CANAMEX RESOURCES CORP.

Consolidated Financial Statements

For the year ended December 31, 2011

Expressed in Canadian Dollars

MANNING ELLIOTT
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Canamex Resources Corp.

We have audited the accompanying consolidated financial statements of Canamex Resources Corp. which comprise the statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010 and the statements of operations, comprehensive loss, changes in equity and cash flows for the years ended December 31, 2011 and December 31, 2010, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements `
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Canamex Resources Corp. as at December 31, 2011, December 31, 2010 and January 1, 2010, and its financial performance and cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 to these consolidated financial statements which describes the existence of a material uncertainty that may cast significant doubt about the ability of Canamex Resources Corp. to continue as a going concern.

Manning Elliott LLP

CHARTERED ACCOUNTANTS
Vancouver, British Columbia
April 27, 2012

CANAMEX RESOURCES CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	December 31, 2011	December 31, 2010 (Note 12)	January 1, 2010 (Note 12)
ASSETS				
Current assets				
Cash and cash equivalents		$ 1,925,621	$ 281,351	$ 19,911
Tax credits receivable		12,227	28,376	3,936
		1,937,848	309,727	23,847
Non-current assets				
Equipment	3	50,303	-	-
Exploration and evaluation assets	4	1,525,361	320,939	-
Reclamation bond		13,673	-	-
TOTAL ASSETS		**$ 3,527,185**	**$ 630,666**	**$ 23,847**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	5	$ 252,034	$ 248,620	$ 35,427
Shareholders' loans		-	-	64,000
TOTAL LIABILITIES		**252,034**	**248,620**	**99,427**
SHAREHOLDERS' EQUITY				
Share capital	6	6,143,489	2,518,799	1,773,591
Contributed surplus		518,048	287,083	199,357
Deficit		(3,386,386)	(2,423,836)	(2,048,528)
TOTAL EQUITY		**3,275,151**	**382,046**	**(75,580)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 3,527,185**	**$ 630,666**	**$ 23,847**

Continuance of operations	1
Subsequent event	13

On behalf of the Board:

"Greg Hahn" Director *"Robert Kramer"* Director

See accompanying notes to the consolidated financial statements

CANAMEX RESOURCES CORP.
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian dollars)

	Years ended December 31, 2011	2010
Expenses		
Consulting	$ 244,601	$ 57,187
Management fees	79,500	6,000
Office and administrative	199,302	66,767
Professional fees	50,826	50,940
Share-based payments	206,965	87,726
Shareholder communications	39,470	8,595
Transfer agent and filing fees	28,546	31,770
Travel	113,340	66,323
	962,550	375,308
Net loss and comprehensive loss for the year	**$ (962,550)**	**$ (375,308)**
Loss per share – basic and diluted	**$ (0.02)**	**$ (0.01)**
Weighted average number of shares outstanding	**41,761,976**	**27,007,926**

See accompanying notes to the consolidated financial statements

CANAMEX RESOURCES CORP.
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

		Share capital				
	Note	Number of shares	Amount	Contributed Surplus	Deficit	Total
Balance at January 1, 2010	12	**18,092,858**	**$ 1,773,591**	**$ 199,357**	**$(2,048,528)**	**$ (75,580)**
Shares issued for cash – private placement		16,000,000	800,000	-	-	800,000
Share-based payment		-	-	87,726	-	87,726
Share issue costs		-	(54,792)	-	-	(54,792)
Net loss for the year		-	-	-	(375,308)	(375,308)
Balance at December 31, 2010		**34,092,858**	**$ 2,518,799**	**$ 287,083**	**$(2,423,836)**	**$ 382,046**
Balance at December 31, 2010	12	**34,092,858**	**$2,518,799**	**$ 287,083**	**$(2,423,836)**	**$ 382,046**
Share capital adjustment		6	-	-	-	-
Shares issued for cash – warrant exercise		1,495,000	224,250	-	-	224,250
Share issued for cash – private placement	6	29,200,000	3,282,500	-	-	3,282,500
Share-based payments-exploration & evaluation assets	4,6	1,848,586	258,802	-	-	258,802
Share-based payments-compensation	6	-	-	133,774	-	133,774
Share-based payments-warrant extensions	6	-	-	73,191	-	73,191
Share issue costs		-	(140,862)	24,000	-	(116,862)
Net loss for the year		-	-	-	(962,550)	(962,550)
Balance at December 31, 2011		**66,636,450**	**$6,143,489**	**$ 518,048**	**$(3,386,386)**	**$3,275,151**

