

**GRAND PEAK CAPITAL CORP.**

**Consolidated Financial Statements  
For the Years Ended  
September 30, 2010 and 2009**

**Stated in CDN\$**

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**ACAL GROUP**  
**CHARTERED ACCOUNTANTS**  
**PCAOB & CPAB Registrant**

## **AUDITORS' REPORT**

To: the Shareholders of  
Grand Peak Capital Corp.

We have audited the consolidated balance sheet of Grand Peak Capital Corp. as at September 30, 2010 and the consolidated statements of operations, deficit, comprehensive income and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2010, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at September 30, 2009 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated February 3, 2010.

*"ACAL Group"*  
Chartered Accountants

Vancouver, British Columbia  
January 26, 2011

**GRAND PEAK CAPITAL CORP.**  
**Consolidated Balance Sheet**  
**For the Years Ended September 30,**  
**(Stated in CDN Dollars) – Note 2**

	2010	2009
<b>ASSETS</b>		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 471,839	\$ 264,859
Accounts receivable	930	565,000
Marketable securities (Note 11)	8,820,367	4,154,950
Loans receivable (Note 4)	237,419	37,527
HST/GST receivable	2,232	8,956
	9,532,787	5,031,292
Deposits on asset (Note 5)	276,250	276,250
Equipment (Note 6)	2,993	4,275
Incorporation costs	460	460
	\$ 9,812,490	\$ 5,312,277
<b>LIABILITIES</b>		
<i>Current Liabilities</i>		
Accounts payable and accrued liabilities	\$ 69,191	\$ 292,804
Loan payable (Note 13)	-	536,373
	69,191	829,177
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 7)	8,930,409	6,263,880
Contributed surplus	1,505,448	1,505,448
Accumulated other comprehensive income (Note 8)	3,651,147	2,042,260
Deficit	(4,343,705)	(5,328,488)
	9,743,299	4,483,100
	\$ 9,812,490	\$ 5,312,277

Continuance of Operations (Note 1)

***Approved by the Board:***

"Navchand Jagpal", Director

"Sonny Janda", Director

**– See Accompanying Notes to the Consolidated Financial Statements–**

**GRAND PEAK CAPITAL CORP.**  
**Consolidated Statement of Operations, Deficit and Comprehensive Income**  
**For the Years Ended September 30,**  
**(Stated in CDN Dollars) – Note 2**

	<b>2010</b>	<b>2009</b>
<b>Revenue</b>		
Property management	\$ -	\$ 391,552
Consulting fees	87,926	-
Finder fee revenue	-	147,509
Rent revenue	23,860	25,576
Interest and royalty income	13,027	41,076
	<u>124,813</u>	<u>605,713</u>
<b>Expenses</b>		
Amortization	1,282	3,239
Bank charges and interest	593	37,066
Consulting	-	44,696
Foreign exchange loss	16,900	-
Management fees	-	28,900
Miscellaneous	8,170	41,143
Office, administration and travel	25,923	55,565
Professional fees	49,733	165,228
Rent	72,200	137,760
Telephone	-	4,514
Transfer agent and regulatory filing fees	15,521	45,980
	<u>190,322</u>	<u>564,091</u>
<b>Income (loss) before other items:</b>	(65,509)	41,622
Gain on sale of marketable securities	876,039	184,944
Unrealized gain on marketable securities	80,000	-
Write-off deferred exploration cost	-	(164,523)
Gain on debt settlements	94,253	-
	<u>984,783</u>	<u>62,043</u>
<b>Net income for the year</b>	984,783	62,043
<b>Deficit, beginning of the year</b>	(5,328,488)	(5,138,359)
<b>Spin off equity distribution</b>	-	(252,172)
<b>Deficit, end of the year</b>	<u>\$ (4,343,705)</u>	<u>\$ (5,328,488)</u>
Basic earnings per common share	\$0.05	\$0.00
<b>Weighted average No of common shares o/s</b>	<u>21,428,346</u>	<u>13,439,305</u>
<b>Comprehensive Income</b>		
Net income for the year	984,783	62,043
Other Comprehensive income in the year	1,608,887	1,819,293
Comprehensive income for the year	<u>\$ 2,593,670</u>	<u>\$ 1,881,336</u>

