One World Investments Inc.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2011

Stated in Canadian Funds

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

To the Shareholders of One World Investments Inc.:

Management is responsible for the preparation and presentation of the accompanying condensed interim consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Audit Committee has the responsibility of meeting with management, and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the One World's external auditors.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

We draw attention to Note 1 to the consolidated financial statements, which describe certain conditions that give rise to substantial doubt about the entity's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

29 November 2011

"Stanley Lanzet"
Stanley Lanzet, Chief Executive Officer

"Liza Vera"
Lisa Vera, Chief Financial Officer

ONE WORLD INVESTMENTS INC. **Statement 1**

(Unaudited)
Canadian Funds

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 September 2011	31 December 2010	01 January 2010
ASSETS				
Current Assets				
Cash		$ 486,734	$ 36,591	$ 25,276
Marketable securities	(5)	50	50	50
Amounts receivable		21,097	7,345	1,066
Other current assets		1,500	1,500	1,500
		509,381	45,486	27,892
Non-current Assets				
Restricted cash		-	-	48,306
Equipment	(6)	-	-	4,875
Resource properties	(7)	2	2	59,196
		$ 509,383	$ 45,488	$ 140,269
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities		$ 50,716	$ 39,826	$ 31,933
Promissory note payable	(8)	330,541	316,700	346,999
Provision	(9)	116,475	116,475	116,475
Due to related parties	(10)	463,057	365,530	61,279
		960,789	838,531	556,686
EQUITY				
Share capital *(statement 3)*	(11)	8,450,882	7,605,442	7,605,442
Contributed surplus *(statement 3)*	(11)	1,340	1,340	1,340
Deficit *(statement 3)*		(8,894,628)	(8,399,825)	(8,023,199)
		(451,406)	(793,043)	(416,417)
		$ 509,383	$ 45,488	$ 140,269

Nature of operations and going concern	(1)
Statement of compliance	(2)
IFRS Transition	(13)

The condensed interim consolidated financial statements were approved by the Board of Directors on 29 November 2011 and were signed on its behalf by:

"Stanley Lanzet"
Stanley Lanzet, Director

"Elden Schorn"
Elden Schorn, Director

-- See Accompanying Notes --

(Unaudited)
Canadian Funds

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

			Nine months ended 30 September 2011		Nine months ended 30 September 2010		Three months ended 30 September 2011		Three months ended 30 September 2010
CONTINUING OPERATIONS									
EXPENSES									
Exploration expenditures	(8)	$	197,037	$	-	$	197,037	$	-
Professional fees	(10)		113,922		84,847		56,500		48,269
Interest and financing costs	(10)		41,911		29,574		14,120		11,284
Management fees	(10)		37,500		22,500		22,500		7,500
Shareholder relations	(10)		22,732		22,574		7,500		7,500
Salaries and benefits	(10)		21,877		22,580		7,091		7,580
Office, rent and phone	(10)		16,994		20,819		5,247		6,553
Foreign exchange gain			14,826		(6,014)		24,507		(9,882)
Travel			14,394		18,363		5,810		6,489
Transfer agent and filing fees			13,610		27,021		-		11,980
Loss on sale of equipment			-		4,358		-		4,358
Amortization			-		517		-		-
Loss from operating activities			(494,803)		(247,139)		(340,312)		(101,631)
Comprehensive Loss		$	(494,803)	$	(247,139)	$	(340,312)	$	(101,631)
Basic and Diluted Loss per Common Share		$	(0.20)	$	(0.11)	$	(0.11)	$	(0.05)
Weighted Average Number of Shares Outstanding			2,520,124		2,207,120		3,135,925		2,207,120

-- See Accompanying Notes --

(Unaudited)
Canadian Funds

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital		Equity Reserves		
	Shares	Amount	Contributed Surplus	Deficit	Shareholder's Equity
BALANCE AT 01 JANUARY 2010	2,207,120	7,605,442	1,340	(8,023,199)	(416,417)
Net loss for the period	-	-	-	(62,792)	(62,792)
Balance at 31 March 2010	2,207,120	7,605,442	1,340	(8,085,991)	(479,209)
Net loss for the period	-	-	-	(82,716)	(313,834)
Balance at 30 June 2010	2,207,120	7,605,442	1,340	(8,168,707)	(561,925)
Net loss for the period	-	-	-	(101,631)	(101,631)
Balance at 30 September 2010	2,207,120	7,605,442	1,340	(8,270,338)	(663,556)
Net loss for the period	-	-	-	(129,487)	(129,487)
Balance at 31 December 2010	2,207,120	7,605,442	1,340	(8,399,825)	(793,043)
Net loss for the period	-	-	-	(68,022)	(68,022)
Balance at 31 March 2011	2,207,120	7,605,442	1,340	(8,467,847)	(861,065)
Net loss for the period	-	-	-	(86,469)	(86,469)
Balance at 30 June 2011	2,207,120	7,605,442	1,340	(8,554,316)	(947,534)
Share issuances	2,848,334	861,500	-	-	861,500
Share issuance costs	-	(16,060)	-	-	(16,060)
Net loss for the period	-	-	-	(340,312)	(340,312)
BALANCE AT 30 SEPTEMBER 2011	5,055,454	8,450,882	1,340	(8,894,628)	(442,406)