See accompanying notes to the consolidated financial statements

CANAMEX RESOURCES CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended December 31	
	2011	**2010**
Operating activities		
Net Loss	$ (962,550)	$ (375,308)
Adjustments for non-cash items:		
Share-based payments	206,965	87,726
	(755,585)	(287,582)
Changes in non-cash working capital items:		
Tax credits receivable	16,149	(24,440)
Accounts payable and accrued liabilities	3,415	213,192
Net cash flows used in operating activities	**(736,021)**	**(98,830)**
Investing activities		
Acquisition of equipment	(53,279)	-
Expenditures on exploration and evaluation assets	(942,645)	(320,938)
Reclamation bond	(13,673)	-
Net cash flows used in investing activities	**(1,009,597)**	**(320,938)**
Financing activities		
Proceeds on issuance of common shares - net of share issue costs	3,389,888	745,208
Shareholder advances	-	(64,000)
Net cash flows from financing activities	**3,389,888**	**681,208**
Increase in cash and cash equivalents	1,644,270	261,440
Cash and cash equivalents, beginning	281,351	19,911
Cash and cash equivalents, ending	**$ 1,925,621**	**$ 281,351**

See accompanying notes to the consolidated financial statements

1. Nature and continuance of operations

The Company was incorporated under the laws of Alberta on May 26, 1987. On August 18, 2009, the Shareholders approved both the continuation of the Company from the Business Corporations Act (Alberta) to the Business Corporations Act (British Columbia) and the new articles of the Company. The Shareholders also approved the name change of the Company to Canamex Silver Corp., and on October 6, 2009 the name change and continuation were completed. On October 18, 2010, in connection with an Option Agreement (Note 4) and Change of Business, the Company was reinstated as a Tier 2 mining issuer on the TSX Venture Exchange ("TSX-V") and changed its name to Canamex Resources Corp. (the "Company") (TSX-V symbol "*CSQ*").

The Company's head office and primary place of business is located at 595 Howe Street, Suite 303, Vancouver, British Columbia, Canada, V6C 2T5.

These consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries 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. The Company is in the process of acquiring mineral resource properties and has not yet determined whether the properties contain reserves that are economically recoverable. As at December 31 2011 the Company had not advanced any property to commercial production and is not able to finance day to day activities through operations. The recoverability of the amounts shown for exploration and evaluation assets and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. Management intends to finance operating costs over the next twelve months through private placements of common shares and/or the exercise of warrants. The Company has been successful in the past in raising funds for operations but there is no assurance that it will be able to continue to do so.

The Company incurred a loss of $962,550 for the year ended December 31, 2011 and had an accumulated deficit of $3,386,386 at December 31, 2011, which has been funded primarily by the issuance of shares. These factors may raise substantial doubt regarding the Company's ability to continue as a going concern.

2. Significant accounting policies and basis of preparation

The financial statements were authorized for issue on April 27, 2012 by the directors of the Company.

Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). These are the Company's first IFRS annual consolidated financial statements for year the ending December 31, 2011. Subject to certain IFRS transition elections disclosed in Note 12, the Company has consistently applied the same accounting policies in its opening IFRS Statement of Financial Position at January 1, 2010 and throughout all periods presented, as if the policies have always been in effect.

Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

2. Significant accounting policies and basis of preparation (continued)

Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful live of geological equipment at 20% per annum.

Basis of preparation

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

Consolidation

These consolidated financial statements include the accounts of the Company and its 100% wholly owned subsidiaries, Canamex Resources US Inc. ("Canamex US") and Canamex Guyana Inc. ("Canamex Guyana"). Canamex US was incorporated in the State of Nevada, USA and Canamex Guyana was incorporated in Guyana. As at December 31, 2011, both are 100% owned by Canamex Resources Corp. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated 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 consolidated 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 share-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

The functional currency of the Company and its subsidiaries is measured using the currency of the primary economic environment in which that entity operates. These consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of Canamex US and Canamex Guyana is also the Canadian dollar.

Foreign currency transactions are 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.

2. Significant accounting policies and basis of preparation (continued)

Foreign currency translation *(continued)*

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.