– See Accompanying Notes to the Consolidated Financial Statements -

**GRAND PEAK CAPITAL CORP.**  
**Consolidated Statement of Cash Flows**  
**For the Years Ended September 30,**  
**(Stated in CDN Dollars) – Note 2**

	<b>2010</b>	<b>2009</b>
<b>Operating Activities</b>		
Net income for the year	\$ 984,783	\$ 62,043
Adjustment for items which do not involve cash:		
Unrealized gain on marketable securities	(80,000)	-
Amortization	1,282	3,239
Interest on loan payable	-	35,780
Gain on sale of marketable securities	(876,039)	(184,944)
Gain on disposition of truck	-	(9,678)
Write-off of deferred exploration costs	-	164,523
Gain on debt settlements	(94,253)	-
	<u>(64,227)</u>	<u>70,963</u>
Changes in non-cash working capital components:		
Prepaid	-	44,767
Accounts receivable	570,902	(448,360)
Accounts payable and accrued liabilities	(49,360)	102,080
	<u>457,315</u>	<u>(230,550)</u>
<b>Investing Activities</b>		
Deposit on asset	-	(56,927)
Marketable securities	(2,100,491)	(1,284,582)
Equipment	-	24,366
Loan receivable	(200,000)	(41,302)
	<u>(2,300,491)</u>	<u>(1,358,445)</u>
<b>Financing Activities</b>		
Loan payable	(616,373)	-
Common shares issued for cash	2,666,529	1,129,151
Share issue costs	-	(55,168)
	<u>2,050,156</u>	<u>1,073,983</u>
<b>Effect of foreign exchange on cash</b>	<u>-</u>	<u>14,124</u>
<b>Net cash provided (used) during the year</b>	<u>206,980</u>	<u>(500,888)</u>
<b>Cash and equivalents, beginning of year</b>	<u>264,859</u>	<u>765,747</u>
<b>Cash and equivalents, end of year</b>	<u>\$ 471,839</u>	<u>\$ 264,859</u>

Supplemental disclosure with respect to cash flows (Note 14)

– See Accompanying Notes to the Consolidated Financial Statements -

**GRAND PEAK CAPITAL CORP.**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended September 30, 2010 and 2009**  
**(Stated in CDN Dollars) – Note 2**

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

The Company was incorporated on December 28, 2001 in the Yukon Territory, Canada and is listed on the TSX Venture exchange. The Company changed its name to Grand Peak Capital Corp. on November 15, 2007. The Company changed its year end from December 31 to September 30 in 2007. The Company has completed the continuation from the jurisdiction of Yukon to British Columbia. Effective as of April 27, 2010, Grand Peak is registered in British Columbia under the *Business Corporations Act* (British Columbia).

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations and its financial success is dependent upon the extent to which it can develop the portfolio of securities and the economic viability of developing any such additional portfolios. The Company has an accumulated operating deficit of \$4,343,705 at September 30, 2010 (2009 - \$5,328,488). Management recognizes that the Company will need to obtain additional debt or equity financing in order to meet its planned business objectives, to repay its liabilities arising from normal business operations when they come due, and to maintain its operations in the next twelve months. There is no assurance that the Company will be able to raise these additional financing. These factors raise substantial doubt about the Company's ability to continue as a going-concern.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in business.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Accounting and Consolidation*

These consolidated financial statements are prepared in accordance with generally accepted accounting principles in Canada ("Canadian GAAP"). Summarized below are those policies considered particularly significant to the Company. References to the Company included herein are inclusive of the accounts of the parent company and its wholly-owned subsidiaries. All intercompany balances have been eliminated.