-- See Accompanying Notes --

ONE WORLD INVESTMENTS INC.

(Unaudited)
Canadian Funds

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine months ended 30 September 2011	Nine months Ended 30 September 2010	Three months ended 30 September 2011	Three months ended 30 September 2010
OPERATING ACTIVITIES				
Loss for the year	$ (494,803)	$ (247,139)	$ (340,312)	$ (101,631)
Items not affecting cash				
Foreign exchange gain (loss)	13,841	(5,893)	23,736	(9,800)
Amortization	-	517	-	-
Loss on disposal of equipment	-	4,358	-	4,358
	(480,962)	(248,157)	(316,576)	(107,073)
Net change in non-cash working capital	(2,862)	(2,932)	(46,381)	12,659
	(483,824)	(251,089)	(362,957)	(94,414)
INVESTING ACTIVITIES				
Reduction of restricted cash	-	48,306	-	-
FINANCING ACTIVITIES				
Repayment of note payable	-	(13,461)	-	-
Proceeds from share issuances	854,500	-	854,500	-
Share issuance costs	(18,060)	-	(18,060)	-
Advances from related party	97,527	227,719	8,194	94,460
	933,967	214,258	844,634	94,460
Net increase in Cash	450,143	11,475	481,677	46
Cash position – beginning of year	36,591	25,276	5,057	36,705
Cash position – end of year	$ 486,734	$ 36,751	$ 486,734	$ 36,751

-- See Accompanying Notes --

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1) Nature of operations and going concern

One World Investments Inc. (the "Company") is engaged principally in the acquisition, exploration and development of resource properties. The Company's shares are listed on the TSX Venture Exchange ("Exchange") and the Company is currently halted for trading. The recovery of the Company's investment in resource properties and the attainment of profitable operations are dependent upon the discovery and development of economic reserves and the ability to arrange sufficient financing to bring the reserves into production. The ultimate outcome of these matters cannot presently be determined because they are contingent on future events. Also, the Company will need to raise additional funds for future corporate and administrative expenses and to undertake further exploration and development of its mineral properties. There can be no assurance that the Company will be able to raise sufficient funds in the future.

These financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its resource interests. The Company's ability to continue as a going concern is dependent on its ability to raise equity financing and attain profitable operations. Management continues to actively pursue the necessary capital to meet its funding requirements and has implemented available cost control measures.

These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities and the reported revenues and expenses should the Company be unable to continue as a going concern.

	30 September 2011	31 December 2010
Working capital	($451,408)	($793,055)
Accumulated deficit	$8,894,628	$8,399,825

2) Basis of preparation – Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board and using the accounting policies the Company expects to adopt in its consolidated financial statements as at and the for the year ending 31 December 2011. These condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS 1 First-time Adoption of International Financial Reporting Standards has been applied. An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 13.

These condensed interim consolidated financial statements were authorised for issue by the Board of Directors on 29 November 2011. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending 31 December 2011 could result in restatement of these condensed interim consolidated financial statements, including the transition adjustments recognised on change-over to IFRS.

These condensed interim consolidated financial statements should be read in conjunction with the Company's 2010 annual consolidated financial statements prepared in accordance with pre-changeover Canadian generally accepted accounting principles ("GAAP") and in consideration of the IFRS transition disclosures included in note 13.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Notes 3(d) and 13.

3) Summary of significant accounting policies

The condensed financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments. The Company's principal accounting policies are outlined below:

a) Basis of presentation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Company's equity. Non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non-controlling interest's share of changes in equity since the date of acquisition. The Company has no non-controlling interests.

b) Business combinations

Business combinations that occurred prior to 01 January 2010 were not accounted for in accordance with IFRS 3 Business Combinations or IAS 27 Consolidated and Separate Financial Statements in accordance with the IFRS 1 First-time Adoption of International Financial Reporting Standards exemption discussed in Note 13(a).

