

**GRAND PEAK CAPITAL CORP.**

**Interim Consolidated Financial Statements**

**Three and Six Month Periods Ended March 31, 2012 and 2011**

**(Unaudited)**

**Expressed in Canadian Dollars**

### **NOTICE TO READER**

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 have been prepared by and are the responsibility of the management.

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

Grand Peak Capital Corp.  
Interim statements of financial position  
(Expressed in Canadian dollars – unaudited)

	Notes	Mar 31 2012 Unaudited	Sept 30 2011 Audited
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	\$ 45,430	\$ 113,790
Marketable securities	6	5,632,088	6,596,119
Loans receivable	7	35,000	34,272
HST receivable	5	2,869	13,258
		\$ 5,715,388	\$ 6,757,439
<b>Non-current assets</b>			
Deposit on assets	8	-	276,250
Property, plant and equipment	9	1,781	2,095
Other investments	10	345,000	150,000
Incorporation costs		460	460
<b>TOTAL ASSETS</b>		\$ <b>6,062,628</b>	\$ <b>7,186,244</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables and accrued liabilities	11	\$ (34)	\$ 16,591
<b>Non-current liabilities</b>			
		-	-
<b>TOTAL LIABILITIES</b>		(34)	16,591
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	12	8,707,804	8,984,054
Reserves	13	1,505,448	1,505,448
Accumulated other comprehensive income (loss)		(1,241,541)	(343,494)
Deficit		(2,909,049)	(2,976,355)
<b>TOTAL EQUITY</b>		6,062,662	7,169,653
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		\$ <b>6,062,628</b>	\$ <b>7,186,244</b>

APPROVED BY THE DIRECTORS:

"Navchand Jagpal" Director                      "Sonny Janda" Director

– See Accompanying Notes to the Interim Consolidated Financial Statements –

Grand Peak Capital Corp.

Interim statements of comprehensive loss

For the three and six month periods ended March 31, 2012 and 2011

(Expressed in Canadian dollars – unaudited)

	Three months ending		Six months ending	
	Mar 31 2012	Mar 31 2011	Mar 31 2012	Mar 31 2011
<b>Expenses</b>				
Amortization	\$ 157	225	314	449
Bank charges & interest	398	325	775	1,573
Bad debt	1,450	-	1,450	-
Office and miscellaneous	671	918	1,540	3,993
Professional fees	10,725	8,794	15,941	10,519
Rent	-	7,500	10,080	15,000
Transfer / regulatory fees	10,648	4,353	10,454	4,553
	24,049	22,115	40,535	36,087
<b>Other items</b>				
Interest and royalty income	3,601	(929)	7,914	1,773
Gain on sale of marketable securities	61,277	-	100,717	639,711
Recoveries	4,148	-	4,148	-
Foreign exchange gain (loss)	(4,794)	-	(4,888)	-
	64,232	(929)	107,891	641,484
<b>Gain / (loss) before income taxes</b>	<b>40,183</b>	<b>(23,042)</b>	<b>67,356</b>	<b>605,397</b>
<b>Total comprehensive gain / (loss) for the period</b>	<b>\$ 40,183</b>	<b>(23,042)</b>	<b>67,356</b>	<b>605,397</b>
<b>Loss per share - Basic</b>	<b>\$ 0.002</b>	<b>(0.001)</b>	<b>0.003</b>	<b>0.03</b>
<b>- Diluted</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

– See Accompanying Notes to the Interim Consolidated Financial Statements –

Grand Peak Capital Corp.  
Interim statements of changes in equity  
For the three and six month periods ended March 31, 2012 and 2011  
(Expressed in Canadian dollars – unaudited)

	Notes	Number of shares	Amount	Stock option reserve	AOCI	Deficit	Total
<b>Restated balance at Oct 01, 2011</b>		<b>24,466,702</b>	<b>\$ 8,984,054</b>	<b>\$ 1,505,448</b>	<b>\$ (343,495)</b>	<b>\$ (2,976,355)</b>	<b>\$ 7,169,653</b>
Comprehensive income:							
Loss for the period			-	-	-	67,306	67,306
Other comprehensive income (loss)			-	-	(898,046)		(898,046)
<b>Total comprehensive loss for period</b>			<b>-</b>	<b>-</b>	<b>(898,046)</b>	<b>67,306</b>	<b>(830,740)</b>
Private placement			-	-	-	-	-
Shares issue expenses			-	-	-	-	-
Spin-off of real estate deposit			(276,250)				(276,250)
Shares issued – option exercise			-	-	-	-	-
Shares issued – warrant exercise			-	-	-	-	-
Stock-based compensation			-	-	-	-	-
<b>Restated balance at Mar 31, 2012</b>		<b>24,466,702</b>	<b>\$ 8,707,804</b>	<b>\$ 1,505,448</b>	<b>\$ (1,241,541)</b>	<b>\$ (2,909,049)</b>	<b>\$ 6,062,628</b>

