estimated resources as the depletion base.

(v) Government grants

Grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Grants relating to costs are deferred and recognized in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Grants relating to intangible assets or property, plant and equipment are deducted from the carrying amount of the asset.

(vi) Impairment of Non-Financial Assets

The carrying values of exploration and evaluation properties and equipment are assessed for impairment when indicators of such impairment exist. If any indication of impairment exists an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use.

Impairment is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. If this is the case, the individual assets of the Company are grouped together into cash generating units ("CGUs") for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or other Company's of assets. This generally results in the Company evaluating its non-financial assets on a geographical basis.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of operations so as to reduce the carrying amount to its recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation/amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of operations.

(vii) **Financial instruments**

Financial instruments are classified into one of the following five categories: loans and receivables; fair value through profit or loss; held-to-maturity; available-for-sale; and other financial liabilities. Financial instruments are initially measured at fair value. Subsequent measurement and recognition of the changes in fair value of financial instruments depends upon their initial classifications, as follows:

- Financial assets and financial liabilities at fair value through profit and loss include financial assets and financial liabilities that are held for trading or designated upon initial recognition as fair value through profit and loss. These financial instruments are measured at fair value with changes in fair values recognized in the Statement of Operations. Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

  • Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
  • Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
  • Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

  The fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature.

- Financial assets classified as available-for-sale are measured at fair value, with changes in fair values recognized as Other Comprehensive Income ("OCI") in the Statement of Comprehensive Loss, except when there is objective evidence that the asset is impaired, at which point the cumulative loss that had been previously recognized in OCI is recognized within the Statement of Loss Operations.

- Financial assets classified as held-to-maturity and loans and receivables are measured subsequent to initial recognition at amortized cost using the effective interest method.

- Financial liabilities, other than financial liabilities classified as fair value through profit and loss, are measured in subsequent periods at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or where appropriate, a short period, to the net carrying amount on initial recognition.

The Company has classified its financial instruments as follows:

Asset/ Liability	Classification	Measurement
Cash	Loans and receivables	Amortized cost
Amounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Convertible debenture	Other financial liabilities	Amortized cost

The Company's cash in the statement of financial position is comprised of cash held at financial institutions.

Impairment of Financial Assets:

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset is impaired. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

• significant financial difficulty of the issuer or counterparty; or
• default or delinquency in interest or principal payments; or
• the likelihood that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

The fair values of the Company's cash, amounts receivable, accounts payable and accrued liabilities and convertible debentures approximate their carrying values because of the immediate or short-term to maturity of these financial instruments.

De-recognition:

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized

(viii) **Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expected future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. The Company does not have any provisions as of April 30, 2012, April 30, 2011 and May 1, 2010.

(ix) **Cash and cash equivalents**

The Company defines short-term investments with maturity dates of less than ninety days as cash equivalents. The Company invests cash in term deposits maintained in high credit quality institutions. As at April 30, 2012, the cash balance was $26,288 (April 30, 2011 - $22,235; May 1, 2010 - $719).

(x) **Equipment**

Equipment consists of computers and is carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is recognized based on the cost of an item of equipment, less its estimated residual value, over its estimated useful life at the following rates:

Computers - 3 years, straight-line basis

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

(xi) **Loss per share**

Basic loss per share is calculated by dividing losses attributable to common shares by the weighted average number of shares outstanding during the period.

Diluted loss per share is calculated using the denominator of the basic calculation described above adjusted to include the potentially dilutive effect of outstanding stock options and warrants. The denominator is increased by the total number of additional common shares that would have been issued by the Company assuming exercise of all stock options and warrants with exercise prices below the average market price for the year.

All shares issuable on exercise of stock options and warrants for the years ending April 30, 2012 and 2011 were not included in the computation of diluted loss per share because the effect would have been anti-dilutive.

(xii) **Foreign Currency Translation**

The Canadian dollar is the functional currency of the Company's operations. The financial statements, the results, and financial position are expressed in Canadian Dollars. Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

(xiii) **Rehabilitation provision**

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground and/or environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the income statement as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in the income statement. The Company does not have any rehabilitation provisions as of April 30, 2012, April 30, 2011 and May 1, 2010.

