DATINVEST INTERNATIONAL LTD.

INTERIM FINANCIAL STATEMENTS

For the Three Months and Six Months Ended June 30, 2011 and 2010

(Prepared by Management without Auditor's Review)

(The accompanying notes are an integral part of these financial statements)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim 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 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.

DATINVEST INTERNATIONAL LTD.
Interim Statement of Financial Position
(Prepared by Management without Auditor's Review)

	June 30, 2011	December 31, 2010	January 1, 2010
ASSETS			
Current			
Cash	$ 793,400	$ 330,357	$ 386,187
Marketable securities (Note 4)	15,000	15,000	-
GST receivable	11,816	8,681	4,052
	820,216	354,038	390,239
Non-Current Assets	-	-	-
	$ 820,216	$ 354,038	$ 390,239
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities (Note 8)	$ 29,938	$ 35,323	$ 36,993
Loans and borrowing (Note 5)	66,000	66,000	$66,000
	95,938	101,323	102,993
Non-current liabilities	-	-	-
	95,938	101,323	102,993
SHAREHOLDERS' EQUITY			
Share capital (Note 6)	3,221,875	2,721,875	2,721,875
Contributed surplus (Note 6)	123,624	123,624	123,624
Deficit	(2,621,221)	(2,592,784)	(2,558,253)
	724,278	252,715	287,246
	$ 820,216	$ 354,038	$ 390,239

Nature of Operations and Going Concern (Note 1)

Approved on behalf of the Board:

"Jason Birmingham"	***"Balraj Mann"***
Jason Birmingham, Director	Balraj Mann, Director

(The accompanying notes are an integral part of these financial statements)

DATINVEST INTERNATIONAL LTD.
Interim Statement of Net and Comprehensive Loss
(Prepared by Management without Auditor's Review)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2011 (Unaudited)	**2010 (Audited)**	**2011 (Unaudited)**	**2010 (Audited)**
Administrative Costs				
Bank charges and interest	68	34	89	71
Management fee – Note 8	5,000	3,000	10,000	6,000
Office and rent	247	160	247	160
Professional fees – Note 8	8,523	850	9,872	2,200
Transfer & filing fees	6,329	6,340	8,229	8,000
	20,167	10,384	28,437	16,431
Net and comprehensive loss for the period	20,167	10,384	28,437	16,431
Deficit, Beginning of the period	2,601,054	2,564,300	2,592,784	2,558,253
Deficit, End of the period	$2,621,221	$2,574,684	$2,621,221	$2,574,684
Loss per share	$0.001	$0.001	$0.002	$0.001
Weighted average number of shares outstanding	13,028,084	12,100,792	13,028,084	12,100,792

DATINVEST INTERNATIONAL LTD.
Interim Statement of Changes in Shareholders' Equity
(Prepared by Management without Auditor's Review)

	Number of Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total Shareholders' Equity
Balance, January 1, 2010	12,100,792	$ 2,721,875	$ 123,624	$ -	$ (2,558,253)	$ 287,246
Net and comprehensive loss for the period	-	-	-	-	(16,431)	$ (16,431)
Balance, June 30, 2010	12,100,792	$ 2,721,875	$ 123,624	$ -	$ (2,574,684)	$ 270,815
Net and comprehensive loss for the period	-	-	-	-	(18,100)	(18,100)
Balance, December 31, 2010	12,100,792	$ 2,721,875	$ 123,624	$ -	$ (2,592,784)	$ 252,715
Net and comprehensive loss for the period	-	-	-	-	(28,437)	(28,437)
Share issued - $0.065	7,692,308	500,000	-	-	-	500,000
Balance, June 30, 2011	19,793,100	$ 3,221,875	$ 123,624	$ -	$ (2,621,221)	$ 724,278

(The accompanying notes are an integral part of these financial statements)