	Notes	Number of shares	Amount	Stock option reserve	AOCI	Deficit	Total
<b>Restated balance at Oct 01, 2010</b>		<b>24,466,702</b>	<b>\$ 8,930,409</b>	<b>\$ 1,505,448</b>	<b>\$ 3,651,147</b>	<b>\$ (4,343,705)</b>	<b>\$ 9,743,299</b>
Comprehensive income:							
Gain/(loss) for the period			-	-	-	605,397	605,397
Other comprehensive income (loss)			-	-	184,249		184,249
<b>Total comprehensive loss for period</b>			<b>-</b>	<b>-</b>	<b>184,249</b>	<b>605,397</b>	<b>789,646</b>
Private placement – issued for cash							
Share issue expenses							
Shares issued – option exercise							
Shares issued – warrant exercise							
Stock-based compensation			-		-	-	-
<b>Restated balance at Mar 31, 2011</b>		<b>24,466,702</b>	<b>\$ 8,930,409</b>	<b>\$ 1,505,448</b>	<b>\$ 3,835,396</b>	<b>\$ (3,738,308)</b>	<b>\$ 10,532,945</b>

– See Accompanying Notes to the Interim Consolidated Financial Statements –

Grand Peak Capital Corp.  
Interim statements of cash flow  
For the three and six month periods ending March 31, 2012 and 2011.  
(Expressed in Canadian dollars - unaudited)

	<b>Three Months Ending</b>		<b>Six Months Ending</b>	
	<b>Mar 31 2012</b>	<b>Mar 31 2011</b>	<b>Mar 31 2012</b>	<b>Mar 31 2011</b>
<b>Operating activities</b>				
Gain (Loss) before income taxes	\$ 40,183	(23,043)	67,306	605,397
Adjustments for non-cash items:				
Amortization	157	225	314	449
Gain on the sale of marketable securities	(61,277)	-	(100,717)	(639,711)
Changes in non-cash working capital items:				
Accounts receivable	11,078	(8,314)	9,661	(7,145)
Trade payables and accrued liabilities	(13,962)	10,839	(16,558)	12,442
<b>Net cash flows from (used in) operating activities</b>	<b>(23,821)</b>	<b>2,525</b>	<b>(39,944)</b>	<b>5,297</b>
<b>Investing activities</b>				
Loans (net)	-	-	-	144,891
Marketable securities (net)	90,136	(851,882)	162,436	(446,159)
Non-marketable investments	(50,000)	-	(195,000)	-
<b>Net cash flows from (used in) investing activities</b>	<b>40,136</b>	<b>(851,882)</b>	<b>(32,564)</b>	<b>(301,268)</b>
<b>Financing activities</b>				
Private placement net of costs	-	-	-	-
Recoveries	4,148	-	4,148	-
<b>Net cash flows from (used in) financing activities</b>	<b>4,148</b>	<b>-</b>	<b>4,148</b>	<b>-</b>
Increase (decrease) in cash and cash equivalents	20,463	(872,175)	(68,360)	(329,827)
Cash and cash equivalents, beginning	24,967	1,014,187	113,790	471,839
<b>Cash and cash equivalents, ending</b>	<b>\$ 45,430</b>	<b>142,012</b>	<b>45,430</b>	<b>142,012</b>

– See Accompanying Notes to the Interim Consolidated Financial Statements –

Grand Peak Capital Corp.  
Notes to the Condensed Interim Financial Statements  
For the three and six month periods ended March 31, 2012 and 2011  
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**1. Nature and continuance of operations**

Grand Peak Capital Corp. completed its continuation from the jurisdiction of Yukon to British Columbia. Effective as of April 27, 2010, The Company is registered in British Columbia under the *Business Corporations Act* (British Columbia). It is listed on the TSX Venture exchange and trades under the symbol GPK.

The head office, principal address and records office of the Company are located at 8338 – 120th Street, Surrey, British Columbia, Canada, V3W 3N4.

These unaudited condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

Grand Peak Capital is engaged primarily in investing in small cap resource sector public companies. During the three month period ended March 31, 2012, the Company was actively involved in trading through its portfolio, investing in private placements and making and receiving loans.

**2. Basis of preparation and adoption of IFRS**

***Statement of compliance and conversion to International Financial Reporting Standards***

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34 and IFRS 1. Subject to certain transition elections disclosed in Note 16, the Company has consistently applied the same accounting policies in its opening IFRS balance sheet at October 01, 2010 and throughout all periods presented, as if these policies had always been in effect. Note 16 discloses the impact of the transition to IFRS on the Company’s reported balance sheet, statements of income (loss) and comprehensive income (loss) 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 October 01, 2010. Comparative figures for 2010 in these financial statements have been restated to give effect to these changes.

Previously, the Company prepared its interim financial statements in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”).