(xiv) **Operating segments**

The Company’s operating segments are organized around the geographical locations of the projects. Since the Company only has interests in properties in Canada, it only has one operating segment.

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(xv) **Use of Significant accounting judgements, estimates, and assumptions**

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Assets' carrying values and impairment charges
  In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- Capitalization of exploration and evaluation costs
  Management has determined that certain exploration and evaluation costs incurred during the year have future economic benefits and are economically recoverable. In making this judgement, management has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity of operating facilities, operating management expertise and existing permits. See Note 7 for details of capitalized exploration and evaluation costs.

- Impairment of exploration and evaluation property
  While assessing whether any indications of impairment exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's exploration and evaluation assets.

- Income taxes and recoverability of potential deferred tax assets
  In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax

benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

- Share-Based Payments
  Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Contingencies
  See Note 17.

4. FUTURE ACCOUNTING PRONOUNCEMENTS

Certain pronouncements were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after May 1, 2012 or later periods. Many of these updates are not applicable or are not consequential to the Company and have been excluded from the list below. The following pronouncements are being assessed to determine their impact on the Company's results and financial position.

IFRS 7 – Amendment to IFRS 7, Financial Instruments: Disclosure
Multiple clarifications related to the disclosure of financial instruments. The amendments to IFRS 7 are effective for annual periods beginning on or after July 1, 2011. The Company has not yet determined the impact of the amendments to IFRS 7 on its financial statements.

IFRS 9 – Financial Instruments: Classification and Measurement
This standard was published in November 2009 and contained requirements for financial assets. Requirements for financial liabilities were added to IFRS 9 in October 2010. Most of the requirements for financial liabilities were carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. This standard is required to be applied for accounting periods beginning on or after January 1, 2015, with earlier adoption permitted. The Company has not yet determined the impact of IFRS 9 on its financial statements.

IFRS 10 – Consolidated Financial Statements builds on existing principles and standards and identifies the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company (effective from January 1, 2013). The Company has not yet determined the impact of IFRS 10 on its financial statements.

IFRS 11 – Joint Arrangements establishes the principles of financial reporting by entities when they have an interest in arrangements that are jointly controlled (effective from January 1, 2013). The Company has not yet determined the impact of IFRS 11 on its financial statements.

IFRS 12 – Disclosure of Interest in Other Entities provides the disclosure requirements for interests held in other entities including joint arrangements, associates, special purpose entities and other off balance sheet entities (effective from January 1, 2013). The Company has not yet determined the impact of IFRS 12 on its financial statements.

IFRS 13 – Fair Value Measurement defines fair value, requires disclosure of fair value measurements and provides a framework for measuring fair value when it is required or permitted within the IFRS standards (effective from January 1, 2013). The Company has not yet determined the impact of IFRS 13 on its financial statements.

IAS 28 – Investments in Associates and Joint Ventures revised the existing standards and prescribes the accounting for investments and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures (effective January 1, 2013). The Company has not yet determined the impact of the amendments to IAS 28 on its financial statements.

IAS 1 – was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. The Company has not yet determined the impact of the amendments to IAS 1 on its financial statements.

IAS 12 – Income Taxes ("IAS 12") provides amendments to introduce an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. IAS 12 is effective for annual periods beginning on or after July 1, 2012 with earlier application permitted. The Company has not yet determined the impact of the amendments to IAS 12 on its financial statements.

