Northfield Metals Inc.

Condensed Interim Financial Statements

March 31, 2011
(unaudited)

Management's Comments on Unaudited Condensed Interim Financial Statements

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

Northfield Metals Inc.
Statements of Financial Position
(expressed in Canadian dollars)

	Note	As at March 31, 2011 $ (unaudited)	As at December 31, 2010 $ (unaudited)	As at January 1, 2010 $ (unaudited) (note 2)
Assets				
Current				
Cash	4	45,933	46,909	40,811
Receivables	5	15,799	7,932	9,510
Marketable securities	6	152,444	155,449	56,160
		214,176	210,289	106,480
Equipment		-	-	15,000
		214,176	210,289	121,480
Liabilities				
Current				
Accounts payable and accrued liabilities	7	1,138,898	1,067,916	819,941
Due to Champion Minerals Inc.	8	9,304	9,304	-
Due to Eloro Resources Ltd.	9	43,482	43,482	23,482
		1,191,684	1,120,703	843,423
Shareholders' equity				
Share capital	10	1,666,399	1,666,399	1,666,399
Contributed surplus		18,000	18,000	18,000
Deficit		(2,661,907)	(2,594,812)	(2,406,341)
		(977,509)	(910,413)	(721,942)
		214,176	210,289	121,481

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)

	3 months ended March 31,	
	2011	**2010**
	$	**$**
	(unaudited)	(unaudited)
		(note 2)
Expenses		
Professional fees	3,500	2,500
Consulting fees	60,000	60,000
General and adminstrative	590	3,642
	64,090	66,142
Loss before the undernoted item	(64,090)	(66,142)
Increase (decrease) in fair value of marketable securities	(3,005)	25,635
Loss and comprehensive loss	(67,095)	(40,507)
Loss per common share-basic and diluted	(0.003)	(0.002)
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, 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)
Balance, December 31, 2009	1,666,399	18,000	(2,406,341)	(721,942)
Loss	-	-	(40,507)	(40,507)
Balance, March 31, 2010	1,666,399	18,000	(2,446,848)	(762,449)

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, 2011	2010
	$	$
	(unaudited)	(unaudited) (note 2)
Cash provided by (used in)		
Operating activities		
Loss	(67,095)	(40,507)
Item not affecting cash		
Decrease (increase) in fair value of marketable securities	3,005	(25,635)
Changes in non-cash working capital		
Receivables	(7,868)	(2,642)
Accounts payable and accrued liabilities	70,982	67,569
	(976)	(1,216)
Net decrease in cash	(976)	(1,216)
Cash, beginning of period	46,909	40,811
Cash, end of period	45,933	39,595

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

1. Nature of operations and going concern
Northfield Metals Inc. (the “Company”) is 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.

The Company is in the exploration stage and has no revenue. As at March 31, 2011, the Company had a working capital deficit of $977,509, which included cash of $45,933, 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 substantial doubt as to the Company’s ability to continue as a going concern. In order to preserve its cash, the Company 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.

2. Basis of presentation and adoption of International Financial Reporting Standards ("IFRS")

Statement of compliance
The financial statements are the first interim financial statements prepared in accordance with IAS 34, *Interim Financial Reporting*, using accounting policies consistent with IFRS, including the application of IFRS 1, *First-time Adoption of IFRS*.

The policies applied in these interim financial statements are based on IFRS issued and outstanding as of June 29, 2011, the date on which the Board of Directors approved these interim financial statements. Any subsequent changes to IFRS that are reflected in the annual financial statements for the year ended December 31, 2011 could result in the restatement of these interim financial statements, including the transition adjustments recognized on the changeover to IFRS.

These interim financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2010 that were prepared in accordance with accounting principles generally accepted in Canada (“Canadian GAAP”).

Basis of measurement
These interim financial statements have been prepared on the historical cost basis, except for marketable securities, which are measured at fair value.

Functional and presentation currency
These interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

Use of estimates
The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts reported in these interim financial statements and related note disclosures. Actual results could differ materially from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

First-time Adoption of IFRS
In prior periods, the Company's financial statements were prepared in accordance with Canadian GAAP. The Company has adopted IFRS on January 1, 2011 with a transition date of January 1, 2010. Under IFRS 1, IFRS standards are applied retrospectively at the transition date subject to certain exceptions and exemptions.

