Northfield Metals Inc.

Financial Statements

March 31, 2012
(expressed in Canadian dollars)
(unaudited)

Management's Comments on Unaudited Financial Statements

These unaudited financial statements of Northfield Metals Inc. (the "Company") have been prepared by management and approved by the Board of Directors of the Company.

These unaudited financial statements have not been reviewed by the Company's external auditors.

Northfield Metals Inc.
Statements of Financial Position

(expressed in Canadian dollars)

	Notes	As at March 31, 2012 $ (unaudited)	As at December 31, 2011 $ (unaudited)
Assets			
Current			
Cash		28,543	1,165
Receivables		8,252	26,634
Marketable securities	5	137,515	115,370
Prepaid expenses		20,000	20,000
		194,310	163,168
Liabilities			
Current			
Accounts payable and accrued liabilities	5, 11	1,415,239	1,348,805
Due to Champion Minerals Inc.	6	61,514	25,304
Due to Eloro Resources Ltd.	7	43,482	43,482
		1,520,235	1,417,591
Shareholders' equity			
Share capital	8	1,666,399	1,666,399
Contributed surplus		18,000	18,000
Deficit		(3,010,323)	(2,938,822)
		(1,325,925)	(1,254,423)
		194,310	163,168
Going concern	2		

Approved by the Board:

Thomas Larsen
Director

Miles Nagamatsu
Director

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

Northfield Metals Inc.
Statements of Loss and Comprehensive Loss
(expressed in Canadian dollars)

	Notes	3 months ended March 31, 2012 $ (unaudited)	2011 $ (unaudited)
Expenses			
Professional fees		3,500	3,500
Consulting fees	11	60,000	60,000
General and adminstrative		994	590
Decrease in fair value of marketable securities		7,007	3,005
Loss and comprehensive loss		71,501	67,095
Loss per common share-basic and diluted		0.003	0.003
Weighted average number of common shares-basic and diluted		21,566,604	21,566,604

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

Northfield Metals Inc.
Statements of Changes in Equity
(expressed in Canadian dollars)

	Share capital $ (unaudited)	Contributed surplus $ (unaudited)	Deficit $ (unaudited)	Total $ (unaudited)
Balance, December 31, 2011	1,666,399	18,000	(2,938,822)	(1,254,423)
Loss	-	-	(71,501)	(71,501)
Balance, March 31, 2012	1,666,399	18,000	(3,010,323)	(1,325,924)
Balance, December 31, 2010	1,666,399	18,000	(2,594,812)	(910,413)
Loss	-	-	(67,095)	(67,095)
Balance, March 31, 2011	1,666,399	18,000	(2,661,907)	(977,508)

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

Northfield Metals Inc.
Statements of Cash Flows
(expressed in Canadian dollars)

	3 months ended March 31,	
	2012	**2011**
	$	**$**
	(unaudited)	(unaudited)
Cash provided by (used in)		
Operating activities		
Loss	(71,501)	(67,095)
Item not affecting cash		
Decrease in fair value of marketable securities	7,007	3,005
Changes in non-cash working capital		
Receivables	18,382	(7,868)
Prepaid expenses	-	-
Accounts payable and accrued liabilities	66,434	70,982
	20,322	(976)
Financing activities		
Advances from Champion Minerals Inc.	36,210	-
Investing activities		
Purchase of marketable securities	(29,153)	-
Net decrease in cash	27,379	(976)
Cash, beginning of period	1,165	46,909
Cash, end of period	28,544	45,933

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

Northfield Metals Inc.
Notes to Financial Statements
March 31, 2012
(expressed in Canadian dollars)
(unaudited)

1. Nature of operations
Northfield Metals Inc. (the "Company") is a public company engaged in the acquisition, exploration and development of mineral resource properties. The Company is incorporated under the laws of Ontario and its registered office is located at 20 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 2T6.

2. Going concern
The Company is in the exploration stage and has no revenue. As at March 31, 2012, the Company had a working capital deficit of $1,325,925, which included cash of $28,543, which is not sufficient to enable the Company to fund its operations and the acquisition, exploration and development of mineral resource properties. Accordingly, there is significant doubt as to the Company's ability to continue as a going concern. The Company has suspended the acquisition of mineral resource properties, reduced its operating expenditures and deferred the payment of management's consulting fees. The continued operations of the Company is dependent upon the support of its creditors and the Company's ability to secure equity financing to meet its existing obligations and finance the acquisition, exploration and development of mineral resource properties. The Company is actively seeking to raise the necessary equity financing, however, there can be no assurance that additional equity financing will be available.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

3. Basis of presentation

Statement of compliance
These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

Significant accounting policies
The accounting policies applied in these interim financial statements are consistent with those applied in the preparation of the Company's annual financial statements for the year ended December 31, 2011. These interim financial statements do not include all of the information and footnotes required by IFRS for annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2011. The policies applied in these interim financial statements are based on IFRS issued and current as of May 29, 2012, the date that the Board of Directors approved the interim financial statements.