5. AMOUNTS RECEIVABLE

	April 30, 2012	April 30, 2011	May 1, 2010
Sales tax receivable	$ 2,543	$ 1,634	$ 1,996

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2012	April 30, 2011	May 1, 2010
Accounts payable and accrued liabilities	$ 73,251	$ 42,449	$ 34,798

7. EXPLORATION AND EVALUATION PROPERTY

	Balance at April 30, 2011	Acquisition costs	Balance at April 30, 2012
Option payments – cash	$ 15,000	$ -	$ 15,000
Option payments – common shares	6,000	3,000	9,000
	$ 21,000	$ 3,000	$ 24,000

	Balance at May 1, 2010	Acquisition costs	Balance at April 30, 2011
Option payments – cash	$ -	$ 15,000	$ 15,000
Option payments – common shares	-	6,000	6,000
	$ -	$ 21,000	$ 21,000

In December 2010, the Company entered into an agreement with a director of the Company to acquire gold and base metal unpatented mineral exploration claims in the Snow Lake Area of Manitoba. Pursuant to the terms of the agreement, the Company has earned a 100% interest in these unpatented mining claims by making a cash payment of $15,000 (paid), by issuing 200,000 common shares (issued, valued at $6,000 based on calculated market value of the Company's common shares at the date of issuance) and by issuing an additional 200,000 common shares on or before March 15, 2012 (issued) valued at $3,000 based on calculated market value of the Company's common shares at the date of issuance.

The property is subject to a Net Smelter Royalty ("NSR") of 2%

8. EQUIPMENT

		Computers
Gross carrying amount		
Balance at May 1, 2010	$	-
Additions		1,608
Balance at April 30, 2011 and 2012	$	1,608
Accumulated amortization and impairment		
Balance at May 1, 2010 and April 30, 2011	$	-
Amortization		536
Balance at April 30, 2012		536
Carrying amount, May 1, 2012	$	-
Carrying amount, April 30, 2011	$	1,608
Carrying amount, April 30, 2012	$	1,072

9. DUE TO SHAREHOLDER

On October 28, 2010, the Company issued 2,859,376 units at a price of $0.05 per unit to a director and officer of the Company, who is also a shareholder of the Company, in settlement of an amount payable of $142,969. Each unit consists of one common share of the Company and one common share purchase warrant. The warrants are exercisable at a price of $0.10 per common share until October 28, 2015 and have a grant date fair value of $55,437. The grant date fair value was estimated using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 107%, risk free interest rate of 2.80% and an expected life of 5 years.

The same shareholder of the Company, from time to time advances funds to the Company for working capital needs. In August 2011, the Company repaid an amount owing of $34,508 to the shareholder, who then advanced the Company an additional $65,000 in the form of a convertible debenture. The debenture is convertible into common shares of the Company at a price of $0.05 per common share, is due August 3, 2012, is unsecured and bears interest at 1% per annum. Subsequent to the year ended April 30, 2012, the shareholder opted to extend the terms of repayment of the debenture for one year. The debenture is now due August 3, 2013.

The debenture is classified as a liability, with the exception of the portion relating to the conversion feature, resulting in the carrying value of the debenture being less than face value. The discount is being accreted over the term of the debenture utilizing the effective interest rate method at a 12.3% discount rate. An amount of $5,324 was recorded as accretion expense on the statement of operations and comprehensive loss for the year ended April 30, 2012 (2011 - $nil).

10. DUE TO RELATED PARTIES

On October 28, 2010, the Company issued 944,228 units at a price of $0.05 per unit to Mag Copper Limited (formerly Fort Chimo Minerals Inc.) in settlement of an amount payable of $47,211. A former director of the Company is a director of Mag Copper Limited (formerly Fort Chimo Minerals Inc.) Each unit consists of one common share of the Company and one common share purchase warrant. The warrants are exercisable at a price of $0.10 per common share until October 28, 2015 and have a grant date fair value of $18,306. The grant date fair value was estimated using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 107%, risk free interest rate of 2.80% and an expected life of 5 years.

11. CAPITAL STOCK

(a) As at April 30, 2012, April 30, 2011 and May 1, 2010, the Company's authorized number of common shares was unlimited without par value.