The policies applied in these interim financial statements are based on IFRS issued and outstanding as of May 14, 2012, the date the Board of Directors approved the Financial Statements and MD&A.

The interim financial statements should be read in conjunction with the Company’s Canadian GAAP annual audited financial statements for the years ended September 30, 2011 and 2010.

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***Basis of preparation***

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

**3. Significant accounting policies**

***Consolidation***

When appropriate, the consolidated financial statements will include the accounts of the Company and its controlled entities. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, will be eliminated on consolidation.

The Company's wholly-owned subsidiaries and operating status are as follows:

<b>Subsidiary</b>	<b>Status</b>
0808964 BC Ltd.	Active
Grand Peal Mexican Holdings Inc.	Active
Grand Peak Mexico SA de CV	Active

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the determination of the useful lives of property, plant and equipment, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

***Foreign currency translation***

When appropriate, the condensed consolidated financial statements will be presented in Canadian dollars which is the parent company's functional and presentation currency.

Transactions and balances:



**3. Significant accounting policies (cont'd)**

Foreign currency transactions will be translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Company companies:

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency will be translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the Company's foreign currency translation reserve in the statement of comprehensive income. These differences are recognized in the profit or loss in the period in which the operation is disposed.

***Share-based payments***

The Company operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

**3. Significant accounting policies (cont'd)**

***Financial instruments***

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

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

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

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine

**3. Significant accounting policies (cont'd)**

whether impairment has arisen. The Company does not have any derivative financial assets and liabilities.

***Impairment of assets***

The carrying amount of the Company's assets (which include marketable securities) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income and comprehensive income.

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

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

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

***Cash and cash equivalents***

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

***Income taxes***

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**3. Significant accounting policies (cont'd)**

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

***Restoration and environmental obligations***

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site

preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration 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 restoration asset will be depreciated on the same basis as other mining assets.

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

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

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

### **Leases**

Leases of property, plant and equipment where substantially all the risks and benefits incidental to the ownership of the asset are transferred to entities in the Company are classified as finance leases.

Finance leases are capitalized by recording an asset and a liability at the lower of the fair value of the leased property, plant and equipment or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognized as a liability and amortized on a straight-line basis over the life of the lease term.

### **Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of

the replaced part is derecognized. All other repairs and maintenance are charged to the statement of income and comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Depreciation and amortization are calculated on a straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The depreciation and amortization rates applicable to each category of property, plant and equipment are as follows:

<b>Class of property, plant and equipment</b>	<b>Depreciation rate</b>
Office equipment	30%
Other	30%

### **Accounting standards issued by not yet effective**

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, 2011 with early adoption permitted.

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.

#### **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

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**3. Significant accounting policies (cont'd)**

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. Cash and cash equivalents**

The components of cash and cash equivalents are as follows:

	<b>Mar 31, 2012</b>	<b>Sept 30, 2011</b>
Canadian cash in bank	\$ 44,419	\$ 110,321
US cash in bank	1,011	3,469
	<u>\$ 45,430</u>	<u>\$ 113,790</u>

**5. Accounts receivable**

	<b>Mar 31, 2012</b>	<b>Sept 30, 2010</b>
Regular receivables	\$ -	\$ -
Value-added tax receivables	2,869	13,258
	<u>\$ 2,869</u>	<u>\$ 13,258</u>

**6. Investments – Marketable Securities**

**SEPTEMBER 31, 2011**

**A) iTrade Grand Peak Investments as at the September 30, 2011 year end:**

<b>Issuer</b>	<b># of Securities</b>	<b>Average Cost \$</b>	<b>Fair Value \$</b>	<b>% of Portfolio</b>
AKA Ventures Inc.	25,000	505	2,625	-
Arris Holdings	570,000	-	171,000	3%
Bard Ventures	1,000,000	80,000	55,000	1%
Beatrix Ventures	1,862,000	111,760	65,170	1%
Cache Exploration Inc.	23,000	1,137	3,680	-

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**6. MARKETABLE  
SECURITIES**

(Continued)

