



SENATOR MINERALS INC

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INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – See Notice to Reader)

for the three months ending **31 March 2011**

Expressed in Canadian dollars.

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NOTICE TO READER

Per National Instrument 51-102, Part 4, subsection 4.3(3)(a):

These unaudited consolidated financial statements and accompanying notes for the period ending 31 March 2011 have not been reviewed by the Company's auditors.

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), a change from Canadian generally accepted accounting principles, which were the accounting policies used to prepare the most recent audited annual financial statements of the Company.

We, the management, have compiled the consolidated statements of financial position of **SENATOR MINERALS INC** as at 31 March 2011 and 31 December 2010, and the consolidated statements of comprehensive loss and deficit, changes in shareholders' deficiency, and cash flows for the three month period ending 31 March 2011 from the books and records of the Company. Comparative figures for the corresponding periods in 2010 are provided.

In the opinion of the Company, its unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results for the interim period presented.

Readers are cautioned that these interim financial statements may not necessarily include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the period ended 31 December 2010, and with the Management Discussion and Analysis prepared as of 28 June 2011.

Senator Minerals Inc.
North Vancouver, BC
28 June 2011

SENATOR MINERALS INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars. Unaudited - See Notice to Reader)

	Notes	31 Mar 2011	31 Dec 2010 (Note 17)	1 Jan 2010 (Note 17)
ASSETS				
Current assets				
Cash		\$ 63,517	\$ 89,646	\$ 59,400
Short-term investments	6	13,850	31,400	10,000
Prepays		-	718	1,523
Receivables	5	8,057	9,875	2,860
		85,424	131,639	73,783
Non-current assets				
--		-	-	-
		-	-	-
TOTAL ASSETS		\$ 85,424	\$ 131,639	\$ 73,783
LIABILITIES				
Current liabilities				
Loan payable	7	\$ 394,100	\$ 394,100	\$ 201,900
Trade payables and accrued liabilities	8	125,221	133,595	113,882
		-	-	-
		519,321	527,695	315,782
Non-current liabilities				
		-	-	-
		-	-	-
TOTAL LIABILITIES		519,321	527,695	315,782
SHAREHOLDERS' DEFICIENCY				
Share capital	10	6,791,151	6,791,151	6,479,058
Subscriptions receivable		-	(40,000)	-
Reserves: re-priced warrants		76,727	76,727	76,727
Reserves: incentive stock options		250,442	250,442	250,442
Reserves: short-term investments		(7,700)	(8,600)	(30,000)
Deficit		(7,544,516)	(7,465,776)	(7,018,226)
TOTAL DEFICIENCY		(433,896)	(396,056)	(241,999)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		\$ 85,425	\$ 131,639	\$ 73,783

Nature and Continuance of Operations (note 1)**Commitments** (note 15)**Subsequent events** (note 16)

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

APPROVED BY THE DIRECTORS: "DONALD A SIMON" "ROGER G. KIDLARK"

SENATOR MINERALS INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
 For the Three Months Ended 31 March 2011 and 31 March 2010
 (Expressed in Canadian dollars. Unaudited - See Notice to Reader)

	Notes	Three month periods ended	
		31 Mar 2011	31 Mar 2010 (Note 17)
Revenue			
Property option payments		\$ -	\$ -
Other		-	-
Total Revenue		-	-
Expenses			
Exploration expenses:			
Acquisition and holding expense		\$ 13,111	\$ 82
Exploration expense		-	32,171
Sub-total: Exploration expenses		13,111	32,253
General and Administrative expenses			
Communications		\$ 2,644	\$ 1,536
Conferences		66	70
Consultants		-	9,000
Filing and listing fees		-	5,000
Interest on loan	7, 11	11,823	6,351
Management fees	12	31,125	31,125
Occupancy	12	5,832	5,443
Office and general		839	567
Professional fees		5,257	4,525
Promotion		4,913	4,294
Shareholder information		240	483
Transfer Agent		1,585	462
Travel		1,306	1,847
Total: General and Administrative expenses		65,630	70,704
Net loss for the first quarter		\$ 78,741	\$ 102,956
Other comprehensive loss (income)			
Unrealized loss (gain) on short-term investments		\$ (900)	\$ (6,000)
		-	-
		-	-
Total comprehensive loss for the period		\$ 77,841	\$ 96,956
Loss per share – basic and diluted	10	\$ 0.002	\$ 0.003

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

SENATOR MINERALS INC.