(b) **Common Shares**

Issued

19,033,699 Common Shares	**Shares** **#**	**Amount** **$**
Balance, May 1, 2010	12,336,512	2,013,527
Shares issued in settlement of debts (Notes 9 and 10)	3,803,604	116,437
Shares issued for property (Note 7)	200,000	6,000
Balance, April 30, 2011	16,340,116	2,135,964
Units issued in private placement (i)	2,500,000	125,000
Warrants issued in private placement (Note 12(i))	-	(12,500)
Shares issued for option payment (Note 7)	200,000	3,000
Adjustment (ii)	(6,417)	-
Balance, April 30, 2012	19,033,699	2,251,464

(i) On June 22, 2011, the Company announced the completion of a private placement through the issuance of 2,500,000 units at a price of $0.05 per unit for gross proceeds of $125,000. A director and officer of the Company subscribed for 500,000 units under this financing. Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company for a period of two years from the date of issuance of the warrants at an exercise price of $0.15 per share. During the year ended April 30, 2011, the Company received $25,000 relating to this private placement. This amount has been recorded as capital stock to be issued on the statement of financial position at April 30, 2011.

(ii) On May 31, 2011, the Company completed a share consolidation of one common share for every 100 shares outstanding. On June 1, 2011, immediately following the share consolidation, the Company completed a share split of 100 common shares for every one common share outstanding. In connection with the share consolidation, 6,417 common shares were cancelled. The share consolidation and split was done to eliminate fractional shares and all shareholdings of less than 100 shares. Shareholders who held 100 shares or more at the time of the transaction experienced no change in the number of shares they held after the transaction was completed. This transaction was approved by the shareholders of the Company at its annual and special meeting of shareholders held on May 18, 2011.

(iii) On August 9, 2011, the Company received approval of its application to list its common shares on the Canadian National Stock Exchange ("CNSX"). Effective August 11, 2011, the Company's common shares began trading on the CNSX under the trading symbol "WAB".

12. SHARE-BASED PAYMENTS RESERVE

	Number of Options	Weighted Average Exercise Price	**Value of Options**	Number of Warrants	Weighted Average Exercise Price	**Value of Warrants**	**Total Value**
Balance May 1, 2010	-	$ -	**$ -**	5,000,000	0.05	**$ 15,760**	**$ 15,760**
Granted	500,000	0.10	**5,000**	3,803,604	0.10	**73,743**	**78,743**
Balance April 30, 2011	500,000	$ 0.10	**$ 5,000**	8,803,604	0.07	**$ 89,503**	**$ 94,503**
Granted	-	-	**-**	1,250,000	0.15	**12,500**	**12,500**
Balance April 30, 2012	500,000	$ 0.10	**$ 5,000**	10,053,604	0.08	**$102,003**	**$107,003**

Warrants

(i) Pursuant to the issuance of 2,500,000 units at $0.05 per unit in connection with the private placement (Note 11(b)(i)), the Company issued 1,250,000 warrants. The fair value of the warrants was estimated to be $12,500, using the Black-Scholes option pricing model assuming a risk-free interest rate of 1.8% on the date of issue, an expected life of 2 years, an expected volatility of 95% and expected dividends of $Nil. The warrants expire on June 20, 2013.

Summary of warrants and broker warrants outstanding at April 30, 2012:

Number of Warrants	Weighted Average Exercise Price $	Estimated Grant Date Fair Value $	Expiry Date
5,000,000	0.05	15,760	November 21, 2012
3,803,604	0.10	73,743	October 28, 2015
1,250,000	0.15	12,500	June 20, 2013
10,053,604	0.08	102,003	

Options

The Company's Stock Option Plan ("the Plan") provides for the granting of stock options to directors, officers, employees and consultants of the Company. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company that are issuable pursuant to the Plan is limited to 10% of the issued and outstanding shares of the Company as at the date of the grant of options.

Options to purchase common shares outstanding at April 30, 2012 carry exercise prices and remaining terms to maturity as follows:

Number of Options	Options exercisable	Weighted Average Exercise Price $	Fair value at grant date	Expiry Date	Contractual Remaining Life (Years)
500,000	500,000	0.10	$5,000	October 29, 2013	1.5

The grant date fair value of the options was estimated, using the Black-Scholes option pricing model, with the following assumptions: a risk-free interest rate of 2.80% on the date of issue, an expected life of 3 years, a volatility of 107% and dividend yield of 0%.