DATINVEST INTERNATIONAL LTD.
Interim Statement of Cash Flows
(Prepared by Management without Auditor's Review)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2011 (Unaudited)	2010 (Unaudited)	2011 (Unaudited)	2010 (Unaudited)
Operating Activities:				
Net loss for the period	$ (20,167)	$ (10,384)	$ (28,437)	$ (16,431)
Changes in non-cash working capital items related to operations:				
GST receivable	(2,145)	(495)	(3,137)	(795)
Investment, GIC	-	-	-	-
Prepaid expenses	-	-	-	-
Accounts payable and accrued liabilities	(12,474)	(2,343)	(5,383)	1,752
	(14,619)	(2,838)	(8,520)	957
	(34,786)	(13,222)	(36,957)	(15,474)
Financing Activities				
Issuance of common shares	500,000	-	500,000	-
Increase in cash during the period	465,214	(13,222)	463,043	(15,474)
Cash, beginning of the period	328,186	383,935	330,357	386,187
Cash, end of the period	$793,400	$370,713	$793,400	$370,713

Supplemental disclosure with respect to cash flows:

There were no non-cash transactions during the period ended June 30, 2010 and 2009.

1. Nature of Operations and Going Concern

The Company was incorporated under the British Columbia Company Act on May 1, 1987.

The Company was unable to meet Tier Maintenance Requirements pursuant to the policies of the Exchange and was designated as Inactive on September 28, 2001. The Company's shares are trading under the symbol DAI.H and are regulated by the NEX policies.

The recoverability of carrying amounts for resource property interests and related deferred exploration and development costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying resource properties, the ability of the Company to obtain necessary financing to complete exploration and development, and achievement of future profitable production or proceeds from disposition.

These financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. Certain conditions and events cast significant doubt on the validity of this assumption. As at June 30, 2011, the Company had not yet achieved profitable operations, has accumulated losses of $2,621,221 (2010: $2,592,784) since its inception, a working capital surplus of $724,278 (2010: $252,715) and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they become due.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These interim financial statements have been prepared in accordance Canadian generally accepted accounting principles ("Canadian GAAP") as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS") and require publicly accounting enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the company has commenced reporting on this basis in its 2011interim financial statements. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These interim financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board, including IAS 34 *Interim Financial Reporting* and IFRS 1 *First-time Adoption of IFRS.* The accounting policies followed in these interim financial statements are the same as those applied in the company's interim financial statements for the period ended March 31, 2011. The company has consistently applied the same accounting policies throughout all periods presented, as if these policies had always been in effect. Note 11 discloses the impact of the transition to IFRS on the company's reported financial position, financial performance and cash flows including the nature and effect of significant changes in accounting policies from those used in the company's financial statements for the year ended December 31, 2010.

The accounting policies applied in these interim financial statements are based on IFRS effective for the year ended December 31, 2011, as issued and outstanding as of August 29, 2011, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect

2. Summary of Significant Accounting Policies - (cont'd)

(a) Basis of Presentation – (cont'd)

in the company's annual financial statements for the year ending December 31, 2011 could result in restatement of these interim financial statements, including transition adjustments recognized on change-over to IFRS.

These interim financial statements should be read in conjunction with the company's Canadian GAAP annual financial for the year ended December 31, 2010, and the company's interim financial statements for the quarter ended March 31, 2011 prepared in accordance with IFRS applicable to interim financial statements.

Where applicable, comparative figures have been reclassified to conform with the presentation used in the current period.

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Key areas where management has made complex or subjective judgments, include the determination of impairment of equipment and resource interests, useful lives for depreciation and amortization, cost allocations to specific projects, environmental obligations, stock-based compensation, fair value of certain assets, income taxes and contingencies.

(c) Basic and Diluted 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 period.

Diluted earnings per share is computed similar to basic earnings (loss) 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. Diluted loss per share is not separately presented, as the effect of securities exercisable into common shares would reduce the amount presented as loss per share.

(d) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Future income tax assets and liabilities are determined based on differences between the tax and accounting basis of assets and liabilities. The future tax assets or liabilities are calculated using the tax rates for the period in which the differences are expected to be settled. Future tax assets are

2. Summary of Significant Accounting Policies - (cont'd)

(d) Income Taxes – (cont'd)

recognized to the extent that they are considered more likely than not to be realized.