IV.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIENCY

For the Three Months Ended 31 March 2011 and 31 March 2010
(Expressed in Canadian dollars. Unaudited - See Notice to Reader)

	Notes	Share capital		Subscriptions Receivable	Reserves			Deficit	Total
		Number of shares	Amount		Re-priced Warrants	Incentive Stock Options	Short-term Investments		
Balance at January 1, 2010	17	39,292,583	\$ 6,479,058	\$ -	\$ 76,727	\$ 250,442	\$ (30,000)	\$ (7,018,226)	\$ (241,999)
Comprehensive loss:									
Loss for the period		-	-	-	-	-	-	(102,956)	(102,956)
Other comprehensive income		-	-	-	-	-	6,000	-	6,000
Total comprehensive loss for the period		-	-	-	-	-	6,000	(102,956)	(96,956)
Balance at March 31, 2010	17	39,292,583	\$ 6,479,058	\$ -	\$ 76,727	\$ 250,442	\$ (24,000)	\$ (7,121,182)	\$ (338,955)
Balance at January 1, 2011	17	45,592,583	\$ 6,791,151	\$ (40,000)	\$ 76,727	\$ 250,442	\$ (8,600)	\$ (7,465,776)	\$ (396,056)
Comprehensive loss:									
Loss for the period		-	-	-	-	-	-	(78,741)	(78,741)
Other comprehensive income		-	-	-	-	-	900	-	900
Total comprehensive loss for the period		-	-	-	-	-	900	(78,741)	(77,841)
Transactions with owners, in their capacity as owners, and other transfers:									
Collection of subscriptions receivable		-	-	40,000	-	-	-	-	40,000
Balance at March 31, 2011		45,592,583	\$ 6,791,151	\$ -	\$ 76,727	\$ 250,442	\$ (7,700)	\$ (7,544,516)	\$ (433,896)

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

SENATOR MINERALS INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Three Months Ended 31 March 2011 and 31 March 2010
(Expressed in Canadian dollars. Unaudited - See Notice to Reader)

	Three month periods ended	
	31 Mar 2011	31 Mar 2010
Operating activities		
Loss before income taxes	\$ (78,741)	\$ (102,956)
Adjustments for non-cash items:		
Accrued interest on loan	11,823	10,251
	-	-
Changes in non-cash working capital items:		
Accounts receivable	1,818	(1,026)
Prepaid expenses	718	1,523
Trade payables and accrued liabilities	(20,197)	(2,813)
Net cash flows used in operating activities	(84,579)	(95,021)
Financing activities		
Increase in credit facility: Loan Payable	-	37,200
Collection of subscription receipts	40,000	-
Net Proceeds of sale of short-term investments	18,450	-
Net cash flows from financing activities	58,450	37,200
Decrease in cash	(26,129)	(57,821)
	-	-
Cash, beginning	89,646	59,400
Cash, ending	\$ 63,517	\$ 1,579

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

SENATOR MINERALS INC.

NOTES to the Unaudited Financial Statements

For the Three Months Ended 31 March 2011 and 31 March 2010

(Expressed in Canadian dollars. Unaudited - See Notice to Reader)

1. Nature and Continuance of Operations

Senator Minerals Inc (the "Company"), with its head office in British Columbia, was incorporated in Ontario in 1972 and is listed on the TSX-Venture Exchange ("TSX-V").

The Company is involved in acquisition, exploration, and disposition of mineral exploration property interests in North America. The Company has not yet determined whether any of these properties contain economic reserves.

The accompanying unaudited consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will realize its assets and discharge its liabilities in the normal course of business activities. The continuing operations of the Company are dependent upon the motivation of its management and its ability to arrange adequate financing to develop its mineral properties and possibly to commence profitable operations in the future. To date, the Company has not generated and does not expect to generate any significant revenues, and is considered to be in the exploration stage. As at 31 March 2011, the Company has accumulated losses of \$7,544,516 since inception (31 Dec 10: \$7,465,776). Working capital at 31 March 2011 was a negative \$433,897 (31 Dec 10: negative \$396,056).

Management is aware that material uncertainties exist, related to current economic conditions, that could adversely affect the Company's ability to continue to finance its activities. As there are insufficient cash reserves to conduct planned programs and continue operations for the ensuing twelve months, in order to carry out its operations and administration, the Company will need to generate working capital through sale of its marketable securities, arrangements with lenders or creditors, and/or arrangement of additional equity financing.

These unaudited consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. These financial statements do not give effect to any adjustments that might be necessary to the carrying values, classification of assets and liabilities, and reported expenses should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares.

SENATOR MINERALS INC.

NOTES to the Unaudited Financial Statements

For the Three Months Ended 31 March 2011 and 31 March 2010

(Expressed in Canadian dollars. Unaudited - See Notice to Reader)

2. Significant Accounting Policies and Basis of Preparation

Statement of Compliance and Conversion to International Financial Reporting Standards

The statements are presented in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Therefore, these financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

These unaudited interim financial statements do not necessarily include all of the information required in the audited annual financial statements, and are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual financial statements for the year ended 31 December 2010.

This interim financial report, being the first IFRS-based financial report, has been prepared within reasonable limits of materiality and provides selected significant disclosures that are required in the annual financial statements under IFRS. The disclosures concerning the transition from Canadian Generally Accepted Accounting Principles ("Canadian GAAP") to IFRS are provided in Note [17](#).