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

c) Foreign currency

The consolidated financial statements are presented in Canadian dollars, which is the functional and presentation currency of the parent. Each entity determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Both the parent and subsidiary use the Canadian dollar as their functional currency.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the end of reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences and other changes in the carrying amount of the security. Translation differences are recognised in the income statement and other changes in carrying amount are recognised in equity.

Translation differences on non-monetary financial assets, such as investments in equity securities, classified as available-for-sale are reported as part of the fair value gain or loss and are included in equity.

In respect of all foreign operations, any exchange differences that have arisen before 01 January 2010, the date of transition to IFRS, are deemed to be nil and will be excluded from the determination of any subsequent profit or loss on disposal. The Company had no exchange difference at adoption.

d) Measurement uncertainty

The preparation of these consolidated financial statements, in conformity with IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Significant areas that require estimates as the basis for determining the stated amounts include assumptions related to the provision for an income tax penalty, fair values of financial instruments and the valuation allowance of future income tax assets.

Depreciation and depletion of property, plant and equipment assets are dependent upon estimates of useful lives and reserve estimates, both of which are determined with the exercise of judgement. The assessment of any impairment of property, plant and equipment is dependent upon estimates of recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets. Provisions for environmental rehabilitations are recognised in the period in which they arise and are stated as the fair value of estimated future costs.

The Company bases its estimates and assumptions on current facts, historical experience, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. These estimates require extensive judgement about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations and remediation practices. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The following specific criteria must be met before revenue is recognised:

Production revenue

Revenue from production is recognised when all of the following conditions are satisfied:

- the specific risks and rewards of ownership have been transferred to the purchaser;
- the Company does not retain continuing managerial involvement to the degree usually associated with ownership or effective control over the product;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the sale can be measured reliably.

Interest income

Interest income is recognised in the income statement as it accrues, using the effective interest method.

f) Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognised over the period that the employees earn the options. The fair value is recognised as an expense with a corresponding increase in equity. The amount recognised as expense is adjusted to reflect the number of share options expected to vest.

g) Finance costs

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method and foreign exchange gains and losses on foreign currency borrowings.

h) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognised in the statement of income and comprehensive income.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred taxes are recorded using the statement of financial position liability method. Under the statement of financial position liability method, deferred tax assets and liabilities are recognised for 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 recognised in income in the period that substantive enactment occurs.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against the excess.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities that do not affect accounting or taxable profit
- goodwill

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

i) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting year. Diluted earnings per share is computed similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

j) Comprehensive profit (loss)

Comprehensive profit (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net profit such as unrealized gains or losses on available-for-sale investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to self-sustaining operations. The Company's comprehensive profit (loss), components of other comprehensive income, and cumulative translation adjustments are presented in the Condensed Interim Consolidated Statements of Comprehensive Profit (Loss) and the Condensed Interim Consolidated Statements of Shareholders' Equity.

k) Property, plant and equipment

Other assets are depreciated using the straight-line method based on estimated useful lives, which generally range from 5 to 7 years. Land is not depreciated.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment.

Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Directly attributable expenses incurred for major capital projects and site preparation are capitalized until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognised as a provision.

The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate portion of normal overheads.

The costs of day-to-day servicing are recognised in profit or loss as incurred. These costs are more commonly referred to as "maintenance and repairs."

Financing costs directly associated with the construction or acquisition of qualifying assets are capitalized at interest rates relating to loans specifically raised for that purpose, or at the average borrowing rate where the general pool of group borrowings is utilized. Capitalization of borrowing costs ceases when the asset is substantially complete.

The depreciation method, useful life and residual values are assessed annually.

Leased assets

Leases in which the Company assumes substantially all risks and rewards of ownership are classified as finance leases. Finance leases are recognised at the lower of the fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses

Subsequent costs

The cost of replacing part of an item within property, plant and equipment is recognised when the cost is incurred if it is probable that the future economic benefits will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised as an expense as incurred.

Impairment

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognised when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognised in profit and loss for the period.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. An impairment loss with respect to goodwill is never reversed.

l) Oil and gas interests

The Company uses the full cost method of accounting for oil and gas properties whereby all costs of exploration for and development of oil and gas reserves are capitalized. Costs include lease acquisition costs, geological and geophysical expenses, costs of drilling both successful and unsuccessful wells and overhead charges directly related to exploration activities. Proceeds from the sale of oil and gas properties will be applied against the capitalized costs, with no gain or loss recognised, unless such sale would significantly alter the rate of depletion and depreciation.