Optional exemptions
The Company has applied the following optional exemptions to full retrospective application of IFRS and has made the following adjustments to transition from Canadian GAAP to IFRS:

Business Combinations
IFRS 1 allows for IFRS 3, *Business Combinations*, to be applied retrospectively or prospectively. The Company has elected to adopt IFRS 3 prospectively to business combinations prior to the date of transition. Accordingly, all business combinations after January 1, 2010 will be accounted for in accordance with IFRS 3.

Share-based payment transactions
IFRS 1 allows that full retrospective application may not apply to certain share-based instruments depending on the grant date and vesting terms. The Company has elected to not apply IFRS 2 to share-based payments granted after November 7, 2002 that vested before the date of transition to IFRS. Accordingly, the Company has applied IFRS 2 only to unvested stock options outstanding as at January 1, 2010.

Reconciliations
The adoption of IFRS resulted in no changes to the financial statements previously presented under Canadian GAAP compared to the financial statements prepared under IFRS, and accordingly, no reconciliations are presented.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these interim financial statements.

Financial instruments
(i) Non-derivative financial assets
The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss
A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

The Company has classified marketable securities as fair value through profit or loss.

Held-to-maturity financial assets
If the Company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available for sale, and prevent the Company from classifying investment securities as held to maturity for the current and the following two financial years.

The Company has not classified any financial asset as held-to-maturity.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

The Company has classified cash and receivables as loans and receivables.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

The Company has not classified any financial asset as available-for-sale.

(ii) Non-derivative financial liabilities
The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Company has classified accounts payable, due to Champion and due to Eloro as other liabilities.

Share capital
Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Share-based payments
The Company offers a stock option plan for its directors, officers, employees and consultants. The fair value of stock options for each vesting period is determined using the Black-Scholes option pricing model and is recorded over the vesting period as an increase to stock-based compensation and contributed surplus. Upon the exercise of stock options, the proceeds received by the Company and the related contributed surplus are recorded as an increase to share capital.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Income tax

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic earnings per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted earnings per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted.

New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2011, and have not been applied in preparing these interim financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except for IFRS 9 *Financial Instruments*, which becomes mandatory for the Company's financial statements effective January 1, 2013 and could change the classification and measurement of financial assets. The Company does not plan to adopt this standard early and the extent of the impact has not been determined.

4. Cash

Cash represents the bank deposits held in a non-interest-bearing account.

5. Receivables

Receivables represents Harmonized Services Tax due from the Government of Canada.

6. Marketable securities

Marketable securities consist of the following investment in related parties:

	March 31, 2011		December 31, 2010	
	Cost	**Fair value**	**Cost**	**Fair value**
	$	**$**	**$**	**$**
Eloro Resources Ltd. ("Eloro")	34,832	19,670	34,832	22,480
Champion Minerals Inc. ("Champion")	27,461	131,535	27,461	130,980
Bear Lake Gold Ltd. ("Bear Lake")	5,375	1,239	5,375	1,989
	67,668	152,444	67,668	155,449

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

7. Accounts payable and accrued liabilities

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

8. Due to Champion Minerals Inc.

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

9. Due to Eloro Resources Ltd.

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

10. 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, 2010 and March 31, 2011	21,566,604	1,666,399

Share consolidation

On June 30, 2010, the shareholders of the Company approved the consolidation of the issued common shares on the basis of 1 new share for up to 4 old common shares, with the actual consolidation ratio to be determined by the Board of Directors. As at March 31, 2011, no share consolidation has yet been effected.

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, 2010 and March 31, 2011, there were 2,156,660 stock options available to be issued under the stock option plan and no stock options were outstanding.

11. Financial instruments and risk management

Fair value hierarchy

Financial instruments measured at fair value classified using the fair value hierarchy:

	Level 1 $	Level 2 $	Level 3 $	Total $
Financial asset held-for-trading				
Cash and marketable securities	198,377	–	–	198,377

Level 1 investments are comprised of cash and marketable securities consisting of publicly-traded equity securities carried at fair value based on available quoted prices.

Income statement disclosures

	2011 $	2010 $
For financial assets held for trading		
Net gain (loss) on investments		
Unrealized	(3,005)	25,635

The Company estimates that if the fair value of its marketable securities as at March 31, 2011 had changed by 25%, with all other variables held constant, the net loss would have decreased or increased by $38,111.

12. Related party transactions

	3 months ended 2011 $	March 31, 2010 $	Outstanding as at March 31, 2011 $	December 31, 2010 $
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	1,024,200	956,400