Basis of Preparation

The consolidated interim financial statements of the Company are expressed in Canadian dollars, have been prepared on an accrual basis, and are based on historical costs, modified where applicable. Previous consolidated financial statements of the Company were presented in accordance with Canadian generally accepted accounting principles ("GAAP"). These current IFRS-based statements have been prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(a) Consolidation

These consolidated financial statements include the accounts of the Company and both its wholly owned subsidiaries, 515427 BC Ltd. and Senator Minerals US Inc (individually and collectively referred to as the "Company"). Senator Minerals US Inc, a Nevada company incorporated on 12 May 2004, has no bank account and is inactive. There were no significant transactions in 515427 BC Ltd, a British Columbia corporation, during the current or previous year. All inter-company transactions and balances have been eliminated upon consolidation.

SENATOR MINERALS INC.

NOTES to the Unaudited Financial Statements

For the Three Months Ended 31 March 2011 and 31 March 2010

(Expressed in Canadian dollars. Unaudited - See Notice to Reader)

(b) Significant Accounting Judgments, Estimates, and Assumptions

The preparation of financial statements in conformity with IFRS may require management to make judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair values assigned to marketable securities, the determination of probable future benefit and impairment of mineral properties, the recognition and valuation of provisions for environmental liabilities and reclamation, the fair values of stock-based compensation and financial instruments, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

(c) Marketable Securities

Marketable securities are classified as available-for-sale financial assets and recorded at fair value, with unrealized gains and losses recorded in other comprehensive income (loss).

(d) Mineral Property Acquisition, Maintenance, and Exploration Expenditures

The Company has adopted an accounting policy for its mineral properties which is consistent with an alternative available under IFRS. Mineral property acquisition costs would be capitalized only if management determined that probable future benefits, consisting of contributions to future cash inflows, had been identified and adequate financial resources were fully expected to be available to meet the terms of property acquisition and budgeted exploration and development expenditures. Mineral property acquisition costs are expensed as incurred if the criteria for capitalization are not met. Accordingly, the corresponding mineral property exploration costs are also expensed as incurred. If it were determined that a mineral property could be economically developed as a result of establishing measured and indicated resources, the costs incurred to develop that property would be capitalized. As of the date of these financial statements, the Company has incurred only acquisition, maintenance, and exploration costs that have been expensed. To date, the Company has established a NI 43-101-compliant inferred resource on one of its mineral properties, but no indicated or measured resources on any of its mineral properties.

(e) Reclamation and Environmental Obligations

The Company recognizes the responsibility for reclamation and environmental obligations, and Company policy continues to be that it finances, but does not directly carry out, exploration work. Exploration permits are issued in the name of whatever exploration contractor is doing the work, and any reclamation bonds are the responsibility of and for the account of the exploration contractors. Therefore the Company does not make any provision in its accounts for direct reclamation or environmental obligations.

SENATOR MINERALS INC.

NOTES to the Unaudited Financial Statements

For the Three Months Ended 31 March 2011 and 31 March 2010

(Expressed in Canadian dollars. Unaudited - See Notice to Reader)

(f) Asset Retirement Obligations

The Company has arranged its business and accounting so that it has no asset retirement obligations. Exploration risk is borne by the Company's exploration contractors, and to date none of the Company's exploration projects are recognized as assets. The Company is aware of and would adopt IFRS standards for recognizing statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations resulted from the acquisition, construction, development or normal operation of the assets.

Estimates of restoration or reclamation costs could change as a result of changes in regulatory requirements, discount rates, and assumptions regarding the amount and timing of the future expenditures. These changes would be recorded directly to mining assets with a corresponding entry to the reclamation provision. The Company's estimates would be reviewed annually for changes in regulatory requirements, discount rates, effects of inflation, and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, would be charged to profit and loss for the period.

At 31 March 2011 and 31 December 2010, management has determined that the Company has no asset retirement obligations.

(g) Impairment of Long-Lived Assets

The Company has no long-lived assets. In the event it acquired such assets, it would use IFRS standards for recognizing, measuring and disclosing impairment of long-lived assets held for use.

At each reporting date, the Company would review its assets to determine whether events or changes in circumstances indicated that the carrying amount might not be recoverable. If such indication existed, the recoverable amount of the asset would be estimated in order to determine the extent of the impairment loss. An impairment loss would be recognized whenever the carrying amount of an asset or its cash generating unit exceeded its recoverable amount. Impairment losses would be recognized in the statement of income and comprehensive income.

The recoverable amount of assets would be calculated as the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows would be discounted to their present value using a pre-tax discount rate that reflected the current market assessments of the time value of money and the risks specific to the asset. For an asset that did not generate cash inflows largely independent of those from other assets, the recoverable amount would be determined for the cash-generating unit to which the asset belonged.

An impairment loss would be reversed only if there were an indication that the impairment loss might no longer exist and if there had been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets with an indefinite useful life would not be subject to amortization and would be tested annually for impairment.

SENATOR MINERALS INC.

NOTES to the Unaudited Financial Statements

For the Three Months Ended 31 March 2011 and 31 March 2010

(Expressed in Canadian dollars. Unaudited - See Notice to Reader)

(h) Property Option Agreements

From time to time, the Company may acquire or dispose of part or all of an interest in a property pursuant to the terms of an option agreement. Due to the fact that property options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments for acquired mineral properties are recorded as property costs. Proceeds greater than the acquisition costs of properties that are sold or optioned are recorded as revenues.