4. Marketable securities
Marketable securities consist of the following investment in related parties:

	March 31, 2012		December 31, 2011	
	Fair value	Cost	Fair value	Cost
	$	$	$	$
Eloro Resources Ltd. ("Eloro")	64,400	99,581	37,699	66,429
Champion Minerals Inc. ("Champion")	93,240	27,461	77,145	27,461
Bear Lake Gold Ltd. ("Bear Lake")	525	5,375	525	5,375
	158,165	132,417	115,369	99,265

Two directors of the Company are directors of Eloro, two directors of the Company are directors of Champion and one director of the Company is a director of Bear Lake.

5. Accounts payable and accrued liabilities
Accounts payable and accrued liabilities have substantially been outstanding over 90 days.

6. Due to Champion Minerals Inc.

The amount due to Champion is unsecured, non-interest bearing and payable on demand. Two directors of the Company are also directors of Champion.

7. Due to Eloro Resources Ltd.

The amount due to Eloro is unsecured, non-interest bearing and payable on demand. Two directors of the Company are also directors of Eloro.

8. Share capital

Authorized

An unlimited number of Class A preferred shares 5% voting, redeemable, convertible, non-cumulative dividend, which are redeemable at $0.10 per share and convertible on the basis of one common share for each Class A preferred share.

An unlimited number of common shares.

Issued

	Number of shares	Amount $
Balance as at December 31, 2011 and March 31, 2012	21,566,604	1,666,399

Share consolidation

Effective May 4, 2012, the Company consolidated the issued common shares on the basis of 1 new common share for 4 old common shares. Following the share consolidation, there were 5,391,636 common shares outstanding.

Stock options

The Company may grant options to its directors and employees for up to 10% of the number of common shares outstanding. Options granted vest immediately and the maximum term of each option is 5 years. The exercise price shall not be less than the closing price of the common shares on a stock exchange in Canada on the last trading day immediately preceding the date of the grant, less any discount permissible under the rules of the principal stock exchange on which the common shares are listed for trading. In the event that the common shares are not listed for trading on any stock exchange, the exercise price shall be the fair market value as determined by the Board of Directors. As at December 31, 2011 and March 31, 2012, there were 2,156,660 stock options available to be issued under the stock option plan and no stock options were outstanding.

9. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash, accounts payable and accrued liabilities and due to Champion and Eloro

The fair values of cash, accounts payable and accrued liabilities and due to Champion and Eloro are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At March 31, 2012, the fair value of these balances approximated their carrying value due to their short term to maturity.

Marketable securities

The fair value of marketable securities is estimated based on observable inputs.

Classification of fair value of financial instruments

The Company classified the fair value of its financial instruments measured at fair value according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1: quoted prices in active markets for identical assets and liabilities;
Level 2: inputs, other than the quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly;
Level 3: inputs for the asset or liability that are not based on observable market data

Marketable securities are classified as Level 1 financial assets.

10. Financial risk management

The Company's activities expose it to a variety of financial risks that arise as a result of its exploration and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company’s cash balances. The Company’s limits its exposure to credit risk on its cash balances by holding its cash balances in deposits with high credit quality Canadian chartered bank.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial liabilities that are settled in cash or other financial assets. The Company’s approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet is liabilities as they come due. Substantially all of the Company’s accounts payable and accrued liabilities have been outstanding over 90 days and the amounts due to Eloro and Champion are payable on demand. The Company has limited its liquidity risk by suspending the acquisition of mineral resource properties, reducing its operating expenditures, deferring the payment of management’s consulting fees and arranging for advances from related parties.

Market risk

Market risk is the risk that changes in market prices, such as equity prices, foreign exchange rates, and interest rates will affect the Company’s income or the value of its financial instruments.

Equity price risk

Equity price risk arises from the Company’s marketable securities. The Company’s approach to managing equity price risk is to optimize the return from it marketable securities within acceptable parameters for equity price risk. The Company estimates that if the fair value of its marketable securities as at March 31, 2012 had changed by 25%, with all other variables held constant, the net loss would have decreased or increased by $34,379.

Currency risk

Currency risk arises from the Company’s financial instruments and purchases that are denominated in a currency other than the Canadian dollar, the Company’s functional currency. As all of the Company’s purchases are in Canadian dollars, the Company limits it exposure to currency risk by maintaining its cash balance in Canadian dollars.

Interest rate risk

The Company’s exposure to interest rate risk is limited due to the short-term nature of its financial instruments.

Capital management

Capital of the Company consists of share capital, contributed surplus and deficit. The Company’s objective when managing capital is to safeguard the Company’s ability to continue as a going concern so that it can acquire, explore and develop mineral resource properties for the benefit of its shareholders. The Company manages its capital structure and makes adjustments based on the funds available to the Company in light of changes in economic conditions. The Board of Directors has not established quantitative return on capital criteria for management, but rather relies on the expertise of the Company’s management to sustain the future development of the Company. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that consider various factors, including successful capital deployment and general industry conditions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

As the Company is an exploration stage company and has no revenues, its principal source of capital is from the issue of common shares or advances from related parties. In order to achieve its objectives, the Company intends to raise additional funds as required.

The Company is not subject to externally imposed capital requirements and there were no changes to the Company's approach to capital management during the year.

11. Related party transactions

	3 months ended 2012 $	March 31, 2011 $	Outstanding as at March 31, 2012 $	December 31, 2011 $
Consulting fees for key management personnel payable pursuant to consulting contracts to three companies controlled by three officers, two of whom are also directors	60,000	60,000	1,295,400	1,227,600