Exploration and evaluation expenditures

Amounts reported in exploration and evaluation expenditures include the costs of acquiring licenses, and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are capitalized and are classified as intangible assets. Costs incurred before the Company has obtained the legal rights to explore an area are expensed.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to the mineral resource property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Share-based payments

The Company has adopted a 10% rolling stock option plan whereby it can grant options to directors, officers, employees, and consultants of the Company. 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 contributed surplus. 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.

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 making, 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 group 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.

2. Significant accounting policies and basis of preparation (continued)

***Financial instruments** (continued)*

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 twelve 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 twelve 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 whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Impairment of assets

The carrying amounts of the Company's assets (which include exploration and evaluation assets) are 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.

2. Significant accounting policies and basis of preparation (continued)

Impairment of assets *(continued)*

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

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. At each financial position reporting date presented the Company has not incurred any decommissioning costs related to the exploration and evaluation of its mineral properties and accordingly no provision has been recorded for such site reclamation or abandonment.

Cash and cash equivalents

The Company considers deposits with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash and those that have maturities of 90 days or less when acquired to be cash equivalents.

Income taxes

Current income tax:

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.

Deferred income tax:

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.

2. Significant accounting policies and basis of preparation (continued)

New accounting standards issued but not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after January 1, 2011, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New accounting standards effective January 1, 2012

Amendments to IFRS 7 *Financial Instruments: Disclosures* - In October 2010, the IASB issued amendments to IFRS 7 that improve the disclosure requirements in relation to transferred financial assets. The amendments are effective for annual periods beginning on or after July 1, 2011, with early adoption permitted. The Company does not anticipate this amendment to have a significant impact on its consolidated financial statements.

IAS 12 *Income taxes* - In December 2010, the IASB issued an amendment to IAS 12 that provides a practical solution to determining the recovery of investment properties as it relates to the accounting for deferred income taxes. This amendment is effective for annual periods beginning on or after July 1, 2011, with early adoption permitted. The Company does not anticipate this amendment to have a significant impact on its consolidated financial statements.

New accounting standards effective January 1, 2013

IFRS 10 *Consolidated Financial Statements* - 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 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.

2. Significant accounting policies and basis of preparation (continued)

New accounting standards issued but not yet effective *(continued)*

Amendments to other standards - In addition, there have been other amendments to existing standards, including IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

Amendments to IAS 1 *Presentation of Financial Statements* - The IASB has amended IAS 1 to require entities to separate items presented in other comprehensive income ("OCI") into two groups, based on whether or not items may be reclassified into profit or loss in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately.

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* - IFRIC 20 addresses the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine. Stripping activity may result in two types of benefits: i) inventory produced and ii) improved access to ore that will be mined in the future. Stripping costs associated with inventory production should be accounted for as a current production cost in accordance with IAS 2 Inventories, and those associated with improved access to ore should be accounted for as an addition to, or enhancement of, an existing asset.

Each of the new standards, IFRS 10 to 13, IFRIC 20 and the amendments to other standards, is effective for the Company beginning on January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

New accounting standards effective January 1, 2015

IFRS 9 *Financial Instruments* - IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard 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 or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 is effective for annual periods beginning on or after January 2015 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.

(Expressed in Canadian dollars)

3. Equipment

Cost		**Equipment**
As at January 1, 2010 and December 31, 2010	$	–
Additions of geological equipment		53,279
As at December 31, 2011	$	53,279
Accumulated Depreciation		
As at January 1, 2010 and December 31, 2010	$	–
Depreciation		2,976
As at December 31, 2011	$	2,976
Carrying Amounts		
Balance, January 1, 2010 and December 31, 2010	$	–
Balance, December 31, 2011	$	50,303

(Expressed in Canadian dollars)

4. Exploration and evaluation assets

Bruner Property, Nye County, Nevada USA ("Bruner Property")

On May 28, 2010, the Company entered into a property option agreement with Provex Resources Inc., a company with a director in common with the Company, granting an exclusive right and option to acquire up to a 75% interest in certain mineral claims in Bruner Property.

To earn a 70% interest in the property, the Company must complete a total of US$6,000,000 in expenditures on the property in stages over a seven year period, US$200,000 of which must be completed within the first year. After expending the initial US$200,000, the Company shall be under no further obligation if it elects not to proceed with this option. Upon completing all expenditures, the Company can acquire a further 5% undivided interest in the property by producing a bankable feasibility study. The agreement is subject to a 3% net smelter return on the production of certain unpatented claims.