(i) Loss Per Share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants, and similar instruments. Under this method, the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants, and similar instruments, assuming that the proceeds would be used to purchase common shares at the average market price during the period. Basic and diluted loss per common share are calculated using the weighted-average number of common shares outstanding during the period. For the years presented, dilutive loss per share is equal to basic loss per share.

(j) Stock-Based Compensation

The Company has an authorized rolling incentive stock option plan. At present, no options are outstanding and the Company has no employees. Share-based payments to non-employees would be measured at the fair value of goods or services received, or the fair value of the equity instruments issued if it were determined the fair value of the goods or services could not be reliably measured, and would be recorded at the date the goods or services are received. The corresponding amount would be recorded to the option reserve. The fair value of options would be determined using a Black-Scholes ("BS") pricing model that incorporates all market vesting conditions. The number of shares and options expected to vest would be reviewed and adjusted at the end of each reporting period so that the amount recognized for services received as consideration for the equity instruments granted would be based on the number of equity instruments that eventually vest.

(k) Comprehensive Income (Loss)

At 31 March 2011 and 31 December 2010, the Company recorded estimated changes in the fair market value of securities held available for sale in comprehensive income (loss).

SENATOR MINERALS INC.

NOTES to the Unaudited Financial Statements

For the Three Months Ended 31 March 2011 and 31 March 2010

(Expressed in Canadian dollars. Unaudited - See Notice to Reader)

(l) Income Taxes

Future income taxes are recorded using the asset and liability method, whereby future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that enactment or substantive enactment occurs.

To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess. Because of the nature of the Company's business, and the expectation of continuous losses due to exploration and related expenditures, and the use of valuation allowances to offset any amount recorded in comprehensive loss, the Company reviews and updates its tax situation on an annual basis only.

(m) Financial Instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale, and financial liabilities. The classification depends on the purpose for which the financial instruments was acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets would be classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets would be subsequently measured at fair value with changes in carrying value being included in profit or loss.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which would be classified as non-current assets.

Held-to-maturity investments would be non-derivative financial assets that have fixed maturities and fixed or determinable payments, and which are intended to be held to maturity. They would be subsequently measured at amortized cost. Held-to-maturity investments would be included in non-current assets, except for those that would be expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. Available-for-sale financial assets are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

SENATOR MINERALS INC.

NOTES to the Unaudited Financial Statements

For the Three Months Ended 31 March 2011 and 31 March 2010

(Expressed in Canadian dollars. Unaudited - See Notice to Reader)

Non-derivative financial liabilities, excluding financial guarantees, would be subsequently measured at amortized cost.

Regular purchases and sales of financial assets would be recognized on the trade-date, that date on which the group commits to purchase the asset.

The Company does not have any derivative financial assets and liabilities.

(n) Foreign Currency Translation

These financial statements are presented in Canadian dollars which is the Company's functional currency. The Company's monetary assets and liabilities that are denominated in foreign currencies are translated at the rate of exchange at the balance sheet date. Non-monetary assets and liabilities are translated at exchange rates prevailing at the transaction date. Income and expenses are translated at rates which approximate those in effect on transaction dates. Gains and losses arising on translation are recognized in profit or loss in the statement of comprehensive income in the period in which they arise,

(o) Comparative Figures

Certain comparative figures may have been reclassified to conform to the current presentation.

(p) Accounting Standards Issued But Not Yet Effective

(i) Amendments to IFRS 7 "Financial Instruments: Disclosures"

This amendment increases the disclosure required regarding the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period. This amendment is effective for annual periods beginning on or after 1 July 2011

(ii) New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". This new standard is effective for annual periods beginning on or after 1 January 2013.

The Company has reviewed these revised standards and considers that there will be little or no impact on the Company's consolidated financial statements.

3. Capital Management

The Company is not subject to externally imposed capital requirements but must remain active in order to maintain its TSX-V listing. The Company manages its capital structure based on the funds available to the Company, in order to support and prioritize acquisition, maintenance, exploration, and development of mineral properties.

SENATOR MINERALS INC.

NOTES to the Unaudited Financial Statements

For the Three Months Ended 31 March 2011 and 31 March 2010

(Expressed in Canadian dollars. Unaudited - See Notice to Reader)

The Board of Directors has not established any quantitative return on capital criteria for management, instead relying on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has interests are in the exploration stage so the Company is dependent on external financing to fund exploration activities. In order to fund its administration and exploration activities, the Company plans to spend its existing working capital and raise additional amounts as needed.

There have been no changes to the Company's approach to capital management during the last year.

4. Risk Management

The Company is engaged primarily in the mineral exploration field and manages related industry risk issues directly. The Company is potentially at risk for fluctuations in commodity-based market prices associated with resource property interests, as well as for environmental reclamation obligations.

The Company has no control over commodity prices, but management is cognizant of the commodity targets in the projects it undertakes.

Management actively ensures that the Company's exploration contractors address environmental risk and compliance in accordance with industry standards and specific project environmental requirements, there is no certainty that all environmental risks and contingencies have been addressed.