2011

Caldera Resources Corp.	12,400	3,106	868	-
Caza Gold Corp. Corp.	22,500	7,875	6,750	-
Canarc Resources Corp.	135,000	42,535	20,925	-
Castillian Resources Corp.	7,734,000	603,865	1,082,760	16%
Choice Gold Corp.	577,000	40,390	152,905	2%
Chimata Gold Corp.	1,821,800	273,270	145,744	2%
Cielo Gold Corp.	565,000	16,950	169,500	3%
Continental Precious	289,000	97,670	66,470	1%
Dajin Resources Corp.	47,500	1,906	2,850	-
Desert Gold Ventures Inc.	419,500	582,335	238,830	4%
Easy Med Services Inc.	1,420,000	966,336	1,065,000	16%
Elissa Resources Ltd.	14,500	870	3,480	-
EM Gold Mining Corp.	2,000,000	288,000	200,000	3%
Eloda Corp.	831,000	-	-	-
Entrée Gold Corp.	400	463	576	-
Eurocontrol Technics Inc.	442,000	67,510	44,200	-
Forbes & Manhattan Coal	21,155	16,850	48,657	1%
Forest Gate Energy Inc.	25,000	3,280	1,125	-
Grenville Gold Corp.	550,000	136,177	104,500	2%
Hawkstone Energy	750,000	150,000	41,250	1%
HTC Pure Energy	213,000	89,400	38,340	1%
Inca Metals Corp.	76,000	33,225	20,520	-
Intl. Sovereign Energy Corp.	251,000	140,426	112,950	2%
IRI Separation Tech. Inc.	172,000	2,610	n/a	-
Largo Resources Ltd.	500	72	130	-
Lucky Minerals Inc.	226,000	76,700	84,938	1%-
ME Resources	570,000	11,400	285,000	4%
Midasco Capital	218,000	13,090	8,720	-
Musgrove Minerals	1,775,000	271,992	177,500	3%
Maxtech Ventures Inc.	1,821,800	948,170	746,938	11%
Macmillan Minerals	500,000	25,000	50,000	1%
Menika Mining	100,000	3,520	2,000	-
Nevada Exploration	245,000	19,610	22,050	-
Orsa Ventures	50,000	6,510	9,500	-
Ona Power	7,500,000	462,500	225,000	3%
Pacific Bay Minerals Ltd.	15,000	903	750	-
Peregrine Diamonds Ltd.	151,000	68,610	172,140	3%
Pitch Black Resources Ltd.	4,368	9,173	612	-
Plains Creek Phosphate	904,459	65,244	67,834	1%
Pyng Medical Corp.	149,000	42,037	23,095	-
Quantitative Alpha Trading	3,125,000	468,858	281,250	4%
Stetson Oil & Gas	976,500	79,011	34,178	1%



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**6. MARKETABLE  
SECURITIES**

(Continued)

2011

Upper Canyon Minerals C.	3,100,000	173,657	77,500	1%
Uragold Bay Res Inc.	50,000	3,735	1,250	-
Valencia Ventures Inc.	693,000	37,138	45,045	1%
Vast Exploration	225,000	87,759	7,875	-
Xemplar Energy Corp.	752,500	93,459	33,863	1%
WTS Ona Power	7,500,000	-	-	-
WTS Range Energy	750,000	-	-	-
WTS Grenville	475,000	-	-	-
WTS Beatrix	500,000	-	-	-
WTS Musgrove	2,000,000	-	-	-
WTS Bard Ventures	1,000,000	-	-	-
WTS Journey Resources	4,375,000	-	-	-
WTS Macmillan	500,000	-	10,000	-
WTS EM Gold	2,000,000	-	-	-
		6,726,600	6,232,844	

**B) Haywood Grand Peak investments at the September 30, 2011 year end.**

<b>Issuer</b>	<b># of securities</b>	<b>Average Cost \$</b>	<b>Fair Value \$</b>	<b>% of Portfolio</b>
Choice Gold	1,000,000	50,000	265,000	4%
Lucky Minerals Inc.	200,000	1,950	75,000	1%
Vast Exploration Inc.	665,000	166,250	23,275	-
		218,200	363,275	
<b>Total Securities Held for Trading</b>		<b>\$6,944,800</b>	<b>\$6,596,119</b>	<b>100%</b>

- Warrants have been valued on an intrinsic basis.
- Securities in privately-held companies are recorded at cost