(e) Mineral properties – (cont'd)

Should the Company become a mining company, the Company would defer all costs related to investments in resource properties on a property-by-property basis. Such costs include resource property acquisition costs and exploration expenditures, net of any recoveries. Costs are deferred

until such time as the extent of mineralization has been determined and resource property interests are either developed, the property is sold or the Company's mineral rights are allowed to lapse.
All deferred costs are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount (as estimated by quantifiable evidence of an economic geological resource or reserve or by reference to option or joint venture expenditure commitments) or when, in the Company's assessment, it will be unable to sell the property for an amount greater than the deferred costs, the property is written down for the impairment in value.

From time to time, the Company may acquire or dispose of a resource property interest pursuant to the terms of an option agreement. As such, options are exercisable entirely at the discretion of the optionee; the amounts payable or receivable are not recorded at the time of the agreement. Option payments are recorded as property costs or recoveries when the payments are made or received.

The amounts shown for deferred costs represent costs incurred to date and do not necessarily reflect present or future values. These costs will be depleted over the useful life of the property upon commencement of commercial production or written off if the property is abandoned or the claims allowed to lapse.

(f) Financial Assets

Financial assets are classified into one of four categories:

- fair value through profit or loss ("FVTPL");
- held-to-maturity ("HTM");
- available for sale ("AFS"); and
- loans and receivables.

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

2. Summary of Significant Accounting Policies - (cont'd)

(f) Financial Assets – (cont'd)

FVTPL financial assets

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. Transaction costs are expensed as incurred.

HTM investments

HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. They are subsequently measured at amortized cost.

AFS financial assets

Short-term investments and other assets held by the Company are classified as AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognized directly in equity in the investments revaluation reserve. Impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, are recognized directly in profit or loss rather than equity.

When an investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in the investment's revaluation reserve is included in profit or loss for the period.

The fair value of AFS monetary assets denominated in a foreign currency is translated at the spot rate at the statement of financial position date. The change in fair value attributable to translation differences on amortized cost of the asset is recognized in profit or loss, while other changes are recognized in equity.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

2. Summary of Significant Accounting Policies - (cont'd)

(f) Financial Assets – (cont'd)

Loans and receivables are initially recognized at the transaction value, including transaction costs and subsequently are carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at period end. Bad debts are written off during the year in which they are identified. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Fair value hierarchy

Measurement of the fair value of financial instruments is made under a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1:Valuations based on quoted prices, unadjusted, in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Effective interest method

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

2. Summary of Significant Accounting Policies - (cont'd)

(f) Financial Assets – (cont'd)

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

De-recognition of financial assets

A financial asset is derecognized when:

- the contractual right to the asset's cash flows expire; or
- the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

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. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Other financial liabilities

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 recognized on an effective yield basis.

2. Summary of Significant Accounting Policies - (cont'd)

(f) Financial Assets – (cont'd)

De-recognition of financial liabilities

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

(f) Share Capital

(i) The proceeds from the exercise of stock options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company.

(ii) The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a pro-rata basis on relative fair values as follows: the fair value of common shares is based on the market close on the date the units are issued; and the fair value of the common share purchase warrants is determined using the Black-Scholes pricing model.

(iii) All costs related to issuances of share capital are charged against the proceeds received from related share capital.

(g) Stock-based Payments

The Company issues equity instruments such as common shares, share options and warrants, for services rendered by employees and non-employees.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in statement of comprehensive loss over the vesting period, described at the period during which all the vesting conditions are satisfied.

Where equity settled share options are awarded to employees, the fair value of the options at the date of the grant is charged to the statement of the comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the good or services received in the statement of comprehensive loss unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliability estimated, the fair value is measured by use of a valuation model.

2. Summary of Significant Accounting Policies - (cont'd)

(f) Stock-based Payments – (cont'd)

All exercisable equity settled share-based payments are reflected in contributed surplus until exercised, the amount reflected in contributed surplus is credited to share capital along with the consideration paid for those shares.