Credit Risk: Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. In the event of a large equity capital injection, the Company's primary exposure to credit risk would be in its cash accounts. This risk is managed through the use of a major bank which is a high credit quality financial institution as determined by rating agencies.

Currency Risk: The Company's functional currency is the Canadian dollar. There is moderate foreign exchange risk to the Company as it obtains financing in Canadian dollars but may incur significant mineral property-related expenditures in the USA as well as Canada. The Company does not engage in any hedging activities to reduce its foreign currency risk. The Company's secondary exposure to risk is on its accounts receivable, and is considered minimal as receivables consist primarily of a government obligation for refundable goods and services taxes.

Interest Rate Risk: The Company's exposure to interest rate risk relates to its ability to maintain the current rate of interest on its loan payable. There is no provision to vary the interest rate in the current loan agreement, and no changes are contemplated.

SENATOR MINERALS INC.**NOTES to the Unaudited Financial Statements**

For the Three Months Ended 31 March 2011 and 31 March 2010

(Expressed in Canadian dollars. Unaudited - See Notice to Reader)

Liquidity and Funding Risk: Liquidity risk arises through the excess of financial obligations due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. This risk has been mitigated by the establishment of a revolving line of credit. Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. Under current market conditions, liquidity risk is assessed as moderate and funding risk is assessed as high.

5. Accounts Receivable

The components of receivables are as follows:

	31 Mar 2011	31 Dec 2010
GST/HST receivable from the federal government	\$ 8,058	\$ 9,875
	-	-
Total	\$ 8,058	\$ 9,875

The change to IFRS from Canadian GAAP has not resulted in any accounting policy change to receivables.

6. Short-term Investments

	31 Mar 2011	31 Dec 2010
Alderon Resource Corp (ALD on TSX-V)	\$ 13,850	\$ 31,400
	-	--
Totals	\$ 13,850	\$ 31,400

In 2005, pursuant to the sale of its options on the Key and Okey properties (note 9(i)), the Company received 200,000 common shares of Aries Resource Corp. ("Aries"), a public company trading on the TSX-V. In September 2008, these shares were rolled back 10:1 and the company's name was changed to Alderon Resource Corp. A subsequent 2:1 rollback was effected.

During the three months ending 31 March 2011, the Company sold 5000 shares of Alderon for net proceeds of \$18,450.

As at 31 March 2011, the Company holds 5,000 shares of Alderon at an estimated fair value of \$13,850. At 31 March 2010, the Company has recorded a net of \$7,700 in unrealized losses related to these shares, which has been recorded as part of comprehensive loss.

The change to IFRS from Canadian GAAP has not resulted in any accounting policy change to short-term investments.

SENATOR MINERALS INC.**NOTES to the Unaudited Financial Statements**

For the Three Months Ended 31 March 2011 and 31 March 2010

(Expressed in Canadian dollars. Unaudited - See Notice to Reader)

7 Loan Payable

	Three month period ended 31 Mar 2011	Year ended 31 Dec 2010
Balance, beginning of period	\$ 394,100	\$ 201,900
Increase in the liability during the period	-	192,200
Interest incurred (recorded in accrued liabilities: Note 8)	11,823	33,019
Interest paid	-	33,019
Balance, end of period	\$ 394,100	\$ 394,100

In July of 2003, the Company entered into a revolving arms-length arrangement with a private lender for an unsecured credit line of up to \$100,000 (later amended to \$250,000 and subsequently to \$500,000) repayable on demand or out of the equity financings undertaken by the Company. Interest is payable at 1% per month on any outstanding month-end balance.

At 31 March 2011, a balance of \$394,100 was owed on this credit facility. The total accrued interest incurred during the three months ending 31 March 2011 is \$11,823, recorded in accrued payables (3 months to 31 Mar 2010: \$6,351).

The change to IFRS from Canadian GAAP has not resulted in any accounting policy change to loan payable.

8. Trade Payables and Accrued Liabilities

	31 Mar 2011	31 Dec 2010
Trade payables	\$ 91,252	\$ 115,340
Amounts due to related parties (Note 12)	20,669	10,916
Accrued liabilities	1,477	7,339
Accrued interest on loan (Note 7)	11,823	-
	\$ 125,221	\$ 133,595

The change to IFRS from Canadian GAAP has not resulted in any accounting policy changes to trade payables and accrued liabilities.

9. Mineral Properties: Acquisition, Maintenance, and Exploration Expenditures

Ownership of mineral property interests may involve certain risks due to difficulties in determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyancing history characteristic of some mineral properties. The Company has investigated ownership of the mineral properties in which it has an interest and, to the best of its knowledge, all properties are in good standing.

(See Schedule A: Summary of the 2009, 2010, and 2011 to date acquisition, maintenance, and exploration expenses and reimbursements for each property).

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At 31 March 2011, the Company owns or has lease options on the following mineral property interests. A comparison of acquisition, maintenance, and exploration expenses for the three months ending 2011 and 2010 is included.

(a) Taurus property, southeastern Alaska:

In September 2004, the Company acquired a 100% interest in the 33 claim Taurus property in southeastern Alaska by way of staking. As of the date of these financial statements, the Company continues to own a 100% interest in the Taurus property.