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**MARCH 31, 2012**

**A) iTrade Grand Peak Investments as at the March 31, 2012 – 2nd Quarter**

<b>Issuer</b>	<b># of Securities</b>	<b>Average Cost \$</b>	<b>Fair Value \$</b>	<b>% of Portfolio</b>
AKA Ventures Inc.	25,000	505	3,875	-
Arris Holdings	570,000	-	114,000	2%
Bard Ventures	1,000,000	80,000	35,000	1%
Beatrix Ventures	1,862,000	111,760	55,860	1%
Cache Exploration Inc.	23,000	1,137	1,955	-
Caldera Resources Corp.	12,400	3,106	496	-
Caaza Gold Corp. Corp.	22,500	7,875	5,625	-
Canarc Resources Corp.	135,000	42,535	23,625	-
Castillian Resources Corp.	7,734,000	603,865	386,700	7%
Choice Gold Corp.	577,000	40,390	43,275	1%
Chimata Gold Corp.	1,821,800	273,270	127,526	2%
Cielo Gold Corp.	565,000	16,950	175,150	3%
Continental Precious	289,000	97,670	76,585	1%
Dajin Resources Corp.	47,500	1,906	2,375	-
Desert Gold Ventures Inc.	419,500	582,335	180,170	3%
Easy Med Services Inc.	1,420,000	966,336	1,306,400	23%
Elissa Resources Ltd.	14,500	870	2,392	-
EM Gold Mining Corp.	1,981,500	285,336	208,057	4%
Eloda Corp.	831,000	-	-	-
Entrée Gold Corp.	400	463	500	-
Eurocontrol Technics Inc.	442,000	67,510	35,360	1%
Forbes & Manhattan Coal	21,155	16,850	38,079	1%
Forest Gate Energy Inc.	25,000	3,280	375	-
Grenville Gold Corp.	550,000	136,177	110,000	2%
HTC Pure Energy	213,000	89,400	34,080	1%
Inca Metals Corp.	62,500	27,323	23,750	-
Intl. Sovereign Energy Corp.	251,000	140,426	n/a	-
IRI Separation Tech. Inc.	172,000	2,610	n/a	-
Largo Resources Ltd.	500	72	130	-
Lucky Minerals Inc.	156,500	52,996	47,732	1%-
ME Resources	570,000	11,400	142,500	3%
Midasco Capital	218,000	13,090	17,440	-
Musgrove Minerals	1,775,000	271,992	115,375	2%
Maxtech Ventures Inc.	1,821,800	948,170	1,111,298	20%
Macmillan Minerals	500,000	25,000	40,000	1%
Menika Mining	100,000	3,520	2,000	-
Nevada Exploration	245,000	19,610	31,850	1%
Orsa Ventures	50,000	6,510	8,000	-

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**6. MARKETABLE  
SECURITIES**

(Continued)

2012

Ona Power	7,500,000	462,500	375,000	7%
Pacific Bay Minerals Ltd.	15,000	903	600	-
Peregrine Diamonds Ltd.	85,000	38,622	55,250	1%
Pitch Black Resources Ltd.	4,368	9,173	611	-
Plains Creek Phosphate	904,459	65,244	49,745	1%
Pyng Medical Corp.	149,000	42,037	13,410	-
Quantitative Alpha Trading	3,125,000	468,858	312,500	6%
Range Energy Res	750,000	150,000	60,000	1%
Stetson Oil & Gas	88,772	79,011	15,978	-
Upper Canyon Minerals C.	620,000	173,657	49,600	1%
Uragold Bay Res Inc.	50,000	3,735	2,000	-
Valencia Ventures Inc.	693,000	37,138	34,650	1%
Vast Exploration	225,000	87,759	9,000	-
Xemplar Energy Corp.	752,500	93,459	30,100	1%
WTS Ona Power	4,000,000	-	-	-
WTS Ona Power	3,500,000	-	-	-
WTS Grenville	475,000	-	-	-
WTS Beatrix	500,000	-	-	-
WTS Bard Ventures	1,000,000	-	-	-
WTS Journey Resources	4,375,000	-	-	-
WTS Macmillan	500,000	-	-	-
WTS EM Gold	2,000,000	-	-	-
		6,664,341	5,515,237	

**B) Haywood Grand Peak investments at the March 31, 2012 2<sup>st</sup> Quarter.**

<b>Issuer</b>	<b># of securities</b>	<b>Average Cost \$</b>	<b>Fair Value \$</b>	<b>% of Portfolio</b>
Choice Gold	1,000,000	50,000	75,000	3%
Lucky Minerals Inc.	50,000	488	15,250	1%
Vast Exploration Inc.	665,000	166,250	26,600	-
		216,738	116,850	
<b>Total Securities Held for Trading</b>		<b>\$6,881,079</b>	<b>\$5,632,088</b>	<b>100%</b>

- Warrants have been valued on an intrinsic basis.
- Securities in privately-held companies are recorded at cost

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**7. Loans receivable**

Akmola Gold Corp	\$ 35,000
	\$ 35,000

**8. Deposits on asset**

There are no deposits on assets. The real estate deposit has been transferred to Acana Capital.

**9. Property, plant and equipment**

		Office Equipment			Office Equipment
<b>Cost:</b>			<b>Cost:</b>		
At Sept 30, 2011	\$	62,075	At Oct 01, 2010	\$	62,075
Additions		-	Additions		-
Disposals		-	Disposals		-
At Mar 31, 2012		62,075	At Sept 30, 2011		62,075
<b>Depreciation:</b>			<b>Depreciation:</b>		
At Sept 30, 2011		59,980	At Oct 01, 2010		59,082
Charge for the period		314	Charge for the period		898
Eliminated on disposal		-	Eliminated on disposal		-
At Mar 31, 2013		60,294	At Sept 30, 2011		59,980
<b>Net book value:</b>			<b>Net book value:</b>		
At Sept 30, 2011		2,095	At Sept 01, 2010		2,993
At Mar 31, 2012	\$	1,781	At Sept 30, 2011	\$	2,095

**10. Other Investments and deposit**

**A) Investments held outside trading accounts as at the September 30, 2011 year end.**

Issuer	# of Common Shares	Average Cost \$	Fair Value \$
Akmola Gold	1,000,000	100,000	n/a
Vianey Mining Concessions Deposit			50,000

The Company measured its investment in Akmola Gold at cost as this investment did not have a quoted market price in an active market.