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

<b>Subsidiary</b>	<b>Status</b>
2801 Shangri-La Ltd.	Active
0808964 BC Ltd.	Active

*Use of Estimates*

The preparation of financial statements and related disclosures in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates are based on historical experience and on other assumptions that are believed at the time to be reasonable under the circumstances. The actual results may differ from those previously estimated.

**GRAND PEAK CAPITAL CORP.**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (*Continued*)

Key areas where management has made complex or subjective judgements include fair value of certain assets, accounting for amortization, income taxes and contingencies.

*Financial Instruments*

The Company follows the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1530, "Comprehensive Income", Section 3251, "Equity", Section 3855, "Financial Instruments - Recognition and Measurement", Section 3862, "Financial Instruments - Disclosures", Section 3863, "Financial Instruments - Presentation" and Section 3865, "Hedges". The following is a summary of the Company's classification of financial assets and liabilities:

Cash and cash equivalents	Held-for-trading
Account and other receivables	Loans and receivables
Loan receivable	Loans and receivables
Marketable securities and derivatives	Available-for-sale or Held-for-trading
Accounts payable and accrued liabilities	Other financial liabilities
Loan payable	Other financial liabilities

Financial assets classified as held-for-trading are measured at fair value with changes in fair values recognized in net earnings. Financial assets classified as available-for-sale are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is sold or impaired. The fair value of substantially all investments is determined by quoted market prices, except for those investments that do not have a quoted market price in an active market, which are measured at cost. Loans and receivables, loan payable and other financial liabilities are measured at amortized cost.

*Revenue Recognition*

Interest, and property management fees receivable in cash are recorded on an accrual basis when services are rendered and collectability is reasonably assured. All costs directly attributable to revenue generation are expensed as incurred and netted against the appropriate income earned. Realized gains and losses on disposals of investments are reflected in the consolidated statement of operations and calculated on an average cost basis. The Company records royalty income when received.

*Equipment*

Equipment consists of office and computer equipment. The office equipment and computer equipment are recorded at cost and amortized at an annual rate of 20% to 30% using the declining balance method.

*Future Income Taxes*

The Company accounts for potential future net tax assets which are attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and which are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. When the future realization of income tax assets does not meet the test of being more likely than not to occur, a valuation allowance in the amount of potential future benefit is taken and no net asset is recognized. Such an allowance has been applied to all potential income tax assets of the Company.

**GRAND PEAK CAPITAL CORP.**  
**Notes to the Consolidated Financial Statements**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

*Change in Reporting Currency and Foreign Currency Translation*

Prior to October 1, 2009, the Company reported its annual and quarterly consolidated balance sheets and the related statements of operations and cash flows in United States dollars (“US”). In making this change in reporting currency, the Company followed the recommendations of the Emerging Issues Committee (“EIC”) of the Canadian Institute of Chartered Accountants, set out in EIC-130, Translation Method when the Reporting Currency Differs from the Measurement Currency or there is a Change in the Reporting Currency. In accordance with EIC-130, the financial statements for all years presented have been translated into the reporting currency using the current rate method. Under this method, the statement of operations and cash flows statement items for each year have been translated into the reporting currency using the average exchange rate prevailing during each year. All assets and liabilities have been translated using the exchange rate prevailing at the balance sheet dates. Shareholders’ equity transactions have been translated at the historical exchange rate. All resulting exchange differences arising from the translation are included as a separate component of other comprehensive income. All comparative financial information has been restated to reflect the Company’s results as if they had been historically reported in Canadian (“CDN”) dollars.

Monetary assets and liabilities denominated in currencies other than CDN dollar are translated at exchange rates in effect at the balance sheet dates. Non-monetary balance sheet items denominated in currencies other than CDN dollar are translated at the rates of exchange in effect at the time the items arose. Revenue and expenses are translated at the exchange rates in effect at the time of the transaction. Gains and losses arising from fluctuations in exchange rates are included in the statements of operations.

*Share Capital*

Common shares issued for non-monetary consideration are recorded at their fair market value based upon the lower of the trading price of the Company’s shares on the TSX Venture Exchange on the date of the agreement to issue the shares and the date of share issuance.