To earn its interest in the property, the Company must complete the following expenditures over a seven year period.

Exploration expenditures to be incurred during 12 months ended		Expenditures
May 28, 2011 (completed)	Required	US $ 200,000
May 28, 2012	Optional	400,000
May 28, 2013	Optional	600,000
May 28, 2014	Optional	800,000
May 28, 2015	Optional	1,000,000
May 28, 2016	Optional	1,500,000
May 28, 2017	Optional	1,500,000
Total expenditures required		US $ 6,000,000

Aranka North Property, Guyana ("Aranka North Property")

On June 30, 2011 the Company entered into an Option Agreement with GMV Minerals Inc. (GMV) on the Aranka North Property, a large area containing nominally 98,000 acres in a highly prospective gold region in Guyana, South America. The agreement was accepted for filing by the TSX Venture Exchange ("Acceptance from Exchange") on August 2, 2011. The agreement is subject to a 2% net smelter return royalty.

The option is to acquire up to a 100% interest in the Aranka North Property by:

a) making cash payments to GMV totaling US$520,627 over the next 36 months, as follows:

Cash payments required		Payment
On or before August 16, 2011	Paid	US $ 163,737
On or before August 2, 2012	Not yet paid	173,542
On or before August 2, 2013	Not yet paid	183,348
Total cash payments required		US $ 520,627

(Expressed in Canadian dollars)

4. Exploration and evaluation assets (continued)

Aranka North, Guyana ("Aranka North Property") *(continued)*

b) expending US$1,000,000 in exploration work on the properties before December 31, 2013, as follows:

Exploration expenditures to be incurred	Expenditures
On or before December 31, 2011 (Incurred)	US $ 333,333
On or before December 31, 2012	333,333
On or before December 31, 2013	333,334
Total expenditures required	US $ 1,000,000

c) issuing a total of 3,750,000 shares to GMV in stages, as follows:

Common shares to be issued		Number of Shares
On August 2, 2011	Issued	1,500,000
On or before February 2, 2013	Not yet issued	1,250,000
On or before August 2, 2014	Not yet issued	1,000,000
Total shares		3,750,000

In addition, upon exercise of the option, Canamex has agreed to pay GMV US$500,000 cash and issue 500,000 shares in the capital stock of Canamex to GMV for every 500,000 ounces of gold contained in measured and indicated resources as referenced in a National Instrument 43-101 qualifying report, up to a maximum of US$2,000,000 and 2,000,000 shares of Canamex.

The agreement was accepted for filing by the TSX Venture Exchange on August 2, 2011. In accordance with the terms of the agreement, on August 3, 2011, the Company issued 1,500,000 common shares valued at $210,000 to GMV, as well as 348,586 common shares valued at $48,802 as a finder's fee for a total of 1,848,586 common shares valued at $258,802 in connection with the property acquisition.

(Expressed in Canadian dollars)

4. Exploration and evaluation assets (continued)

For the year ended December 31, 2011, and December 31, 2010 the Company incurred the following expenditures on the properties:

Bruner Property		**2011**		**2010**
Property acquisition costs				
Balance, beginning of period	$	61,735	$	-
Additions		-		61,735
		61,735		61,735
Exploration and evaluation costs				
Balance, beginning of period		259,204		-
Costs incurred during period:				
Drilling and related costs		131,305		142,834
Mineral rights maintenance		39,552		-
Field work		73,672		7,727
Geological		83,523		85,479
Travel and accommodation		13,623		23,164
		600,879		259,204
Total- Bruner Property	$	662,614	$	320,939
Aranka North Property				
Property acquisition costs				
Balance, beginning of period	$	-	$	-
Cash payments		156,336		-
Common shares issued		258,802		-
		415,138		-
Exploration and evaluation costs				
Balance, beginning of period		-		-
Costs incurred during period:				
Exploration and related costs		357,241		-
Field work		60,428		-
Equipment		19,803		-
Office		10,137		-
		447,609		-
Total- Aranka North Property	$	862,747	$	-
Total exploration and evaluation assets	$	1,525,361	$	320,939

(Expressed in Canadian dollars)

5. Accounts payable and accrued liabilities

		December 31, 2011		December 31, 2010
Trade payables	$	142,187	$	138,267
Amounts due to related parties (Note 7)		36,893		22,800
Accrued liabilities		72,954		87,553
	$	252,034	$	248,620

6. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

Disclosures on common shares issued are provided in the Consolidated Statements of Changes in Shareholders' Equity.