13. INCOME TAXES

a) Provision for income taxes

The major items causing the Company's income tax expense to differ from the Canadian combined federal and provincial statutory rate of 28% at April 30, 2012 (2011 – 30%) were:

For the year ended April 30,	2012 $	2011 $
Net (loss) for the year before income taxes	(163,103)	(50,169)
Expected income taxes (recoverable) at statutory rates	(45,000)	(15,100)
Changes resulting from:		
Change in tax rates	4,200	6,400
Other	(1,700)	(2,500)
Change in deferred tax assets not recognized	42,500	11,200
Deferred income tax provision	-	-

b) Deferred income tax balances

The Company has deferred tax assets not recognized as follows:

	2012 $	2011 $
Deferred income tax assets		
Non-capital losses	50,200	36,900
Resource properties	321,700	278,300
Equipment	6,600	6,300
Capital losses	200	14,700
	378,700	336,200

The Company has approximately $204,000 of non-capital losses in Canada which under certain circumstances can be used to reduce the taxable income of future years. The losses expire in the following periods:

Year	Amount $
2028	59,000
2029	52,000
2030	50,000
2031	43,000
	204,000

The Company has approximately $1,293,000 of Canadian and foreign development and exploration expenditures as at April 30, 2012 which, under certain circumstances, may be utilized to reduce the taxable income of future years.

14. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of its properties. The capital of the Company consists of shareholder's loan, capital stock and share-based payments reserve. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The property in which the Company currently has an interest is in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

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

There were no changes in the Company's approach to capital management during the years ended April 30, 2012 or 2011. The Company is not subject to externally imposed capital requirements.

15. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, and financial liability are disclosed in Note 3.

Financial assets and liabilities as at April 30, 2012, April 30, 2011 and May 1, 2010 were as follows:

April 30, 2012	Cash, loans and receivables $	Other liabilities $	Total $
Cash	26,288	-	26,288
Accounts payable and accrued liabilities	-	(73,251)	(73,251)
Convertible debenture	-	(63,303)	(63,303)
	26,288	(136,554)	(110,266)

April 30, 2011	Cash, loans and receivables $	Other liabilities $	Total $
Cash	22,235	-	22,235
Accounts payable and accrued liabilities	-	(42,449)	(42,449)
Shareholder's loan	-	(34,508)	(34,508)
	22,235	(76,957)	(54,722)

May 1, 2010	Cash, loans and receivables $	Other liabilities $	Total $
Cash	719	-	719
Accounts payable and accrued liabilities	-	(34,798)	(34,798)
Due to shareholder	-	(125,197)	(125,197)
Due to related parties	-	(47,211)	(47,211)
	719	(207,206)	(206,487)

Financial Instrument Risk Factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies or procedures during the years ended April 30, 2012 and 2011.

Credit Risk
The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash consists of bank deposits which have been invested with reputable financial institutions, from which management believes the risk of loss to be remote.

Liquidity Risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2012, the Company had cash of $26,288 (April 30, 2011 - $22,235; May 1, 2010 - $719) to settle current liabilities of $136,554 (April 30, 2011 - $42,449; May 1, 2010 - $34,798).

Market Risk
(a) Interest rate risk
The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management considers interest rate risk to be minimal given that, as at April 30, 2012, no amounts were held in short-term deposit certificates.

(b) Foreign currency risk
The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions at this time are small and therefore, does not hedge its foreign exchange risk. The Company does not hold significant balances in foreign currencies to give rise to exposure to foreign exchange risk.

(c) Price risk
The Company is exposed to price risk with respect to commodity prices. Changes in commodity prices will impact the economics of development of the Company’s mineral properties. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not currently a revenue producing entity.

Fair value

Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The carrying amounts for cash, amounts receivable, and accounts payable and accruals on the balance sheet approximate fair value because of the limited term of the instruments. It is not possible to determine if the shareholder’s loan is at fair value as there is no comparable market value for such a loan.