*Stock-based Compensation*

The Company follows the Recommendations of the Canadian Institute of Chartered Accountants (“CICA”) in connection with accounting for stock option-based compensation. The standard now requires that all stock option-based awards made to consultants and employees be recognized in these consolidated financial statements and measured using a fair value-based method.

Consideration received on the exercise of stock options and compensation options and warrants is recorded as share capital. The related contributed surplus originally recognized when the options were granted, is transferred to share capital.

*Earnings (loss) per share*

Earnings (loss) per share has been calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is not presented as it is anti-dilutive to the loss per share figures.

*Comparative Figures*

Certain prior period figures have been reclassified to conform to the current period’s financial statement presentation.



**GRAND PEAK CAPITAL CORP.**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(Continued)*

*Assessing Going Concern*

CICA Handbook Section 1400, as amended, changed the guidance related to management's responsibility to assess the ability of an entity to continue as a going concern. Management is required to make an assessment of the Company's ability to continue as a going concern, taking into account all information available for at least, but not limited to 12 months from the balance sheet date. Disclosure is required of material uncertainties related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern. The adoption of this standard had no impact on the Company's disclosures as these uncertainties have been, and continue to be, fully described herein.

*Capital Disclosures*

The AcSB issued CICA Handbook Section 1535, which establishes standards for disclosing information about an entity's capital and how it is managed. This section applies to interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007. Section 1535 requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. As a result of the adoption of this standard, additional disclosure on the Company's capital management strategy has been included in Note 10.

*Financial Instruments – Disclosures*

CICA Handbook Section 3862 requires additional disclosures to enable users of the Company's financial statements to evaluate the significance of financial instruments to the Company's financial position and performance. In addition, qualitative and quantitative disclosures are provided as appropriate to enable users to evaluate the nature and extent of risks arising from the Company's financial instruments. These disclosures were presented above within the financial instruments accounting policies and in Note 9.

*Goodwill and intangible assets*

In February 2008, the CICA issued Handbook section 3064 "Goodwill and intangible assets" which is required to be adopted for fiscal year-ends beginning on or after October 1, 2008. It establishes standards for the recognition, measurement, presentation and disclosure of Goodwill subsequent to its initial recognition and of intangible assets by profit orientated enterprises. The adoption of this new section did not have any material impact on its financial statements.

**3. ACCOUNTING POLICIES NOT YET ADOPTED**

*International Financial Reporting Standards ("IFRS")*

The Canadian Accounting Standards Board ("AcSB") in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over a five-year transitional period. In February 2008, the CICA Accounting Standards Board confirmed that the changeover to IFRS from Canadian GAAP will be required for publicly accountable enterprises, effective for the interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations. The Company continues to monitor and assess the impact of the convergence of Canadian GAAP and IFRS on its financial statements. The Company is currently in the process of executing an IFRS conversion plan. It is expected that there is no material impact to the financial reporting arising from the transition to IFRS.

**GRAND PEAK CAPITAL CORP.**  
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**3. ACCOUNTING POLICIES NOT YET ADOPTED** *(Continued)*

*Business Combination, Consolidated Financial Statements and Non-Controlling Interest*

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011.

Section 1582 replaces sections 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards IFRS 3 – Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601, establishes standards for the preparations of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Financial Reporting Standards IAS 27 – Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is in the process of assessing the impact of these new sections on its financial statements.

**4. RELATED PARTY TRANSACTIONS**

During the year ended September 30, 2010, the Company made a loan of \$200,000 to QMI Seismic Inc., a company related by a common director. Subsequent to the current year, the loan was fully re-paid.

During the year ended September 30, 2009, the Company made a loan of \$35,000 to Akmola Gold Corp., a company related by a common Chief Executive Officer.

The amounts due from or to the related parties are without interest and due on demand.