In the three months ending 31 Mar 2011, the total expended was \$nil (Q1 in 2010: \$9,371) on maintenance and exploration. The claims are in good standing with the state of Alaska until 30 November 2011.

(b) IC Bentonite, Nevada:

In 2008, the Company arranged the staking of seven placer claims to cover a bentonite deposit of undetermined size. Due to prior agreements, Kent Exploration Inc ("KEX") has earned a 50% interest in this property, and an area of interest clause in the Ivanhoe Creek-Rimrock mining lease option agreement gave the non-arms-length optionor a 1% net smelter return ("NSR").

In the three months ending 31 Mar 2011, the total expended was \$nil (Q1 in 2010: \$82) on maintenance and exploration. The claims are in good standing with the state of Nevada until 31 August 2011.

(c) Coal Permits, Saskatchewan

During 2008, the Company, through a staking process costing \$53,296, applied for permits allowing for coal exploration in an area covering 43,026 hectares located in central Saskatchewan. These permits were issued to the Company on 16 December 2008 and are effective until 16 December 2011 with the option to renew for an additional two six month periods.

In the three months ending 31 Mar 2011, the total expended was \$nil (Q1 in 2010: \$nil) on maintenance and exploration. The permits are in good standing with the province of Saskatchewan until 16 December 2011.

(d) King Dome, Yukon

In December 2010, the Company entered into an arms-length option agreement to acquire a 100% interest, net of a 3% NSR, in the King Dome gold-VMS target in south-central Yukon. Consideration included an initial cash payment of \$50,000 and a commitment to issue 500,000 common shares. The other major expense in 2010 was a payment of cash-in-lieu of work to keep the property in good standing until December 2011.

To complete the option agreement, the Company has a 2011 work commitment of \$250,000, then payment of \$75,000 cash and 500,000 shares no later than 30 November 2011 upon submission of a NI 43-101-compliant report recommending further work; a 2012 work commitment of \$500,000, then payment of \$100,000 cash and 1,000,000 shares no later than 30 November 2012 upon submission of a NI 43-101-

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compliant report recommending further work; a 2013 work commitment of \$750,000, then payment of \$125,000 cash and 1,000,000 shares no later than 30 November 2013, upon submission of a NI 43-101-compliant report recommending further work.

Upon earning its 100% interest and commencing 30 November 2014, the Company will be obligated to make an annual advance royalty payment of \$125,000. Within 30 days of the commencement of commercial production on the Property, the Company shall be obligated to make a one-time bonus payment equal to one dollar (\$1.00) for every ounce of gold resource identified as indicated and/or inferred in the most recent NI 43-101-compliant report.

In the three months ending 31 Mar 2011, the total expended was \$nil (Q1 in 2010: \$nil) on maintenance and exploration. The claims are in good standing with the territory of Yukon until 6 December 2011.

(e) M property, Yukon

In November 2010, the Company entered into a staking arrangement with an arms-length party to acquire a 50% interest in a gold-copper target in the White Gold mineral belt, Yukon. This acquisition has not yet been finalized. Staking expenditures to date are \$52,244.

In the three months ending 31 Mar 2011, the total expended was \$nil (Q1 in 2010: \$nil) on maintenance and exploration.

(f) Rosebud property, Mohave County, Arizona

In January 2011, the Company staked 20 unpatented lode mining claims totaling 400 acres in one contiguous claim block. The Company previously has a 1% NSR in the Rosebud claims as a result of a finders fee. The Company now has a 100% interest in the Rosebud claims, net of a 1% NSR to the former owner, an arms-length party.

In the three months ending 31 Mar 2011, the total expended was \$13,111 (Q1 in 2010: \$nil) on acquisition. The claims are in good standing with the state of Arizona until 31 August 2011.

Other Property Interests (Net Smelter Returns)

(g) Key and Okey Properties, Liard M.D., British Columbia

Pursuant to option agreements dated 17 May 2001, the Company acquired the right to earn a 50% interest, net of a 3% NSR, in the Key and Okey properties in the Liard Mining District, British Columbia. On 21 December 2004, the Company effectively cancelled its agreements to acquire the Key and Okey properties by selling its options to earn a 50% interest in each property through an option agreement with the non-arm's-length original vendor to Aries Resource Corp ("Aries").

The Company now holds a 1% NSR in each of the Key and Okey properties.

(See Schedule A - Summary of the 2011, 2010, and 2009 acquisition, maintenance, and exploration expenses and reimbursements for each property).

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10. Share Capital

- (a) Authorized:
Unlimited number of common shares without par value
Unlimited number of special shares issuable in series without par value

- (b) Common shares issued and fully paid:

At March 31, 2011 there were 45,592,583 issued and fully paid common shares (December 31, 2010 – 45,592,583).

2010 common share capital transactions:

Pursuant to a private placement, approved 22 December 2010, the Company issued 6,300,000 common shares at \$0.05 per share for total proceeds of \$315,000. The Company incurred share issuance costs in the amount of \$2,907 relating to this transaction. At 31 December 2010, \$40,000 remained in share subscriptions receivable relating to this transaction, all of which was collected in the first quarter of 2011.