Depletion of exploration and development costs and depreciation of production equipment will be provided upon commencement of commercial production using the unit-of-production method based upon estimated proved petroleum and natural gas reserves.

Costs incurred in unproven properties and properties in the development stage are initially capitalized and then reviewed annually to determine whether impairment has occurred. If impairment occurs, the costs will be written down to an estimated net realizable value.

The carrying value of the Company's oil and gas properties will be compared annually to an estimate of future net cash flows from the production of proved reserves using year-end prices, less estimated future production, general, administrative expenses, and financing costs. Should this comparison indicate an excess carrying value, the excess is charged against earnings as additional depletion and depreciation.

m) Exploration and evaluation

The Company is currently in the exploration stage with all of its mineral interests. Exploration and evaluation costs include the costs of acquiring licenses, costs incurred to explore and evaluate properties, and the fair value, upon acquisition, of mineral properties acquired in a business combination.

Exploration and evaluation expenditures are expensed in the period they are incurred except for expenditures associated with the acquisition of exploration and evaluation assets through a business combination or an asset acquisition. Significant property acquisition costs are capitalized only to the extent that such costs can be directly attributed to an area of interest where it is considered likely to be recoverable by future exploitation or sale. Development costs relating to specific properties are capitalized once management has made a development decision.

From time to time, the Company may acquire or dispose of mineral interests pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded in the period that the payments are made or received. The Company does not accrue costs to maintain mineral interests in good standing.

<u>Restoration provisions</u>

The Company recognizes liabilities for legal obligations associated with the reclamation or rehabilitation of mineral property interests that the Company is required to settle. The Company recognizes the fair value of liabilities for such obligations in the year in which they occur or in the year in which a reasonable estimate of such costs can be made. The obligation is recorded as a liability with a corresponding charge to operations. The Company has determined that it has no restoration obligations as at 30 September 2011.

n) Short-term investments

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. An impairment loss with respect to goodwill is never reversed.

o) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less.

p) Financial instruments

All financial instruments must be recognised, initially, at fair value on the consolidated balance sheet. The Company has classified each financial instrument into the following categories: "available for sale," "loans and receivables," and "other liabilities." Subsequent measurement of the financial instruments is based on their respective classification. Unrealized gains and losses on held for trading instruments are recognised in earnings. The other categories of financial instruments are recognised at amortized cost using the effective interest method. The Company had made the following classifications:

Financial Asset or Liability	Category
Cash	Held for trading
Amounts receivables	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Promissory note payable	Other liabilities
Due to related parties	Other liabilities

q) Environmental

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property, plant and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates is capitalized along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred. The cost of on-going current programs to prevent and control pollution is charged against profit and loss as incurred.

As at 30 September 2011 and 31 December 2010 the Company has determined that no environmental liabilities exist.

r) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

s) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

4) Financial Instruments and Risk Management

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Condensed Interim Consolidated Balance Sheet are carried at amortized cost with the exception of cash, which is carried at fair value. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at 31 December 2010 due to the immediate or short-term maturities of the financial instruments.

The fair value of the Company’s cash is quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy:

Level 1 – quoted prices in active markets for identical financial instruments.

Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant and significant value drivers are observable in active markets.

Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company’s cash has been assessed on the fair value hierarchy described above and classified as Level 1.

b) Fair values of financial assets and liabilities

The Company’s financial instruments include cash, accounts receivable, accounts payable and due to related parties. At 30 September 2011, the carrying value of cash is fair value. Accounts receivable, accounts payable and due to related parties approximate their fair value due to their short term nature.

c) Market risk

Market risk is the risk that changes in market prices will affect the Company’s earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company is not exposed to significant market risk.

d) 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. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with major banks in Canada accordingly the Company believes it not exposed to significant credit risk.

e) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to interest rate, as its promissory note and amounts due to related parties bear fixed interest rates.

f) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to significant foreign currency risk.

g) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. As the Company has no significant source of cash flows this is a significant risk.

5) Marketable Securities

Marketable securities consist of an investment in shares of a company listed on the TSX Venture Exchange with a market value of $50 at 30 September 2011 (2010 - $50).