Stock options

The Company has adopted a 10% rolling stock option plan whereby it can grant options to directors, officers, employees, and consultants of the Company. During the year ended December 31, 2011, the Company granted a total of 975,000 stock options to certain directors and consultants of the Company entitling them to purchase common shares at a price ranging from $0.15 per share to $0.22 per share for periods of 5 years. The options vested immediately upon grant.

The estimated fair value of these options was $124,500 based on the following weighted average assumptions: a share price at grant date of $0.17, an expected life of 5 years, volatility of 106%, risk free rate interest rate of 2.37% and a dividend yield rate of 0%. The Company also recorded share-based payments in the amount of $9,274 relating to previously granted options that vested during the period.

(Expressed in Canadian dollars)

6. Share capital (continued)

***Stock options** (continued)*

The changes in options during the years ended December 31, 2011 and 2010 are as follows:

	December 31, 2011			December 31, 2010		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Options outstanding, beginning of period	2,500,000	$	0.10	-	$	-
Options granted	975,000		0.20	2,500,000		0.10
Options exercised	-		-	-		-
Options forfeited or expired	(500,000)		0.10	-		-
Options outstanding, end of period	2,975,000	$	0.13	2,500,000	$	0.10
Options exercisable, end of period	2,975,000	$	0.13	1,975,000	$	0.10

Details of options outstanding as at December 31, 2011 are as follows:

Weighted average exercise price	Weighted average contractual life	Number of options outstanding
$0.10	0.80 years	2,000,000
$0.15	4.19 years	250,000
$0.22	4.52 years	725,000
$0.13	1.99 years	2,975,000

Warrants

On November 17, 2011, the Company approved the extension of warrants issued April 4, 2011 to purchase 5,000,000 shares at $0.25 per share from April 3, 2013 to April 3, 2014; and warrants issued April 29, 2011 to purchase 1,500,000 shares at $0.25 per share from April 28, 2013 to April 28, 2014.

The estimated fair value of these warrants extensions was $73,191 based on the following weighted average assumptions: a share price at modification date of $0.11, an expected life of 1.29 years, volatility of 101%, risk free rate interest rate of 0.90% and a dividend yield rate of 0%.

The changes in warrants during the year ended December 31, 2011 and 2010 are as follows:

	December 31, 2011			December 31, 2010		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Warrants outstanding, beginning of year	11,000,000	$	0.15	-	$	-
Warrants issued	29,760,000		0.17	11,000,000		0.15
Warrants exercised	(1,495,000)		0.15	-		-
Warrants expired	(9,505,000)		0.15	-		-
Warrants outstanding, end of year	29,760,000	$	0.17	11,000,000	$	0.15

(Expressed in Canadian dollars)

6. Share capital (continued)

***Warrants** (continued)*

At December 31, 2011 there are 29,760,000 warrants outstanding, 5,000,000 warrants entitling the holder to acquire one common share until April 3, 2014 at a price of $0.25 per share and 1,500,000 warrants entitling the holder to acquire one common share until April 28, 2014 at a price of $0.25 per share; 23,260,000 warrants entitling the holder to acquire one common share until December 14, 2012 at a price of $0.15 per share, then $0.20 per share until December 14, 2013.

7. Related party transactions and balances

The following amounts due to related parties are included in accounts payable and accrued liabilities:

		December 31, 2011		December 31, 2010
Directors and corporations controlled by directors of the Company	$	25,500	$	6,000
Officers and corporations controlled by officers of the Company		11,393		16,800
	$	36,893	$	22,800

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The Company incurred the following transactions with directors/officers of the Company and corporations that are controlled by directors/officers of the Company. The Company has identified these directors/officers as its key management personnel. The compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties and on terms and conditions similar to non-related parties.