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The deposit is in relation to the purchase of the Vianey mining concessions. Subsequent to September 30, 2011, the Company purchased the Vianey mining concessions

**B) Investments held outside trading accounts as at the March 31, 2012 – 2<sup>nd</sup> Quarter**

<b>Issuer</b>	<b># of Common Shares</b>	<b>Average Cost \$</b>	<b>Fair Value \$</b>
Akmola Gold	1,000,000	100,000	n/a
Grenville Gold	500,000	0.10	50,000
Vianey Mining Concessions	-	-	195,000

The Company measured its investment in Akmola Gold at cost as this investment did not have a quoted market price in an active market.

The deposit is in relation to the purchase of the Vianey mining concessions. During the period ended March 31, 2012 the Company increased its stake in this investment by \$145,000.

Grenville Gold is a participation in a private placement in February 2012.

**11. Payables and accrued liabilities & loans**

	Mar 31, 2012	Sept 30, 2011
Payables	(34)	2,592
Accrued liabilities		14,000
	<b>\$ (34)</b>	<b>\$ 16,592</b>

**12. Share capital**

***Authorized share capital***

Unlimited number of common shares without par value:

***Issued share capital***

At March 31, 2012 there were 24,466,702 issued and fully paid common shares (September 30, 2011 – 24,466,702).

***Private placements***

No shares were issued for cash during the three month period ending March 31, 2012.

**Basic and diluted loss per share**

The calculation of basic and diluted loss per share for the three month period ended March 31, 2012 was based on the Net Income attributable to common shareholders of \$40,183 or \$0.002 per share and same period (2010 - \$(0.001)) and the weighted average number of common shares outstanding of 24,466,702 and the same period (2010 – 24,466,702).

Diluted loss per share did not include stock options as the effect would be anti-dilutive.

**Stock options**

The Company has adopted a stock option plan whereby the Company may from time to time in accordance with the TSX Venture Exchange (“Exchange”) requirements grant to directors, officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company’s common shares issued and outstanding at the time of granting stock options.

Options may be exercised no later than 90 days following cessation of the optionee’s position with the Company or 30 days following cessation of an optionee conducting investor relations activities’ position.

There were no options outstanding at the year ended September 30, 2011 and no options were issued during the three month period ending March 31, 2012.

**Share Purchase Warrants**

There were no warrants outstanding at the year ended September 30, 2011 and no warrants were issued during the three month period ending March 31, 2012.

**13. Reserves**

**Stock option reserve**

The stock option reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded remains in the account.

	March 31, 2012	Sept 30, 2011
Balance at beginning of year	1,505,448	1,505,448
Value of options granted	-	-
Exercise of options	-	-
Expiry of options	-	-
	1,505,448	1,505,448

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**Stock warrant reserve**

The stock warrant reserve records items recognized as warrants until such time that they are exercised, at which time the corresponding amount will be transferred to share capital. If the warrants expire unexercised, the amount recorded is transferred to share capital.

	Mar 31, 2012	Sept 30, 2011
Balance at beginning of year	-	-
Value of warrants granted	-	-
Exercise of warrants	-	-
Expiry of warrants	-	-
	-	-

**Accumulated Other Comprehensive Income**

	March 31, 2012 \$ Amount	October 01, 2010 Conversion to IFRS
Balance, beginning of the year	(343,494)	3,651,147
Unrealized gain (loss) on marketable securities	(898,047)	(3,691,384)
Adjustment for previous Fx. adjustment	-	(303,257)
Balance, end of the period	(1,241,541)	(343,494)

	September 30, 2010 \$ Audit Amount	September 30, 2009 \$ Amount
Balance, beginning of the year	3,651,147	2,042,260
Unrealized gain (loss) on marketable securities	(3,691,384)	1,608,887
Balance, end of the period	(40,237)	3,651,147

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**11. Related party transactions**

**Related party balances**

The following amounts due to related parties are included in receivables:

	Mar 31, 2012	Sept 30, 2011
Companies controlled by directors of the Company	-	-
Directors of subsidiaries of the Company	-	-
	\$ -	\$ -

***Related party transactions***

The Company incurred the following transactions with companies that are controlled by directors of the Company.

	Three month period ended	
	Mar 31, 2012	Mar 31, 2011
Management fees	-	-
Claim options	-	-
Consulting	-	-
Professional services	-	-
	\$ -	\$ -

**Key management personnel compensation**

	Three month periods ended	
	Mar 31, 2012	Mar 31, 2011
Short-term employee benefits – mgmt fees	-	-
Stock-based compensation	-	-
	\$ -	\$ -

**12. Financial risk management**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

**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



**Financial risk management (cont'd)**

on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As most of the Company's cash is held by one banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes and exploration credits.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities as at December 31, 2011:

	Within one year	Between one and five years	More than five years
Payables	\$ (34)	-	-
	-	-	-

**Foreign exchange risk**

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. A Company's subsidiary will be exposed to currency risk as it incurs expenditures that are denominated in non-Canadian dollars. The Company has a foreign Mexican subsidiary and does not hedge its exposure to fluctuations in foreign exchange rates.