6) Equipment

		Computers		Furniture and Fixtures		Total
COST OR DEEMED COST						
Balance at 01 January 2010	$	5,309	$	11,989	$	17,298
Disposals		(5,309)		(11,989)		(17,298)
Balance at 31 December 2010	$	-	$	-	$	-
Balance at 01 January 2011	$	-	$	-	$	-
Additions		-		-		-
Balance at 30 September 2011	$	-	$	-	$	-
DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at 01 January 2010	$	4,717	$	7,706	$	12,423
Depreciation for the year		133		643		776
Disposals		(4,850)		(8,349)		(13,199)
Balance at 31 December 2010	$	-	$	-	$	-
Balance at 01 January 2011	$	-	$	-	$	-
Depreciation for the period		-		-		-
Balance at 30 September 2011	$	-	$	-	$	-
CARRYING AMOUNTS						
At 01 January 2010	$	592	$	4,283	$	4,875
At 31 December 2010		-		-		-
At 30 September 2011	$	-	$	-	$	-

7) Resource Properties

		Northeast Milliken		Sangudo		Ashlu Creek		Total
EXPLORATION EXPENDITURES								
Balance at 01 January 2010	$	1	$	1	$	59,194	$	59,196
Impairment		-		-		(59,194)		(59,194)
Balance at 31 December 2010	$	1	$	1	$	-	$	2
Balance at 01 January 2011	$	1	$	1	$	-	$	2
Balance at 30 September 2011	$	1	$	1	$	-	$	2

a) Northeast Milliken Prospect, Texas

The Company holds interests in properties in the Northeast Milliken Prospect, Texas. The carrying cost of the property has been fully amortized.

b) Sangudo Property, Alberta

During the year ended 31 December 2007, the Company acquired a 100% working interest in seven oil and gas leases in an area of 3,796 acres located in west central Alberta. The Company's interests in the properties are subject to gross royalties on revenues totalling 5.5%.

The Company conducted exploratory work during the year ended 31 December 2007, and at 31 December 2007 had drilled one non-performing well that has been capped. During the year ended 31 December 2008, all related expenditures previously capitalized were written-off.

c) Ashlu Creek, Squamish, BC

On 10 August 2009, the Company entered into an option agreement with Ashlu Mines Inc. to acquire 51% of the above 5,697 hectares property. In consideration, the Company was required to make a cash payment of $1 (paid) and complete a minimum of $3,060,000 in exploration work in accordance with the following schedule:

By 31 December 2009	$	60,000
By 31 December 2010		1,000,000
By 31 December 2011		1,000,000
By 31 December 2012		1,000,000
	$	3,060,000

During the year ended 31 December 2010, management determined that it would not pursue development of this property. Therefore, all related expenditures previously capitalized were written-off.

d) Resource property expense

The Company is in negotiations to acquire ownership of prospective gold-copper-silver properties in Region III, Chile. The properties cover approximately 26,000 acres and are known as Chanarcillo, Yerbas Buenas, Pircas, Chimbeos and Lomas Bayas. Chanarcillo and Yerbas Buenas are currently the two material properties in the package, and each is highly prospective for the presence of Iron Oxide Copper Gold deposit-type mineralization.

The Company has incurred the following resource property exploration expenditures for the period ended 30 September 2011 and the year ended 31 December 2010 follows:

		Chile
EXPLORATION EXPENDITURES		
Period ended 31 December 2010	$	-
Geological	$	100,608
Administration		50,770
Mapping		23,859
Transportation		21,800
Period ended 30 September 2011	$	197,037

8) Promissory Note Payable

As the Company was incapable of repaying the loan, the lender agreed on 03 January 2009 to extend the Promissory Note for a one year term. As consideration, the lender received 165,078 bonus shares. The Company recorded $66,031 as the financing cost relating to the issuance of these shares.

During the period ended 31 December 2010, the Company repaid $12,500 (2009 - $236,915) of principal to the lender. The principal balance remains unchanged for the period ended 30 September 2011. The balance of the promissory note, which is payable on demand, is as follows:

	30 September 2011	31 December 2010
Principal (US$308,149 (2010 – US$316,700))	$ 330,541	$ 316,700

Interest of $18,690 on the note up to 30 September 2011 is recorded in the balance of due to related parties.

9) Provision

	30 September 2011	31 December 2010
Provision	$ 116,475	$ 116,475

During the year ended December 31, 2008, the Company renounced expenditures for income tax purposes to the flow-through investors, in respect of share issuances that took place during the year ended 31 December 2007. In the event that the Company's income tax filings relating to these and prior flow-through offerings are subject to a reassessment, the Company's tax liability may be adjusted to reflect the modified calculation of the Company's Cumulative Canadian Exploration Expenses ("CEE") pool and the amount that can be renounced under subsection 66(12.6) of the Canadian Income Tax Act. At 30 September 2011, the Company has accrued the maximum estimated amount of potential tax liability, indemnity and penalties that may result in the amount of $116,475.