	Year ended December 31			
		2011		2010
Management fees	$	79,500	$	6,000
Share-based payment		81,000		35,000
Administration fees		70,000		15,000
	$	230,500	$	56,000

8. Financial risk management

The Company is exposed to minimal 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 on its cash held in bank accounts. The majority of the Company's cash is deposited in bank accounts held with a major bank in Canada and is therefore subject to a concentration of credit risk. This risk is managed by using a major bank that has been determined by rating agencies as a high credit quality financial institution.

8. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Foreign exchange risk

Foreign exchange risk is the risk that the future fair value of cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company’s financial results are reported in Canadian dollars while it conducts a significant portion of its business activities in US dollars. The assets, liabilities and expenses that are denominated in US Dollars will be affected by changes in the exchange rate between the Canadian dollar and the US Dollar. If the Canadian dollar changes by one percent against the US dollar, with all other variables held constant, the impact on the Company’s foreign denominated financial instruments would result in a reduction or increase of after tax net loss of less than $500 for the year ended December 31, 2011.

The Company also conducts business in Guyanese Dollars. The assets, liabilities and expenses that are denominated in Guyanese Dollars will be affected by changes in the exchange rate between the Canadian dollar and the Guyanese Dollar. If the Canadian dollar changes by one percent against the Guyanese dollar, with all other variables held constant, the impact on the Company’s foreign denominated financial instruments would result in a reduction or increase of after tax net loss of less than $100 for the year ended December 31, 2011.

Interest rate risk

The Company is not exposed to significant interest rate risk.

Capital Management

The Company’s objective when managing capital is to safeguard the Company’s ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders’ equity as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders. The Company is not exposed to externally imposed capital requirements.

Classification of financial instruments

Financial assets classified as fair value through profit or loss included in the statement of financial position are as follows:

	December 31, 2011	December 31, 2010
Cash and cash equivalents	$ 1,925,621	$ 281,351

(Expressed in Canadian dollars)

8. Financial risk management (continued)

Classification of financial instruments (continued)

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

	December 31, 2011	December 31, 2010
Accounts payable and accrued liabilities	$ 252,034	$ 248,620

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 December 31, 2011:

	As at December 31, 2011		
	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 1,925,621	$ -	$ -

9. Segmented information

Operating segments

The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

Geographic segments

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

	As at December 31, 2011		
	Guyana	US	Total
Exploration and evaluation assets	$ 862,747	$ 662,614	$ 1,525,361
Equipment	50,303	-	50,303

	As at December 31, 2010		
	Guyana	US	Total
Exploration and evaluation assets	$ -	$ 320,939	$ 320,939
Equipment	-	-	-

(Expressed in Canadian dollars)

10. Non-cash transactions

The Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	Year ended December 31, 2011	Year ended December 31, 2010
Fair value of share-based payment for exploration and evaluation assets	$ 258,802	$ -

11. Income Taxes

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2011	2010
Canadian statutory income tax rate	26.50%	28.50%
Expected income tax recovery	$ 255,076	$ 107,534
Non-deductible expenses and others	(30,454)	–
Rate change	(12,841)	–
Change in unrecognized deferred income tax assets	(211,781)	(107,534)
Income tax recovery	$ –	$ –

Significant components of the Company's potential deferred income tax assets (liabilities) are as follows:

	2011	2010
Non-capital losses	$ 574,980	$ 370,750
Share issuance costs and others	31,590	10,958
Cumulative eligible expenditures	39,159	39,159
Mineral properties	(8,529)	(8,024)
Equipment	(12,576)	–
	624,624	412,843
Unrecognized deferred income tax assets	(624,624)	(412,843)
Net deferred income tax assets	$ –	$ –

The Company has available for deduction against future taxable income Canadian non-capital losses of approximately $2,300,000. Of these losses, $993,000 will expire by 2024 and must be utilized in a similar business to the discontinued operations. The remaining $1,307,000 will begin to expire starting in 2027.

11. Income Taxes (continued)

In assessing the realizability of deferred income tax assets, management considers whether it is more likely than not that some portion of all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax assets considered realizable could change materially in the near term based on future taxable income during the carry forward period.

12. Adoption of IFRS

a) Transition to IFRS

The Company has adopted IFRS effective January 1, 2011 with a transition date of January 1, 2010. Prior to the adoption of IFRS the Company prepared its financial statements in accordance with Canadian GAAP.