Where the terms and conditions of equity settled share based payments are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is charged to the statement of comprehensive loss over the remaining vesting period.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

3 Accounting Standards Issued but Not Yet Applied

In May 2011, the IASB issued the following standards which have not yet been adopted by the Company:

IFRS 9, Financial Instruments (IFRS 9), IFRS 10, Consolidated Financial Statements (IFRS 10), IFRS 11, Joint Arrangements (IFRS 11), IFRS 12, Disclosure of Interests in Other Entities (IFRS 12), IAS 27, Separate Financial Statements (IAS 27), IFRS 13, Fair Value Measurement (IFRS 13) and amended IAS 28, Investments in Associates and Joint Ventures (IAS 28). Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the new requirements. The following is a brief summary of the new standards:

IFRS 9 Financial Instruments

IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income.

IFRS 10 Consolidation

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC 12 Consolidation-Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

3 Accounting Standards Issued but Not Yet Applied – (cont'd)

IFRS 11 Joint Arrangements

IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC 13, Jointly Controlled Entities-Non monetary Contributions by venturers.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles, and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

4. Marketable Securities

The Company's other investments, which are classified as held-for-trading have been valued at their market prices.

June 30, 2011		December 31, 2010	
Cost	Market	Cost	Market
$10,000	$15,000	$10,000	$15,000

The Company signed a Letter of Intent ("LOI") dated June 6, 2008 with Intuitive Exploration Inc. ("NTX") for the acquisition of all issued and outstanding shares of NTX, a British Columbia resource exploration company. A refundable deposit of $25,000 was paid on October 27, 2008 to Intuitive Exploration as part of the negotiation for a reverse takeover. The Company announced on December 29, 2008 that an agreement could not be reached and that the transaction would not proceed. The deposit was secured by a promissory note. Due to the contingency on collectability of this deposit, the Company decided to write it off in year 2008.

4. Marketable Securities – (cont'd)

On August 12, 2010, the Company received 250,000 shares of Orestone Mining Corp. in settlement of the $25,000 owed by Intuitive Exploration Inc., which was acquired by Orestone on June 3, 2010. The Company classifies these shares as held-for-trading and, accordingly; any unrealized gains and losses in fair value are included in net income or loss for the period.

5. Loans and Borrowings

As at June 30, 2011, the Company owes $66,000 (December 31, 2010: $66,000) to certain shareholders. The loans are without interest and are due on demand. Since these loans are non-interest bearing and have no fixed terms, their carrying costs approximate the amortized costs.

6. Share Capital and Contributed Surplus

(a) Authorized: Unlimited common shares without par value

(b) Issued and outstanding:

	Number of Shares		Amount		Contributed Surplus
Balance at December 31, 2007	10,402,042	$	2,365,137	$	83,638
- warrants exercised at $0.21	1,698,750		356,738		-
- stock option compensation	-		-		39,986
Balance at December 31, 2010 and 2009	12,100,792	$	2,721,875	$	123,624
- shares issued at $0.065	7,692,308	$	500,000		-
Balance at June 30, 2011	19,793,100	$	3,221,875	$	123,624

On May 17, 2011, the Company arranged a non-brokered private placement of up to 7,692,308 Units of the Company for gross proceeds of $500,000 at a price of $0.065 per Unit, each Unit consisting of one common share and one warrant, each warrant entitling the holder to purchase one additional share of the Company at a price of $0.10 per share for a period of twelve months.

All securities issued pursuant to the Offering will be subject to a four month hold period expiring on September 18, 2011. The net proceeds from the private placement will be used for general working capital. No finder's fee will be paid with respect to this financing.

During the year ended December 31, 2008, the company issued 1,698,750 shares upon the exercise of warrants at a price of $0.21 per warrant.

6. Share Capital and Contributed Surplus – (cont'd)

(c) Warrants

As at June 30, 2011, the following warrants are outstanding:

December 31, 2010	Issued in the period	Exercised in the period	Expired in the period	**June 30, 2011**	Price	Expiry Date
-	7,692,308	-	-	**7,692,308**	$0.10	May 17, 2012 *

(d) Options

Options	**June 30, 2011**		**2010**	
	Number Of Options	Weighted Average Exercise Price	Number Of Options	Weighted Average Exercise Price
Outstanding, beginning of year	650,000	$ 0.200	650,000	$ 0.200
Granted	-	-	-	-
Expired/cancelled	-	-	-	-
Exercised	-	-	-	-
Outstanding, end of period	650,000	$ 0.200	650,000	$ 0.200

		June 30, 2011	**2010**
Expiry Date	Exercise Price	Number of Shares	Number of Shares
April 30, 2012	$ 0.215	350,000	350,000
June 2, 2013	$ 0.190	300,000	300,000
		650,000	650,000

6. Share Capital and Contributed Surplus – (cont'd)

The Company used the Black-Scholes option pricing model to determine the fair value of the options with the following assumptions:

	2011	**2010**
Risk-free interest rate	-	-
Expected volatility	-	-
Expected dividends	-	-
Expected life	-	-

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock option awards.