10) Related Party Transactions

The Company's related parties consist of directors, executive officers and companies owned by directors and / or executive officers as follows:

Related parties	**Nature of transactions**
S. Lanzet	Management fee
L. Lanzet	Marketing and development
B. Lanzet	Salaries and benefits
A. Lanzet	Professional fees

Related party transactions not disclosed elsewhere in the financial statements, are as follows:

- Management fees of $22,500 (2010 - $22,500) were paid to S. Lanzet, an officer and director of the Company.
- Amounts of $22,500 (2010 - $22,574) for marketing and development expenses were paid to L. Lanzet, an individual related to an officer and director.
- Salaries and benefits of $21,877 (2010 - $21,731) were paid to B. Lanzet, a director of the Company.
- Professional fees of $30,000 (2010 - $30,000) were paid to A. Lanzet, a director of the Company.
- Office rent of $13,500 (2010 - $12,000) was paid to S. Lanzet, an officer and director of the Company.

Amounts due to related parties represent amounts payable to directors and individuals related to directors of the Company and bear simple interest at 8% per annum, unsecured and with no specific date of repayment. Interest of $23,222 was accrued on amounts payable to related parties during the period ended 30 September 2011.

These transactions were in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

11) Share capital

a) Authorised

Unlimited common shares without par value

b) Issued or allotted and fully paid

	Number of shares	Amount
Balance – 31 December 2010	2,207,120	7,605,442
Shares issued for on private placement	2,848,334	578,500
Share issuance costs	-	(16,060)
Balance – 30 September 2011	**5,055,454**	**8,167,882**

On 09 September 2011, pursuant to the terms of the private placement, the Company issued 2,848,334 shares at $0.30 per share, 2,848,334 share purchase warrants exercisable at $0.40 per warrant up to 01 September 2011, and 51,500 Agent's Warrants exercisable on the same basis. No fair value has been attributed to the warrants, as the Company has applied the residual method.

The securities issued pursuant to the news release are subject to a hold period ending 01 January 2012. The Company's shares remain halted pending further developments.

c) Stock options

The Company maintains a stock option plan whereby it may grant options to its directors, officers, employees and key consultants. The terms and conditions of options are determined solely by the Board of Directors. Options are generally granted with a term not exceeding five years, vest immediately, and have exercise prices equal to the market value of the shares on the date of grant.

There were no options issued, expired, exercised or outstanding during the years ended 31 December 2010. There are no options outstanding as at 30 September 2011.

d) Contributed surplus

The balance in contributed surplus has remained unchanged from 01 January 2010 through 30 September 2011.

e) Warrants

Warrant activity during the nine month period ended 30 September 2011 is as follows:

WARRANTS OUTSTANDING

	Expiry Date	Number of Warrants	Exercise Price
Balance - 31 December 2010		-	-
Share Purchase Warrants Granted	1 September 2013	2,848,334	$0.40
Agent's Warrants Granted	1 September 2013	51,500	$0.40
Balance - 30 September 2011	1 September 2013	2,899,834	$0.40

12) Subsequent events

Michael Raftery resigned as Chief Financial Officer and was replaced by Liza Vera on October 25, 2011. Liza Vera is a CPA registered in the State of California and has extensive experience in corporate matters while working for Deloitte Touche.

As of the date of filing, the Company remains halted for trading.

13) IFRS

IFRS 1 First-time Adoption of International Financial Reporting Standards sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional statement of financial position date with all adjustment to assets and liabilities taken to retained earnings unless certain exemptions are applied. The Company has applied the following exemptions to its opening statement of financial position dated 01 January 2010:

a) Business combinations

IFRS 1 indicates that a first-time adopter may elect not to apply IFRS 3 Business Combinations retrospectively to business combinations that occurred before the date of transition to IFRS. The Company has elected to apply IFRS 3 to business combinations that occurred on or after 01 March 2010.

b) Cumulative translation differences

IFRS 1 allows a first-time adopter to not comply with the requirements of IAS 21. The Effects of Changes in Foreign Exchange Rates for cumulative translation differences that existed at the date of transition to IFRS. The Company has chosen to apply this election and has eliminated the Nil cumulative translation difference. If, subsequent to adoption, a foreign operation is disposed of, the translation differences that arose before the date of transition to IFRS will not affect the gain or loss on disposal.