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are therefore exposed to interest rate fluctuations on renewal. A 1% change in market interest rates would have an impact on the Company's net loss of \$454.

**Capital Management**

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The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit.

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

**Classification of financial instruments**

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

	Mar 31, 2012	Sept 30, 2011
Cash and cash equivalents	45,430	113,790
Accounts receivable	2,869	47,530
	\$ 48,299	\$ 161,320

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

	Mar 31, 2012	Sept 30, 2011
Non-derivative financial liabilities	-	-
Payables	(34)	16,591
Loans	-	-
	\$ (34)	\$ 16,591

**Fair value**

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at March 31, 2012 and September 30, 2011:

		As at March 31, 2012		
		Level 1	Level 2	Level 3
Cash and cash equivalents	\$	45,430	-	-

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		As at September 30, 2011		
		Level 1	Level 2	Level 3
Cash and cash equivalents	\$	113,790	-	-

**13. Segmented information**

***Operating segments***

The Company operates as a single reportable operating unit with investments in Canada and other jurisdictions..

***Geographic segments***

The Company's non-current assets are located in the following countries:

		As at March 31, 2012		
		Canada	Other	Total
Investments	\$	5,632,088	345,000	5,977,088

		As at September 30, 2011		
		Canada	Other	Total
Investments	\$	6,596,119	150,000	6,746,119

		As at September 30, 2010		
		Canada	Other	Total
Investments	\$	8,720,367	100,000	8,820,367

**14. Non-cash transactions**

During the three month period ended March 31, 2011, the Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

		Three month periods ended	
		Mar 31, 2012	March 31, 2011
Fair value of shares issued on acquisition of exploration and evaluation assets	\$	-	-

**15. Commitments**

The Company has a lease valued at \$2,500 per month. For the remaining six months \$15,000 is due.

**16. Transition to IFRS**

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

As required by IFRS 1 "First-time Adoption of International Financial Reporting Standards", July 1, 2010 has been considered to be the date of transition to IFRS by the Company. Therefore, the comparative figures that were previously reported under previous Canadian GAAP have been restated in accordance with IFRS.

Exemptions applied

The Company has applied the following optional transition exemptions to full retrospective application of IFRS:

IFRS 3 "Business Combinations" has not been applied to acquisitions of subsidiaries or of interests in associates and joint ventures that occurred before January 1, 2010.

IAS 21 "The Effects of Changes in Foreign Exchange Rates" has not been applied to cumulative translation differences that existed at the date of transition to IFRS.

IFRS 2 "Share-based Payment" has not been applied to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to January 1, 2010, which have been accounted for in accordance with Canadian GAAP.

IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" has been applied prospectively to all provisions for restoration and environmental obligations that are within the scope of International Financial Reporting Interpretations Committee ("IFRIC") "Changes in Existing Decommissioning, Restoration and Similar Liabilities". The Company has:

- re-measured the liabilities as at October 01, 2010 in accordance with IAS 37;
- estimated the amount that would have been included in the cost of the related asset when the liability first arose, by discounting the liability to that date using its best estimate of the historical risk-adjusted discount rates that would have applied for that liability over the intervening period; and

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- calculate the accumulated depreciation on that amount, as at October 01, 2010, on the basis of the current estimate of the useful life of the asset, using the depreciation policy adopted by the entity.
- The Company has applied the transitional provision in IFRIC 4 “Determining whether an Arrangement contains a Lease” and has assessed all arrangements as at July 1, 2010.

The transition to IFRS did not have an impact on the statements of financial position, income and comprehensive income and cash flows of the Company. No adjustments were required upon adoption of IFRS except cumulative surplus was restated as and reserves.

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**16. Transition to IFRS (cont'd)**

*Reconciliation of assets*

	Notes	As at September 30, 2011			As at October 01, 2010		
		Canadian GAAP	Effect of Transition	IFRS	Canadian GAAP	Effect of Transition	IFRS
<b>ASSETS</b>		\$		\$	\$		\$
<b>Current assets</b>							
		6,757,439	-	6,757,439	9,532,787	--	9,532,787
<b>Non-current assets</b>							
		428,805	-	428,805	279,703	-	279,703
<b>TOTAL ASSETS</b>		<b>\$ 7,186,244</b>	<b>\$ -</b>	<b>\$ 7,186,244</b>	<b>\$ 9,812,490</b>	<b>\$ -</b>	<b>\$ 9,812,490</b>

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**16. Transition to IFRS (cont'd)**