7. Income Taxes

The Company has accumulated non-capital losses for Canadian income tax purposes of approximately $667,000 which expire in various years to 2030 as follows:

2013	28,000
2014	83,000
2015	65,000
2026	67,000
2027	191,000
2028	132,000
2029	51,000
2030	50,000
	$ 667,000

The Company also has capital losses of approximately $1,086,778 which may be carried forward indefinitely.

The reconciliation of income tax provision at statutory rates to the reported income tax provision is as follows:

	2010	2009
	28.50%	30.00%
Income tax benefits computed at Canadian statutory rates	$ 14,250	$ 15,300
Unrecognized tax losses	(14,250)	(15,300)
	$ -	$ -

7. Income Taxes – (cont'd)

Significant components of the Company's future tax assets and liabilities, after applying enacted corporate income tax rates are as follows:

	2010	2009
Future income tax assets		
Temporary differences in assets	$ 700	$ 885
Non-capital losses carried forward	167,000	191,000
Net capital losses carried forward	272,000	326,000
Cumulative resource development costs	15,000	17,000
	454,700	534,885
Valuation allowance for future income tax assets	(454,700)	(534,885)
Future income tax assets	$ -	$ -

The conditions required to recognize potential future tax assets based on establishment of likely future profitability have not been met. Accordingly, a 100% valuation allowance has been provided.

8. Related Party Transactions

During the six months ended June 30, 2011 the Company was charged $10,000 (June 30, 2010 $6,000) for management fees by its directors. At June 30, 2011, the Company owed $5,600 (June 30, 2010 - $3,150).

During the six months ended June 30, 2011 the Company was charged $6,202 (June 30, 2010 - $Nil) for legal services to a company related to a director. At June 30, 2011, the Company owed $21,032 (June 30, 2010 - $15,021).

9. Capital Risk Management

The Company's objectives when managing capital are: to safeguard the Company's ability to continue as a going concern; to maintain optimal capital structure, while ensuring the Company's strategic objectives are met and to provide an appropriate return to shareholders relative to the risk of the Company's underlying assets.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, stock options, contributed surplus and deficit.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, selling and/or acquiring assets, and controlling its capital expenditures program.

The Company has no business or operations and is currently reviewing new projects. As such, the Company is dependent on external financing to fund its activities. In order to pay for it's operating expenses, the Company will spend its existing working capital and raise additional amounts as needed and if available.

Management reviews its capital management approach on an ongoing basis.

10. Fair Value Measurement

The Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3862 "Financial Instruments Disclosures" requires disclosure of a three-level hierarchy for fair value measurements based upon the significance of inputs used in making fair value measurements as follows:

Level 1 - quoted prices in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e.: as prices) or indirectly (i.e.: derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data.

At June 30, 2011, the levels in the fair value hierarchy into which the Company's financial assets and liabilities measured and recognized in the balance sheet at fair value are categorized are as follows:

	Level 1	Level 2
Cash and cash equivalents	$ 793,400	
Marketable securities	$ 15,000	

11. Transition to IFRS

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The Company's financial statements for the year ending December 31, 2011 will be the first annual financial statements that comply with IFRS, and these interim financial statements were prepared as described in note 2, including the application of IFRS 1, First-time Adoption of International Financial Reporting Standards. IFRS 1 requires an entity to adopt IFRS in its first annual financial statements prepared under IFRS by making an explicit and unreserved statement, in those financial statements, of compliance with IFRS. The Company will make this statement when it issues its 2011 annual financial statements.

IFRS 1 requires that comparative financial information be provided. As a result, the first date at which the Company has applied IFRS was January 1, 2010 (the "transition date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company will be December 31, 2011. However, it also provides for certain optional exemptions and certain mandatory exceptions from full retrospective application for first time IFRS adoption.