c) Share-based payment transactions

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 Share-based Payment to equity instruments that were granted on or before 07 November 2002, or equity instruments that were granted subsequent to 07 November 2002 and vested before the later of the date of transition to IFRS and January 01, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to 01 March 2010.

d) Consolidated and separate financial statements

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

IFRS 1 also outlines specific guidelines that a first-time adopter must adhere to under certain circumstances. The Company has applied the following guidelines to its opening statement of financial position dated 01 March 2010:

e) Assets and liabilities of subsidiaries and associates

In accordance with IFRS 1, if a parent company adopts IFRS subsequent to its subsidiary or associate adopting IFRS, the assets and the liabilities of the subsidiary or associate are to be included in the consolidated financial statements at the same carrying amounts as in the financial statements of the subsidiary or associate. The adoption of this standard has no impact on the financial statements of the Company.

f) Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of 01 January 2010 are consistent with its Canadian GAAP estimates for the same date.

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. The adoption of IFRS has not changed the Company's actual cash flows, nor has resulted in changes to the Company's reported financial position and results of operations. In order to allow the users of the financial statements to better understand these changes, the Company's Canadian GAAP statement of operations, statement of comprehensive profit, statement of financial position and statement of cash flows for the quarter ended 30 June 2010 and the year ended 31 December 2010 have been reconciled to IFRS, with the resulting differences explained.

g) Share based payments

IFRS

- Each tranche of an award with different vesting dates is considered a separate grant for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches.
- Forfeiture estimates are recognised in the period they are estimated, and are revised for actual forfeitures in subsequent periods.

Canadian GAAP

- The fair value of stock-based awards with graded vesting are calculated as one grant and the resulting fair value is recognised on a straight-line basis over the vesting period.
- Forfeitures of awards are recognised as they occur.

The exemption discussed and taken under IFRS 1 Note 13(c) means this change had no material impact on these financial statements.

h) Accounts payable, accrued liabilities and provisions

IFRS

- A provision is a liability of uncertain timing or amount. Provisions are disclosed separately from liabilities and accrued liabilities and require additional disclosure.

Canadian GAAP

- Accounts payable, accrued liabilities and provisions may be disclosed on the statement of financial position as a single line item.

i) Other comprehensive loss

Not applicable (based on cumulative translation adjustment).

j) Impairment

IFRS

- If indication(s) of impairment is identified, the asset's carrying value is compared to the asset's discounted cash flows. If the discounted cash flows are less than the carrying value, the asset is impaired by an amount equal to the difference between the discounted cash flows and the carrying value.

Canadian GAAP

- If indication of impairment is identified, the asset's carrying value is compared to the asset's undiscounted cash flows. If the undiscounted cash flows are less than the carrying value, the asset is impaired by an amount equal to the difference between the discounted cash flows and the carrying value.

k) Presentation

The presentation of the cash flow statement in accordance with IFRS differs from the presentation of the cash flow statement in accordance with Canadian GAAP, as is true of the statement of changes in equity.

RECONCILIATION OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 01 JANUARY 2010

Canadian GAAP accounts	Note	Canadian GAAP	Effect of transition	IFRS	IFRS Accounts
ASSETS					
Current Assets					
Cash		25,276	-	25,276	Cash
Marketable securities		50	-	50	Marketable securities
Receivables		1,066	-	1,066	Amounts receivable
Prepaid expenses		1,500	-	1,500	Other current assets
		27,892	-	27,892	
Non-current Assets					
Restricted cash		48,306	-	48,306	Restricted cash
Equipment		4,875	-	4,875	Equipment
Resource property		59,196	-	59,196	Resource property
		140,269	-	140,269	
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	(i)	148,408	(116,475)	31,933	Accounts payable and accrued liabilities
Promissory note payable		61,279	-	61,279	Promissory note payable
Provision	(i)	-	116,475	116,475	Provision
Due to related parties		346,999	-	346,999	Due to related parties
		556,686	-	556,686	
Equity					
Share capital		7,605,442	-	7,605,442	Share capital
Contributed surplus		1,340	-	1,340	Contributed surplus
Deficit		(8,023,199)	-	(8,023,199)	Deficit
		(416,417)	-	(416,417)	
		140,269	-	140,269	

(i) Results from a reallocation of accounts payable to provision

RECONCILIATION OF CONSOLIDATED STATEMENT OF LOSS, COMPREHENSIVE LOSS AND DEFICIT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2011