*Reconciliation of liabilities and Equity*

	Notes	As at September 30, 2011			As at October 01, 2010		
		Canadian GAAP	Effect of Transition	IFRS	Canadian GAAP	Effect of Transition	IFRS
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
		\$ 16,591	\$ -	\$ 16,591	\$ 69,191	\$ -	\$ 69,191
			-			-	
<b>Non-current liabilities</b>							
			-			-	
<b>TOTAL LIABILITIES</b>		<b>16,591</b>	<b>-</b>	<b>16,591</b>	<b>69,191</b>	<b>-</b>	<b>69,191</b>
<b>SHAREHOLDERS' EQUITY</b>							
Share capital		8,984,054	-	8,984,054	8,930,409		8,930,409
Contributed surplus	16 (a)	-		-	1,505,448	(1,505,448)	-
Reserves	16 (a)	1,505,448		1,505,448		1,505,448	1,505,448
AOCI	16(b)	(343,494)		(343,494)	3,651,147	303,257	3,954,404
Deficit	16(b)	(2,976,355)		(2,976,355)	(4,343,705)	(303,257)	(4,646,962)
<b>TOTAL EQUITY</b>		<b>7,169,653</b>	<b>-</b>	<b>7,169,653</b>	<b>9,743,299</b>	<b>-</b>	<b>9,743,299</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>\$ 7,186,653</b>	<b>\$ -</b>	<b>\$ 7,186,653</b>	<b>\$ 9,812,490</b>	<b>\$ -</b>	<b>\$ 9,812,490</b>

Grand Peak Capital Corp.  
Notes to the Condensed Interim Financial Statements  
For the three and six month periods ended March 31, 2012 and 2011  
(Expressed in Canadian dollars - unaudited)

2) The Canadian GAAP statement of income (loss) and comprehensive income (loss) for the three months ended December 31, 2010 and year ended September 30 2010 has been reconciled to IFRS as follows:

	Three Months			Year Ended		
	Dec 31 2010 CGAAP	Effects of IFRS	Dec 31 2010 IFRS	Sept 30 2010 CGAAP	Effects of IFRS	Sept 30 2010 IFRS
<b>OPERATING EXPENSES</b>	\$ 13,972	-	13,972	\$ 190,322	-	190,322
<b>OTHER EXPENSES / INCOME</b>	642,411	-	642,411	1,175,105	-	1,175,105
<b>NET COMPREHENSIVE INCOME FOR THE PERIOD</b>	\$ 628,439	-	628,439	\$ 984,783	-	984,783

*Reconciliation of cash flows for the three month period ended December 31, 2010*

	Notes	Canadian GAAP	Effect of Transition	IFRS
<b>Operating activities</b>				
Income before income taxes		\$ 628,440	\$ -	\$ 628,440
Adjustments for non-cash items:				
		(11,047)	-	(11,047)
Changes in non-cash working capital items:		2,772		2,772
<b>Net cash flows from (used in) operating activities</b>		<b>(8,275)</b>	<b>-</b>	<b>(8,275)</b>
<b>Investing activities</b>				
<b>Net cash flows from (used in) investing activities</b>		<b>550,623</b>	<b>-</b>	<b>550,623</b>
<b>Financing activities</b>				
<b>Net cash flows from (used in) financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>
Increase (decrease) in cash and cash equivalents		542,348	-	542,348
Cash and cash equivalents, beginning		471,839	-	471,839
<b>Cash and cash equivalents, ending</b>		<b>\$ 1,014,187</b>	<b>\$ -</b>	<b>\$ 1,014,187</b>



Grand Peak Capital Corp.  
Notes to the Condensed Interim Financial Statements  
For the three and six month periods ended March 31, 2012 and 2011  
(Expressed in Canadian dollars - unaudited)

*Reconciliation of share equity*

	Sept 30, 2011	Oct 01, 2010
<b>Share equity previously reported under Canadian GAAP</b>	<b>8,984,054</b>	<b>8,930,409</b>
Adjustments upon adoption of IFRS:	-	-
<b>Share equity reported under IFRS</b>	<b>\$ 8,984,054</b>	<b>\$ 8,930,409</b>

*Reconciliation of comprehensive loss*

	Sept 30 2011	Oct 01, 2010
<b>Comprehensive gain/( loss) previously reported under Canadian GAAP</b>	<b>\$ 1,064,093</b>	<b>\$ 984,783</b>
Adjustments upon adoption of IFRS:	-	-
<b>Comprehensive loss reported under IFRS</b>	<b>\$ 1,064,093</b>	<b>\$ 984,783</b>

**Notes to reconciliations**

(a) Reserves

Under Canadian GAAP, amounts recorded in relation to the fair value of stock options granted and warrants issued were recorded to contributed surplus. Under IFRS, these amounts have been reclassified as reserves.

(b) AOCI and Deficit

Reversing foreign exchange adjustment made for 2009

No other adjustments were required upon adoption of IFRS except cumulative surplus and reserves AOCI and deficit..