2011 common share capital transactions to 31 March 2011: none.

- (c) Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three month period ended 31 March 2011 was based on the loss attributable to common shareholders of \$78,741 (2010 - \$102,956) and the weighted average number of common shares outstanding of 45,592,583 (2010 – 39,292,583).

Diluted loss per share did not include the effect of 1,250,000 stock options as the effect would be anti-dilutive.

- (d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Shares	Weighted Average Exercise Price
Balance, 1 January 2010	11,500,000	\$ 0.13
Warrants expired in 2010	11,500,000	0.13
<hr/>		
Balance, 31 December 2010	-	-
Warrants issued, 2011 to March 31	-	-
<hr/>		
Balance, 31 March 2011	-	-

In 2010, 5,500,000 warrants exercisable at \$0.10 expired on 21 July and 6,000,000 warrants exercisable at \$0.15 expired on 2 November.

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(d) Stock Options

The Company has a rolling incentive stock option plan that can reserve a maximum of 10% of the issued shares of the Company at the time of the stock option grant with no vesting provisions, but including the following terms:

- ? Each incentive share purchase option is personal to the grantee and may be neither assigned nor transferred to anyone else;
- ? Individual incentive share purchase options will have no more than a maximum term of five (5) years from the date of their grant;
- ? Incentive share purchase options granted to any one individual in any 12 month period can not exceed 5% of the issued and outstanding shares of the Company;
- ? Individual incentive share purchase options granted to any one consultant in any 12 month period shall not exceed 2% of the issued and outstanding shares of the Company;
- ? Individual incentive share purchase option agreements granted to an employee conducting investor relations activities will not exceed an aggregate of 2% of the issued and outstanding shares of the Company in any 12 month period.

Stock option expiries are summarized as follows:

	Number of Shares	Average Exercise Price
Balance, 1 January 2010	950,000	\$ 0.284
Options expired, 22 Jan 2010	400,000	0.255
Options expired, 25 Feb 2010	200,000	0.305
Options expired, 26 Feb 2010	200,000	0.31
Options expired, 27 Jun 2010	150,000	0.30
	-	
Balance, 31 Dec 2010 & 31 Mar 2011	-	-

No stock options were granted during the year ended 31 December 2010 or in the three months ending 31 March 2011.

The stock option reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amounts recorded could potentially be transferred to deficit but the Company has elected to maintain them in the stock option reserve account.

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11. Loan Payable

In July of 2003, the Company entered into a revolving arms-length arrangement with a private lender for an unsecured credit line of up to \$100,000 (later amended to \$250,000 and subsequently in June 2010 to \$500,000) repayable on demand or out of the equity financings undertaken by the Company. Interest is payable at 1% per month on any outstanding month-end balance.

At 31 March 2011, a balance of \$394,100 was owed on this credit facility (31 Dec 2010: \$394,100). Total accrued interest at 31 March 2011 was \$11,823 (31 Dec 2010: \$nil; 31 Mar 2010: \$10,251)

12. Related Party Transactions

During the first quarter of 2011, the aggregate amount of expenditures made to parties not at arm's length to the Company consists of the following:

- (a) The Company paid rent, communications, office, and bookkeeping services in the amount of \$11,280 (to 31 Mar 2010: \$11,280) to a company controlled by a director and an officer of the Company;
- (b) The Company paid management fees in the amount of \$31,125 (to 31 Mar 2010: \$31,125) to a company controlled by a director and an officer of the Company.

Included in accounts payable and accrued liabilities at 31 March 2011 is \$19,349 (31 Dec 2010: \$9,596) payable to a director and officer of the Company, and \$1,320 (31 Dec 2010: \$1,320) payable to directors of the Company.

These amounts due to related parties are unsecured, have no fixed repayment date, and there is no interest payable on the outstanding balances.

13. Classification of Financial Instruments

Financial assets included in the statement of financial position are as follows:

	31 Mar 2011	31 Dec 2010
Cash	\$ 63,516	\$ 89,646
Receivables	8,058	9,875
Available-for-sale financial instruments:		
Short-term investments	13,850	31,400
	\$ 85,424	\$ 130,921

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Financial liabilities included in the statement of financial position are as follows:

	31 Mar 2011	31 Dec 2010
Non-derivative financial liabilities:		
Credit facility (Loan Payable)	\$ 394,100	\$ 394,100
Trade payables	91,252	115,340
Due to Related Parties	19,349	9,596
	\$ 504,701	\$ 519,036

Fair value:

The fair value of the Group's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- ? Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- ? Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- ? Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Group's financial assets measured at fair value as at March 31, 2011 and December 31, 2010:

	As at 31 March 2011		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 63,516	\$ -	\$ -
Short-term investments	13,850	-	-
Total	\$ 77,366	\$ -	\$ -

	As at 31 December 2010		
	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 89,646	\$ -	\$ -
Short-term investments	31,400	-	-
Total	\$ 121,046	\$ -	\$ -

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14. Segmented Information

During the period covered by these financial statements, the Company had one reportable operating segment, being the acquisition, exploration, and disposition of interests in mineral properties.