**5. DEPOSIT ON ASSET**

At September 30, 2010, the Company's deposit consists of a cash deposit of \$276,250 for the purchase of a real estate condominium for a price of \$1,105,000 with the balance of \$828,750 due upon completion.

**6. EQUIPMENT**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2010 Net Book Value</b>	<b>2009 Net Book Value</b>
Computer equipment	\$ 62,075	\$ 59,082	\$ 2,993	\$ 4,275
	<u>\$ 62,075</u>	<u>\$ 59,082</u>	<u>\$ 2,993</u>	<u>\$ 4,275</u>

**GRAND PEAK CAPITAL CORP.**  
**Notes to the Consolidated Financial Statements**  
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**(Stated in CDN Dollars) – Note 2**

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**7. SHARE CAPITAL**

a) Authorized share capital consists of unlimited common shares without par value.

<b>Common Shares</b>	<b># of Shares</b>	<b>\$</b>
Balance at September 30, 2008	8,466,702	5,204,461
Private placements	5,500,000	1,059,419
Balance at September 30, 2009	13,966,702	6,263,880
Warrants exercised in December 17, 2009	5,000,000	1,474,054
Due to Lucky Minerals		(73,177) <sup>1</sup>
Warrants exercised in February 2010	5,500,000	1,331,579
Due to Lucky Minerals		(65,927) <sup>2</sup>
Balance at September 30, 2010	24,466,702	8,930,409

The private placement completed during the year ended September 30, 2008 consisted of 5,000,000 units at a price of US\$0.21 per unit. Each unit consisted of one share and one share purchase warrant, which is exercisable at a price of US\$0.28 per share for a period of two years from the date of issue.

In December, 2009, the warrants attached to the above-mentioned units were exercised and 5,000,000 shares were issued for total proceeds of \$1,474,054.

<sup>1</sup> According to the terms of the Arrangement, Grand Peak Capital owed Lucky Minerals \$73,177 upon exercise of the above mentioned warrants. A payment of \$73,177 was made.

The private placement completed during the year ended September 30, 2009 consisted of 5,500,000 units at a price of US\$0.17 per unit. Each unit consisted of one share and one share purchase warrant, which is exercisable at a price of US\$0.23 per sha

re for a period of two years from the date of issue.

In February, 2010, the warrants attached to the above-mentioned units were exercised and 5,500,000 shares were issued for total proceeds of \$1,331,579.

<sup>2</sup> According to the terms of the Arrangement, Grand Peak Capital owed Lucky Minerals \$65,927 upon exercise of these last 5,500,000 warrants. A payment of \$65,927 was made.

b) Stock Options

The Corporation has an incentive stock option plan authorizing the Company to grant options up to 10% of the issued and outstanding common stock of the Company to directors, officers, employees and consultants of the Company. No specific vesting terms are required. The term of each grant shall be no greater than five years from the date of grant. The option price shall be no less than the price permitted by the TSX Venture Exchange. No options have been granted or outstanding for the prior two fiscal years.

**GRAND PEAK CAPITAL CORP.**  
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**7. SHARE CAPITAL (Continued)**

c) Warrants

The Company has no outstanding warrants at September 30, 2010.

	<b>September 30, 2010</b>		<b>September 30, 2009</b>	
	Number of Warrants	Weighted Price	Number of Warrants	Weighted Price
Opening balance	10,500,000	1.75	5,760,000	0.28
Expired	-	-	(760,000)	0.65
Exercised	(10,500,000)	(1.75)	-	-
Private Placement	-	-	5,500,000	0.23
Closing balance	-	-	10,500,000	0.26
Weighted remaining life in years				1.75

**8. ACCUMULATED OTHER COMPREHENSIVE INCOME**

	<b>September 30, 2010</b>	<b>September 30, 2009</b>
	\$ Amount	\$ Amount
Balance, beginning of the year	2,042,260	222,967
Unrealized gain marketable securities	1,608,887	1,952,762
Cumulative translation adjustment	-	(133,469)
Balance, end of the year	3,651,147	2,042,260

**9. FINANCIAL INSTRUMENT RISKS**

The Company's financial instruments at September 30, 2010 consist of cash and cash equivalents, accounts receivable, HST/GST receivable, marketable securities, loans receivable and accounts payable and accrued liabilities. Cash and cash equivalents and marketable securities are carried at fair value using a level 1 fair value measurement except for those investments that do not have a quoted market price in an active market, which are measured at cost. The carrying value of accounts receivable, HST/GST receivable, loans receivable and accounts payable and accrued liabilities approximate their fair value because of their nature and respective maturity dates or durations.