11. Transition to IFRS – (cont'd)

First-time Adoption Exemptions Applied

The Company adopted IFRS on January 1, 2011 with transition date of January 1, 2010 (the "Transition Date"). Under IFRS 1 'First-time Adoption of International Financial Reporting Standards', the IFRS are applied retrospectively at the Transition Date with all adjustments to assets and liabilities as stated under Canadian GAAP taken to deficit unless certain exemptions are applied. The Company has chosen to apply the following elections to:

- Not apply IFRS 2 'Share-based Payments', to liabilities arising from share based payment transactions that were settled before the Transition Date; and,
- Deemed cost exemption for property, plant and equipment prior to the date of transition; and,
- 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 taken advantage of this election and has applied IFRS 3 to business combinations that occurred on or after January 1, 2010.

The January 1, 2010 Canadian GAAP Statement of Financial Position has been reconciled to IFRS as follows:

	January 1, 2010		
	Canadian GAAP	Effect of transition to IFRS	IFRS
ASSETS			
Current			
Cash	$ 386,187	$ -	$ 386,187
Marketable securities	-	-	-
GST receivable	4,052	-	4,052
	$ 390,239	$ -	$ 390,239
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	$ 36,993	$ -	$ 36,993
Loans and borrowing	66,000	-	66,000
	102,993	-	102,993
SHAREHOLDERS' EQUITY			
Share capital	2,721,875	-	2,721,875
Contributed surplus	123,624	-	123,624
Deficit	(2,558,253)	-	(2,558,253)
	287,246	-	287,246
	$ 390,239	$ -	$ 390,239

The December 31, 2010 Canadian GAAP Statement of Financial Position has been reconciled to IFRS as follows:

	December 31, 2010		
	Canadian GAAP	Effect of transition to IFRS	IFRS
ASSETS			
Current			
Cash	$ 330,357	$ -	$ 330,357
Marketable securities	15,000	-	15,000
GST receivable	8,681	-	8,681
	$ 354,038	$ -	$ 354,038
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	$ 35,323	$ -	$ 35,323
Loans and borrowing	66,000	-	66,000
	101,323	-	101,323
SHAREHOLDERS' EQUITY			
Share capital	2,721,875	-	2,721,875
Contributed surplus	123,624	-	123,624
Deficit	(2,592,784)	-	(2,592,784)
	252,715	-	252,715
	$ 354,038	$ -	$ 354,038

The December 31, 2010 Canadian GAAP Statement of Net and Comprehensive Loss has been reconciled to IFRS as follows:

	December 31, 2010		
	Canadian GAAP	Effect of transition to IFRS	IFRS
Administrative Costs			
Bank charges and interest	$ 123	$ -	$ 123
Management fee	20,000	-	20,000
Office and rent	168	-	168
Professional fees	17,250	-	17,250
Printing and shareholder information	160	-	160
Transfer & filing fees	11,830	-	11,830
	49,531	-	49,531
Other items:			
Recovery of write-off of deposit	10,000	-	10,000
Unrealized gain (loss) on investment	5,000	-	5,000
	15,000	-	15,000
Net and comprehensive loss for the year	(34,531)	-	(34,531)
Deficit, Beginning of the year	(2,558,253)	-	(2,558,253)
Deficit, End of the year	(2,592,784)	-	(2,592,784)
Loss per share	$ 0.003	$ 0.003	$ 0.003
Weighted average number of shares outstanding	12,100,792	12,100,792	12,100,792

The December 31, 2010 Canadian GAAP Statement of Cash Flows has been reconciled to IFRS as follows:

	December 31, 2010		
	Canadian GAAP	Effect of transition to IFRS	IFRS
Operating Activities:			
Net and comprehensive loss for the year	$ (34,531)	$ -	$ (34,531)
Changes in non-cash working capital items related to operations:			
Short-term investment	-	-	-
GST receivable	(4,629)	-	(4,629)
Prepaid expenses	-	-	-
Accounts payable and accrued liabilities	(1,670)	-	(1,670)
	(6,299)	-	(6,299)
	(40,830)	-	(40,830)
Investing Activities			
Marketable securities	(15,000)	-	(15,000)
Increase in cash during the year	(55,830)	-	(55,830)
Cash, beginning of the year	386,187	-	386,187
Cash, end of the year	$ 330,357	$ -	$ 330,357