Canadian GAAP accounts	Note	Canadian GAAP	Effect of transition	IFRS	IFRS Accounts
Operating loss		(340,312)	-	(340,312)	**Operating loss**
Loss and comprehensive loss for the period		(340,312)	-	(340,312)	**Loss and comprehensive loss for the period**
Loss per share – Basic and Diluted		(0.07)	-	(0.07)	Loss per share – Basic and Diluted

RECONCILIATION OF CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2011

Canadian GAAP Accounts	Note	Canadian GAAP	Effect of transition	IFRS	IFRS Accounts
Cash Flow from Operations					
Net loss		(340,312)	-	(340,312)	Net loss
Items not involving cash					
Foreign exchange (gain) loss		23,736	-	23,736	Foreign exchange (gain) loss
		(316,576)	-	(316,576)	
Changes in non-cash working capital					
Accounts receivable		(7,395)	-	(7,395)	Accounts receivable
Accounts payable and accruals		(38,986)	-	(38,986)	Accounts payable and accruals
		(46,381)	-	(46,381)	
Financing activities					
Proceeds from share issuances		854,500	-	854,500	Proceeds from share issuances
Share issuance costs		(18,060)	-	(18,060)	Share issuance costs
Advances from related parties		8,194	-	8,194	Advances from related parties
Cash resources provided by (used in)		844,634	-	844,634	
Change in cash for the year		481,677	-	481,677	Change in cash for the year
Cash – beginning of year		5,057	-	5,057	Cash – beginning of year
Cash – End of Year		486,734	-	486,734	

RECONCILIATION OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010

Canadian GAAP accounts	Note	Canadian GAAP	Effect of transition	IFRS	IFRS Accounts
ASSETS					
Current Assets					
Cash		36,591	-	36,591	Cash
Marketable securities		50	-	50	Marketable securities
Receivables		7,345	-	7,345	Amounts receivable
Prepaid expenses		1,500	-	1,500	Other current assets
		45,486	-	45,486	
Non-current Assets					
Resource properties		2	-	2	Resource properties
		45,488	-	45,488	
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	(i)	156,301	(116,475)	39,826	Accounts payable and accrued liabilities
Promissory note payable		365,530	-	365,530	Promissory note payable
Provision	(i)	-	116,475	116,475	Provision
Due to related parties		316,700	-	316,700	Due to related parties
		838,531	-	838,531	
Equity					
Share capital		7,605,442	-	7,605,442	Share capital
Contributed surplus		1,340	-	1,340	Contributed surplus
Deficit		(8,399,825)	-	(8,399,825)	Deficit
		(793,043)	-	(793,043)	
		45,488	-	45,488	

(i) Results from a reallocation of accounts payable to provision

RECONCILIATION OF CONSOLIDATED STATEMENT OF LOSS, COMPREHENSIVE LOSS AND DEFICIT FOR THE YEAR ENDED 31 DECEMBER 2010

Canadian GAAP accounts	Note	Canadian GAAP	Effect of transition	IFRS	IFRS Accounts
Operating expenses		(376,626)	-	(376,626)	
Operating loss		(376,626)	-	(376,626)	
Loss and comprehensive loss for the period		(376,626)	-	(376,626)	
Loss per share – Basic and Diluted		(0.17)	-	(0.17)	

RECONCILIATION OF CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2010

Canadian GAAP Accounts	Note	Canadian GAAP	Effect of transition	IFRS	IFRS Accounts
Cash Flow from Operations					
Net loss		(376,626)	-	(376,626)	Net loss
Items not involving cash					
Amortization of equipment		776	-	776	Amortization of equipment
Foreign exchange (gain) loss		(17,481)	-	(17,481)	Foreign exchange (gain) loss
Loss on write-off of equipment		4,099	-	4,099	Loss on write-off of equipment
Increase to accrued interest		42,448	-	42,448	Increase to accrued interest
Write-down of resource properties		59,194	-	59,194	Write-down of resource properties
		(287,590)	-	(287,590)	
Changes in non-cash working capital					
Accounts receivable		(6,279)	-	(6,279)	Accounts receivable
Accounts payable and accruals		7,893	-	7,893	Accounts payable and accruals
		(285,976)	-	(285,976)	
Financing activities					
Advances from related parties		261,803	-	261,803	Advances from related parties
Repayment of promissory note		(12,818)	-	(12,818)	Repayment of promissory note
Cash resources provided by (used in)		248,985	-	248,985	
Change in cash for the year		(36,991)	-	(36,991)	Change in cash for the year
Cash – beginning of year		75,582	-	75,582	Cash – beginning of year
Cash – End of Year		36,591	-	36,591	