The Company's financial instruments are exposed to the following risks:

*Credit Risk*

The Company's primary exposure to credit risk is the risk of illiquidity of cash and cash equivalents, amounting to \$471,839 at September 30, 2010. As the Company's policy is to limit cash holdings and near cash investments to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

The Company had outstanding accounts receivable at September 30, 2010 amounting to \$3,162 for HST/GST and other receivables.

**GRAND PEAK CAPITAL CORP.**  
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**9. FINANCIAL INSTRUMENT RISKS** *(Continued)*

*Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet operating accounts payable requirements. The Company maintains sufficient cash balances to meet these needs.

*Foreign Exchange Risk*

The Company's has virtually no foreign exchange risk as all its activities are carried out in Canada.

*Interest Rate Risk*

The Company is exposed to interest rate risk on its cash equivalent and temporary investments. The majority of these investments are in discounted instruments with pre-determined fixed yields. Interest rate movements will affect the fair value of these instruments so the Company manages maturity dates of these instruments to match cash flow needs, enabling realization at no loss in almost all cases. Unrealized gains and losses are reported in other comprehensive income.

**10. CAPITAL MANAGEMENT**

The Company's objectives for the management of capital are to safeguard its ability to continue as a going concern including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash and cash equivalents and short term investments to be its manageable capital. The Company's policy is to maintain sufficient cash and investment balances to cover operating and exploration costs over a reasonable future period, generally one to one and a half years. The Company accesses capital markets through equity issues as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements.

**GRAND PEAK CAPITAL CORP.**  
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**11. MARKETABLE SECURITIES**

Investments consist of the following as at September 30, 2009

<b>Issuer</b>	<b># of Common Shares</b>	<b>Average Cost \$</b>	<b>Fair Value \$</b>	<b>% of Portfolio</b>
Aberdeen Intl Inc	120,000	26,870	37,202	1%
AKA Ventures Inc.	100,000	2,020	5,001	-
Appella Resources	40,000	3,410	5,001	-
Avion Resources Corp.	1,711,500	180,651	547,702	13%
Cache Exploration Inc	400,000	19,770	40,002	1%
Caldera Resources Corp.	200,000	5,010	30,001	1%
Calibre Resources Corp.	300,000	61,520	48,001	1%
Caza Gold Corp. Corp.	22,500	-	-	-
Canarc Resources Corp.	135,000	42,535	23,626	1%
Cash Minerals Corp.	87,365	9,173	3,494	-
Castillian Resources Corp.	450,000	24,800	27,001	1%
Cons Spire Ventures	203,500	11,620	8,140	-
Creston Moly Corp	18,480	2,980	5,637	-
Dajin Resources Corp.	75,000	3,010	7,875	-
Desert Gold Ventures	50,000	142,010	32,501	1%
Eloda Corp.	831,000	11,310	-	-
Entrée Gold Corp.	47,400	54,912	144,575	3%
Eurocontrol Technics Inc.	419,000	60,820	92,183	2%
IRI Separation Techs.	172,000	2,610	-	-
Kermode Resources	90,000	6,759	6,751	-
Largo Resources Ltd.	500	72	700	-
Maxtech Ventures	538,800	473,460	215,529	5%
Norwall Group Inc.	4,000	1,410	1,800	-
Nyah Resources Corp.	842,000	16,850	29,472	1%
Pacific Bay	45,000	2,710	3,600	-
Peregrine Diamonds Ltd.	151,000	68,610	434,898	10%
Pyng Medical Corp.	33,500	18,770	6,700	-
Red Hill Energy	58,000	32,490	20,881	1%
Selkirk Metals Corp	1,745,000	229,730	253,035	6%
Titan Uranium Corp.	27,000	14,590	7,830	-
Uragold Bay Res Inc.	50,000	3,735	1,250	-
Valencia Ventures	489,000	19,258	39,121	1%
Vast Exploration Inc.	900,000	271,747	720,029	17%
Nova Uranium Corp.	23,000	3,460	4,370	-
WTS New Gold	70,000	2,470	-	-
Vast Exploration Inc.(Global)	800,000	200,000	639,884	15%
Arris Resources	570,000	407,000	611,154	15%
Akmola Gold Corp. (Private)	1,000,000	100,000	100,004	2%
		2,538,152	4,154,950	100%