At April 30, 2012, the Company had no financial instruments that are carried at fair value.

16. RELATED PARTY DISCLOSURES

During the year, the Company entered into the following transactions in the ordinary course of business with related parties of the Company:

	Amounts owed to related parties		
	30-Apr-12	30-Apr-11	1-May-10
Due to shareholder	$ -	$ 34,508	$ 125,197
Due to related parties	$ -	$ -	$ 47,211
Convertible debenture	$ 63,303	$ -	$ -

The amount due to shareholder relates to a shareholder loan which is due on demand, unsecured and non-interest bearing. No guarantees have been given for this amount. The convertible debenture is owed to a director of the Company and is convertible into common shares of the Company at a price of $0.05 per common share, is due August 3, 2012, is unsecured and bears interest at 1% per annum (Note 9).

Included in accounts payable and accrued liabilities at April 30, 2012 was an amount owing to officers of the Company of $60,095 (April 30, 2011 - $32,764; May 1, 2010 - $15,531). Of that amount, $59,530 relates to professional fees that were incurred for legal services rendered by a lawyer who also acts as the Company's Corporate Secretary (April 30, 2011 - $32,764; May 1, 2010 - $15,531).

Compensation of key management personnel of the Company
The remuneration of directors and other members of key management personnel during the year was as follows:

	Year ended April 30, 2012	Year ended April 30, 2011
Salaries including bonuses	$ 26,575	$ -
Share-based payments	-	5,000
Total remuneration	$ 26,575	$ 5,000

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

See Notes 7, 9, 10 and 11 for additional disclosures regarding transactions with related parties.

17. ENVIRONMENTAL CONTINGENCIES

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

18. IFRS TRANSITION

These financial statements of the Company for the year ending April 30, 2012 are the first annual financial statements that comply with IFRS and these financial statements were prepared as described in Note 2.

IFRS 1 also requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was May 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 is April 30, 2012. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adopters.

FIRST TIME ADOPTION OF IFRS
Set forth below are the IFRS 1 applicable and optional exemptions and exceptions to this retrospective treatment.

IFRS Exemption Options

1. *Business combinations* – IFRS 1 provides the option to apply IFRS 3, Business Combinations, retrospectively or prospectively from the Transition Date. The Company elected to apply IFRS 3 prospectively from the transition date. The retrospective basis would require restatement of all business combinations that occurred prior to the Transition Date. The Company did not apply IFRS 3 retrospectively to business combinations that occurred prior to its Transition Date and such business combinations have not been restated. Any goodwill arising on such business combinations before the

Transition Date has not been adjusted from the carrying value previously determined under Canadian GAAP as a result of applying this exemption.

2. *Share-based payments* - IFRS 2, Share-based Payments, encourages application of its provisions to equity instruments granted on or before November 7, 2002, but permits the application only to equity instruments granted after November 7, 2002 that had not vested by the Transition Date. The Company elected to avail itself of the exemption provided under IFRS 1 and applied IFRS 2 for all equity instruments granted after November 7, 2002 that had not vested by its Transition Date.

3. *IAS 27 – Consolidated and separate financial statements* - In accordance with IFRS 1, if a Company elects to apply IFRS 3 Business Combinations retrospectively, IAS 27 Consolidated and Separate Financial Statements must also be applied retrospectively. As the Company elected to apply IFRS 3 prospectively, the Company has also elected to apply IAS 27 prospectively.

Reconciliations of Canadian GAAP to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive loss and cash flows for prior periods. The changes made to the statements of financial position and statements of operations and comprehensive loss have resulted in reclassifications of various amounts on the statements of cash flows. The impacts on the statements of operations and comprehensive loss and cash flows are not significant and consequently reconciliations between Canadian GAAP and IFRS are not presented.