The June 30, 2010 Canadian GAAP Statement of Financial Position has been reconciled to IFRS as follows:

	June 30, 2010		
	Canadian GAAP	Effect of transition to IFRS	IFRS
ASSETS			
Current			
Cash	$ 370,413	$ -	$ 370,413
Marketable securities	-	-	-
GST receivable	4,847	-	4,847
	$ 375,560	$ -	$ 375,560
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	$ 38,745	$ -	$ 38,745
Loans and borrowing	66,000	-	66,000
	104,745	-	104,745
SHAREHOLDERS' EQUITY			
Share capital	2,721,875	-	2,721,875
Contributed surplus	123,624	-	123,624
Deficit	(2,574,684)	-	(2,574,684)
	270,815	-	270,815
	$ 375,560	$ -	$ 375,560

The three months ended June 30, 2010 Canadian GAAP Statement of Net and Comprehensive Loss has been reconciled to IFRS as follows:

	June 30, 2010		
	Canadian GAAP	Effect of transition to IFRS	IFRS
Administrative Costs			
Bank charges and interest	34	$ -	34
Management fee	3,000	-	3,000
Office and rent	160	-	160
Professional fees	850	-	850
Transfer & filing fees	6,340	-	6,340
	10,384	-	10,384
Net and comprehensive loss for the period	10,384	-	10,384
Deficit, Beginning of the period	2,564,300	-	2,564,300
Deficit, End of the period	$2,574,684	-	$2,574,684
Loss per share	$0.001	$ 0.00	$0.001
Weighted average number of shares outstanding	12,100,792	12,100,792	12,100,792

The six months ended June 30, 2010 Canadian GAAP Statement of Net and Comprehensive Loss has been reconciled to IFRS as follows:

	June 30, 2010		
	Canadian GAAP	Effect of transition to IFRS	IFRS
Administrative Costs			
Bank charges and interest	$ 71	$ -	$ 71
Management fee	6,000	-	6,000
Office and rent	160	-	160
Professional fees	2,200	-	2,200
Transfer & filing fees	8,000	-	8,000
	16,431	-	16,431
Net and comprehensive loss for the period	16,431	-	16,431
Deficit, Beginning of the period	(2,558,253)	-	(2,558,253)
Deficit, End of the period	(2,574,684)	-	(2,574,684)
Loss per share	$ 0.01	$ 0.00	$ 0.01
Weighted average number of shares outstanding	12,100,792	12,100,792	12,100,792

The three months ended June 30, 2010 Canadian GAAP Statement of Cash Flows has been reconciled to IFRS as follows:

	June 30, 2010		
	Canadian GAAP	Effect of transition to IFRS	IFRS
Operating Activities:			
Net and comprehensive loss for the period	$ (10,384)	$ -	$ (10,384)
Changes in non-cash working capital items related to operations:			
GST receivable	(495)	-	(495)
Accounts payable and accrued liabilities	2,343	-	2,343
	(2,838)	-	(2,838)
	(13,222)	-	(13,222)
Increase in cash during the period	(13,222)	-	(13,222)
Cash, beginning of the period	383,935	-	383,935
Cash, end of the period	$ 370,713	$ -	$ 370,713

The six months ended June 30, 2010 Canadian GAAP Statement of Cash Flows has been reconciled to IFRS as follows:

	June 30, 2010		
	Canadian GAAP	Effect of transition to IFRS	IFRS
Operating Activities:			
Net and comprehensive loss for the period	$ (16,431)	$ -	$ (16,431)
Changes in non-cash working capital items related to operations:			
GST receivable	(795)	-	(795)
Accounts payable and accrued liabilities	1,752	-	1,752
	957	-	957
	(15,474)	-	(15,474)
Increase in cash during the period	(15,474)	-	(15,474)
Cash, beginning of the period	386,187	-	386,187
Cash, end of the period	$ 370,713	$ -	$ 370,713