**GRAND PEAK CAPITAL CORP.**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended September 30, 2010 and 2009**  
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**11. MARKETABLE SECURITIES** (Continued)

**TD/iTrade CDN Investments as at September 30, 2010**

<b>Issuer</b>	<b># of Common Shares</b>	<b>Average Cost \$</b>	<b>Fair Value \$</b>	<b>% of Portfolio</b>
Aberdeen Int'l Inc.	120,000	26,870	54,000	1%
AM Gold Inc.	100,000	21,529	53,000	1%
AKA Ventures Inc.	50,000	1,009	9,250	-
Appella Resources Inc.	40,000	3,410	5,400	-
Avion Resources Corp.	356,000	37,314	249,200	3%
Cache Exploration Inc.	340,000	16,804	105,400	1%
Caldera Resources Corp.	20,000	5,010	2,400	-
Calibre Resources Corp.	300,000	61,520	37,500	0%
Caza Gold Corp. Corp.	22,500	-	-	-
Canarc Resources Corp.	135,000	42,535	11,475	-
Castillian Resources Corp.	7,759,000	599,685	659,515	7%
Cons Spire Ventures Ltd.	203,500	11,620	4,070	-
Creston Moly Corp.	18,480	2,980	4,435	-
Dajin Resources Corp.	60,000	2,408	14,700	-
Desert Gold Ventures Inc.	145,500	211,839	164,415	2%
Easy Med Services Inc.	850,000	938,530	1,088,000	12%
Elissa Resources Ltd.	14,500	-	-	-
Eloda Corp.	831,000	11,310	-	-
Entrée Gold Corp.	47,400	54,912	141,252	2%
Eurocontrol Technics Inc.	419,000	60,820	62,850	1%
Forbes & Manhattan Coal Inc.	21,155	16,850	73,408	1%
Forest Gate Energy Inc.	25,000	3,280	2,125	-
Grenville Gold Corp.	1,750,000	62,830	43,750	1%
Intl. Sovereign Energy Corp.	271,000	151,615	154,470	2%
IRI Separation Tech. Inc.	172,000	2,610	-	-
Journey Resources Corp.	4,375,000	131,250	131,250	1%
Kermode Resources Ltd.	90,000	6,760	8,550	-
Largo Resources Ltd.	500	72	115	-
Lucky Minerals Inc.	1,000	180	290	-
Maxtech Ventures Inc.	1,821,800	1,221,444	2,186,161	25%
Norwall Group Inc.	4,000	1,410	1,840	-
Pacific Bay Minerals Ltd.	45,000	2,710	2,925	-
Peregrine Diamonds Ltd.	151,000	68,610	362,400	4%
Prophecy Resource Corp.	53,360	32,490	24,545	-
Pitch Black Resources Ltd.	4,368	9,173	1,179	-
Pyng Medical Corp.	149,000	42,037	19,370	-
Secova Metals Corp.	23,000	3,460	1,840	-
Source Exploration Corp.	100,000	18,020	20,500	-
Titan Uranium Inc.	27,000	14,590	3,780	-
Upper Canyon Minerals Corp.	3,582,000	175,160	143,280	2%
Uragold Bay Res Inc.	50,000	3,735	1,750	-