	Canada	US	Total
31 March 2010			
Loss for the quarter	\$ 93,503	\$ 9,453	\$ 102,956
Total Assets:	\$ 21,464	-	\$ 21,464

	Canada	US	Total
31 December 2010			
Loss for the year	\$ 217,540	\$ 42,060	\$ 259,600
Total Assets:	\$ 131,639	-	\$ 131,639

	Canada	US	Total
31 March 2011			
Loss for the quarter	\$ 65,630	\$ 13,111	\$ 78,741
Total Assets:	\$ 85,423	-	\$ 85,423

At 31 March 2011, 31 December 2010, and 1 January 2010, all of the Company's recorded assets were located in Canada.

15. Commitments

The Company has an office and service agreement with a company controlled by a director and an officer of the Company. The terms of the agreement require the Company to pay \$1,315 per month, with a time limitation tied to the term of the president's tenure. This agreement includes \$4,500 per year for administrative services.

The Company has a management services agreement with a company controlled by a director and an officer of the Company. That agreement requires the Company to pay \$10,000 per month, continuing for the duration of the president's tenure.

16. Subsequent Events

Subsequent to 31 March 2011, in an arms-length non-cash transaction, the Company has issued 500,000 shares as partial consideration pursuant to an option agreement to acquire a 100% interest, net of a 3% NSR, in the King Dome claims, Quiet Lake area, Yukon.

SENATOR MINERALS INC.

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17. Transition to IFRS

As result of the Accounting Standards Board of Canada's decision to adopt IFRS for publicly accountable entities for financial reporting periods beginning on or after 1 January 2011, the Company has adopted IFRS in these financial statements, making them the first interim financial statements of the Company using IFRS. The Company previously applied the available standards under Canadian GAAP that were issued by the Accounting Standards Board of Canada.

As required by IFRS 1 "First-time Adoption of International Financial Reporting Standards", 1 January 2010 has been considered to be the date of transition to IFRS by the Company. Therefore, the comparative figures that were previously reported under Canadian GAAP have been examined to ensure that they are in accordance with IFRS. No restatements of the 1 January 2010 and 31 December 2010 comparative figures were necessary as changes were limited to descriptive classifications only.

The Company has applied the following optional transition exemption to full retrospective application of IFRS: IFRS 2 "Share-Based Payment" has not been applied to awards that vested prior to 1 January 2010, which were accounted for in accordance with Canadian GAAP.

As a result of applying the option exemptions, the adoption of IFRS did not have any impact on the Company's assets, liabilities and equity as at January 1, 2010, March 31, 2010 or December 31, 2010 and did not have any impact on the comprehensive loss for the three month period ended March 31, 2010 as previously reported under Canadian GAAP.

18. List of Directors and Officers

These financial statements were authorized for issue on 28 June 2011 by the directors of the Company.

As at 28 June 2011 (the date these financial statements were signed), directors and officers were:

Roger G. Kidlark	CFO and Director
Richard R. Redfern	Director
Donald A. Simon	President, CEO, and Director
Lana M. Simon	Secretary
Jeffrey P. Scouten	Director

19. Audit Committee:

Pursuant to Section 158(1) of the Ontario Business Corporations Act, the audit committee comprises the following three financially literate directors, the majority of whom are neither officers nor employees of the Company.

Richard R. Redfern	Director	Independent
Donald A. Simon	Director	Officer
Jeffrey P. Scouten	Director	Independent

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SCHEDULE "A"

	Property	Acquisition	Maintenance	Exploration	Reimbursed	Total
2011	Three months only					
	Taurus	\$ -	\$ -	\$ -	\$ -	\$ -
	Sask Coal	-	-	-	-	-
	IC Bentonite	-	-	-	-	-
	King Dome	-	-	-	-	-
	Yukon: M	-	-	-	-	-
	Rosebud	13,111	-	-	-	13,111
	2011 Totals (3 mo)	\$ 13,111	\$ -	\$ -	\$ -	\$ 13,111
2010	Property	Acquisition	Maintenance	Exploration	Reimbursed	Total
	Taurus	\$ -	\$ 8,463	\$ 10,967	\$ -	\$ 19,450
	Sask Coal	-	-	-	-	-
	IC Bentonite	-	1,385	1,650	-	3,035
	King Dome	50,828	5,460	-	-	56,288
	Yukon: M	52,244	-	-	-	52,244
	General	-	-	46,604	-	46,604
	2010 Totals	\$ 103,072	\$ 15,328	\$ 59,221	\$ -	\$ 177,621
2009	Property	Acquisition	Maintenance	Exploration	Reimbursed	Total
	Taurus	\$ -	\$ 15,985	\$ 20,245	\$ (1,736)	\$ 34,494
	Sask Coal	-	-	11,604	-	11,604
	IC Bentonite	-	1,216	220	-	1,436
	Ivanhoe Creek	-	-	4,394	-	4,394
	Mékinac	-	-	385	-	385
	General	-	-	10,834	-	10,834
	2009 Totals	\$ -	\$ 17,201	\$ 47,682	\$ (1,736)	\$ 63,147