The comparative information presented in these consolidated financial statements for the year ended December 31, 2010 and the opening financial position as at January 1, 2010 (the "Transition Date") have been prepared in accordance with the accounting policies referenced in Note 2 and IFRS 1, *First-Time Adoption of International Financial Reporting Standards* ("IFRS 1").

b) Initial elections upon adoption

The Company adopted IFRS in accordance with IFRS 1 which requires the retrospective application of IFRS at the Transition Date with all adjustments to assets and liabilities taken to deficit, subject to mandatory exceptions and the application of optional exemptions. The IFRS 1 exceptions applied in the conversion from Canadian GAAP to IFRS by the Company are explained as follows:

(i) Share-based payments – The Company elected under IFRS 1 to apply IFRS 2, *Share-Based Payments* only to equity instruments that were issued after November 7, 2002 and had not vested by the Transition Date.

(ii) Business combinations – The Company elected under IFRS 1 to not to apply IFRS 3, *Business Combinations* retrospectively to any business combinations that may have occurred prior to its Transition Date and such business combinations have not been restated.

(iii) Compound financial instruments – The Company has elected under IFRS 1 not to retrospectively separate the liability and equity components of any compound instruments for which the liability component is no longer outstanding at the Transition Date.

c) Estimates

IFRS 1 does not permit changes to estimates previously made. Accordingly, estimates used at the Transition Date are consistent with estimates made at the same date under Canadian GAAP.

(Expressed in Canadian dollars)

12. Adoption of IFRS (continued)

d) Reconciliation between Canadian GAAP and IFRS

In preparing the Company's IFRS Transition Date statement of financial position management noted that adjustments related to share-based payments were necessary to be made by the Company previously in its financial statements prepared in accordance with previous Canadian GAAP.

The adjustment was the result of a revaluation of stock options granted to individuals that were considered to be non-employees under Canadian GAAP. Under IFRS, these individuals are considered to be employees as they provide services that are similar in nature to services provided by employees. This resulted in an adjustment of $8,743 in 2010.

The January 1, 2010 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

Statement of Financial Position		January 1, 2010 Canadian GAAP		Effect of IFRS Transition		January 1, 2010 IFRS
Total Assets	$	23,847	$	–	$	23,847
Total Liabilities	$	99,427	$	–	$	99,427
Total Shareholders' Equity		(75,580)		–		(75,580)
Total Liabilities and Shareholders' Equity	$	23,847	$	–	$	23,847

The December 31, 2010 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

Statement of Financial Position		Dec. 31, 2010 Canadian GAAP		Effect of IFRS Transition		Dec. 31, 2010 IFRS
Total Assets	$	630,666	$	–	$	630,666
Total Liabilities	$	248,620	$	–	$	248,620
Shareholders' Equity						
Share capital		2,518,799		–		2,518,799
Contributed surplus		295,826		(8,743)		287,083
Deficit		(2,432,579)		8,743		(2,423,836)
Total Shareholders' Equity		382,046		–		382,046
Total Liabilities and Shareholders' Equity	$	630,666	$	–	**$**	**630,666**

(Expressed in Canadian dollars)

12. Adoption of IFRS (continued)

d) Reconciliation between Canadian GAAP and IFRS (continued)

IFRS 1 also requires reconciliation disclosures that explain how the transition from Canadian GAAP to IFRS has affected the Company's previously reported comprehensive loss for the year ended December 31, 2010. Management noted that adjustments related to share-based payments were necessary to be made by the Company previously in its financial statements prepared in accordance with previous Canadian GAAP. This resulted in an adjustment of $8,743 in 2010.

Statement of Operations and Comprehensive Loss	Year Ended Dec. 31, 2010 Canadian GAAP	Effect of IFRS Transition	Year Ended Dec. 31, 2010 IFRS
Revenue	$ –	$ –	$ –
Expenses			
Share-based payments	96,469	(8,743)	87,726
Other operating expenses	287,582	–	287,582
Total expenses	(384,051)	8,743	(375,308)
Total other items	–	–	–
Net loss and comprehensive loss	$ (384,051)	$ 8,743	$ (375,308)

There are no material differences between the consolidated statement of cash flows presented for 2010 under previous Canadian GAAP.

13. Subsequent event

On January 6, 2012, the Company granted options to eligible participants to purchase a total of 1,625,000 common shares, exercisable in whole or in part on or before January 5, 2017 at an exercise price of $0.105 per share.