**GRAND PEAK CAPITAL CORP.**  
**Notes to the Consolidated Financial Statements**  
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**11. MARKETABLE SECURITIES** (Continued)

**TD/iTrade CDN Investments as at September 30, 2010 (continued)**

Valencia Ventures Inc.	489,000	19,258	36,675	0%
Vast Exploration Inc.	350,000	81,271	206,500	2%
Xemplar Energy Corp.	752,500	93,459	109,113	1%
WTS Pitch Black Res. Ltd.	43,682	-	-	-
WTS New Gold Inc.	70,000	2,470	3,150	-
WTS Journey Resources Corp.	4,375,000	-	-	-
		4,274,849	6,205,828	

**Global CDN, TD US Investments as of the following as at September 30, 2010**

**Global CDN**

<b>Issuer</b>	<b># of Common Shares</b>	<b>Average Cost \$</b>	<b>Fair Value \$</b>	<b>% of Portfolio</b>
CLI Resources Inc.	1,000,000	50,000	150,000	2%
Lucky Minerals Inc.	200,000	1,950	58,000	1%
Vast Exploration Inc.	665,000	166,250	392,350	4%
WTS CLI Resources	1,000,000	-	80,000	1%
		218,200	680,350	

**TD US**

Easy Med Services	570,000	27,806	729,040	8%
RTN Stealth Software	2,850,000	389,123	512,606	6%
Arris Holdings Inc	570,000	-	62,652	1%
QMI Seismic Inc	570,000	-	56,956	1%
CLI Resources Inc.	570,000	-	85,435	1%
		416,929	1,446,689	

**Investments held outside Trading Accounts**

<b>Issuer</b>	<b># of Common Shares</b>	<b>Average Cost \$</b>	<b>Fair Value \$</b>	
Plains Creek Mining.	500,000	25,000	25,000	-
Ona Power	3,500,000	262,500	262,500	1%
MacMillan Minerals	500,000	25,000	25,000	-
Akmola Gold	1,000,000	100,000	100,000	1%
Range Energy	750,000	150,000	75,000	1%
WTS Range Energy	750,000	-	-	-
WTS Ona Power	3,500,000	-	-	-
WTS MacMillan Minerals	500,000	-	-	-
		562,500	487,500	
<b>Grand Total</b>				100%
<b>All Categories</b>		<b>\$5,472,478</b>	<b>\$8,820,367</b>	

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



**GRAND PEAK CAPITAL CORP.**  
**Notes to the Consolidated Financial Statements**  
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**12. INCOME TAXES**

A reconciliation of income taxes at statutory rates is as follows:

	<b>For the year ended September 30 2010 \$</b>	<b>For the year ended September 30 2009 \$</b>
Net income for the year	984,783	62,043
Expected income tax rate	29%	30%
Expected income tax	285,587	18,613
Net effects of non-deductible amounts	(77,828)	11,833
Change in valuation allowance	(207,759)	(30,446)
Income tax expense or recovery	<u>-</u>	<u>-</u>

Future income tax assets:

	<b>For the year ended September 30 2010 \$</b>	<b>For the year ended September 30 2009 \$</b>
Non-capital loss carry forwards	519,573	710,903
Equipment	101,856	101,536
Marketable securities	(10,000)	-
Mineral exploration	104,097	104,097
Share issue costs	16,257	23,006
Valuation allowance	(731,783)	(939,542)
Net future income tax assets	<u>-</u>	<u>-</u>

**13. LOAN PAYABLE**

The loan from the former President's private company was fully re-paid during the current year. This loan was an unsecured demand loan bearing interest at 6% per annum.

**14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO OPERATING, FINANCING AND INVESTING ACTIVITIES**

Cash paid for:	<b>2010</b>	<b>2009</b>
Interest	\$ 127,715	\$ -
Income tax	\$ -	\$ -

There were no non-cash investing and financing activities during the years ended September 30, 2010 and 2009.