Changes in accounting policies:
In addition to the exemptions and exceptions discussed above, the following narratives explain the significant differences between the previous historical Canadian GAAP accounting policies and the current IFRS policies applied by the Company.

a. Share-based payments

IFRS 2 is effective for the Company as of May 1, 2010 and is applicable to stock options and grants that are unvested at that date. The transition rules in IFRS 1 and IFRS 2 as applied by the Company result in the following:

- Stock option grants made prior to November 7, 2002 are not taken into account for IFRS 2;
- Stock option grants made subsequent to November 7, 2002 are only taken into account if they have not vested as at May 1, 2010; and,
- From May 1, 2010, all stock options, share grants and other share-based payments will be expensed in accordance with the policy stated in Note 3.

Forfeitures

Canadian GAAP - Forfeitures of awards are recognized as they occur.

IFRS – An estimate is required of the number of awards expected to vest, which is revised if subsequent information indicates that actual forfeitures are likely to differ from the estimate. The Company estimated a 0% forfeiture rate and, as a result, no adjustments were recognized.

b. Equity Reserves

Canadian GAAP –The Company recorded the value of share-based payments to contributed surplus. Warrants issued were included in capital stock.

IFRS – IFRS allows a company to record the value of share-based payments, such as outstanding options, and warrants as a separate component of shareholder's equity. IFRS requires an entity to present for each component of equity, a reconciliation between the carrying amount at the beginning and end of the year, separately disclosing each change. IFRS requires a separate disclosure of the value that relates to "Reserves for warrants", "Reserves for share-based payments" and any other components of equity. At the Transition Date, the Company credited the share-based payments reserve in the amount of $15,760 and debited warrants for the same amount related to warrants outstanding at that date. As at April 30, 2011, the Company credited the share-based payment reserve for $89,503 and debited warrants for the same amount for warrant activity during the year and an additional $5,000 was credited to the account for share-based payments through the granting of options with a corresponding debit to contributed surplus.

Reconciliation of Statement of Financial Position as of May 1, 2010

As at	Notes	CGAAP April 30, 2010	IFRS Adjustments 2010	IFRS May 1, 2010
Assets				
Current assets				
Cash		$ 719	-	$ 719
Amounts receivable		1,996	-	1,996
Total assets		2,715	-	2,715
Liabilities and Shareholders' equity				
Current liabilities				
Accounts payable and accrued liabilities		34,798	-	34,798
Due to shareholder		125,197		125,197
Due to other related parties		47,211	-	47,211
Total liabilities		207,206	-	207,206
Shareholders' equity (deficiency)				
Capital stock		2,013,527	-	2,013,527
Warrants	18(b)	15,760	(15,760)	-
Share-based payments reserve	18(b)	-	15,760	15,760
Deficit		(2,233,778)	-	(2,233,778)
Total equity (deficiency)		(204,491)	-	(204,491)
Total liabilities and shareholders' equity (deficiency)		$ 2,715	-	$ 2,715

Reconciliation of Statement of Financial Position as of April 30, 2011

As at	Notes	CGAAP April 30, 2011	IFRS Adjustments 2011	IFRS April 30, 2011
Assets				
Current assets				
Cash		$ 22,235	-	$ 22,235
Amounts receivable		1,634	-	1,634
Prepaid expenses		2,000	-	2,000
		25,869	-	25,869
Equipment		1,608	-	1,608
Exploration and evaluation property		21,000	-	21,000
Total assets		48,477	-	48,477
Liabilities and Shareholders' equity				
Current liabilities				
Accounts payable and accrued liabilities		42,449	-	42,449
Due to shareholder		34,508		34,508
Total liabilities		76,957	-	76,957
Shareholders' equity (deficiency)				
Capital stock		2,135,964	-	2,013,527
Capital stock to be issued		25,000	-	25,000
Contributed surplus	18(b)	5,000	(5,000)	-
Warrants	18(b)	89,503	(89,503)	-
Share-based payments reserve	18(b)	-	94,503	94,503
Deficit		(2,283,947)	-	(2, 283,947)
Total equity (deficiency)		(28,480)	-	(28,480)
Total liabilities and shareholders' equity (deficiency)		$ 48,477	-	$ 48,477