BLUE VISTA TECHNOLOGIES INC.
(a development stage company)
AMENDED INTERIM FINANCIAL STATEMENTS (PREPARED BY MANAGEMENT)
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2011 and 2010

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Notice to Reader – From Blue Vista Technologies Inc.

The amended interim unaudited consolidated financial statements of Blue Vista Technologies Inc. (the "Company") including the accompanying statements of financial position as at March 31, 2011 and December 31, 2010 and the statements of operations and comprehensive loss and cash flows for the three month periods ended March 31, 2011 and 2010 are the responsibility of the Company's management. The interim unaudited financial statements have been prepared by management and include the selection of appropriate accounting principles, judgements and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards for interim consolidated financial statements.

The interim unaudited financial statements as at and for the three month period ended March 31, 2011 have not been reviewed by the Company's auditors.

BLUE VISTA TECHNOLOGIES INC.
(a development stage company)

AMENDED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT
(Unaudited - in Canadian dollars)

	March 31, 2011	December 31, 2010	January 1, 2010
ASSETS			
Current			
Cash	$ 777,321	$ 783,776	$ 12,375
Accounts receivable	25,033	14,703	-
Subscription receivable	-	130,000	-
Prepaid expenses	4,200	5,775	-
	806,554	934,254	12,375
Capital asset	2,464	-	-
	$ 809,018	$ 934,254	$ 12,375
LIABILITIES			
Current			
Accounts payable and accrued liabilities(Note 11(a))	$ 833,717	$ 912,666	$ 820,301
Notes payable (Note 7)	188,597	188,597	188,597
	1,022,314	1,101,263	1,008,898
Future tax liability	108,500	108,500	-
	1,130,814	1,209,763	1,022,314
SHAREHOLDERS' EQUITY			
Share capital (Note 9(b))	8,692,474	8,689,819	7,809,918
Contributed surplus (Note 10)	152,527	152,527	51,928
Deficit	(9,166,797)	(9,117,855)	(8,870,869)
	(321,796)	(275,509)	(996,523)
	$ 809,018	$ 934,254	$ 12,375

SUBSEQUENT EVENT, (Note 12.)

Approved on Behalf of the Board

'Alex Falconer' Director

'Chris Irwin' Director

See accompanying notes to the amended interim unaudited financial statements.

BLUE VISTA TECHNOLOGIES INC.
(a development stage company)

AMENDED INTERIM STATEMENTS OF OPERATIONS AND DEFICIT FOR THE
(Unaudited - in Canadian dollars)

	Three Months March 31, 2011	Three Months March 31, 2010
Expenses		
Amortization (Note 8)	**$ 31**	$ -
Operating expenses	**48,911**	20,800
	48,942	20,800
Net (loss) income	**(48,942)**	(20,800)
Deficit, beginning of period	**(9,117,855)**	(8,870,869)
Deficit, end of period	**$ (9,166,797)**	$ (8,891,669)
Basic and fully diluted (loss) earnings per share	**$ (0.002)**	$ (0.004)
Weighted average number of shares	**23,568,676**	4,700,000

See accompanying notes to the amended interim unaudited financial statements.

BLUE VISTA TECHNOLOGIES INC.

(a development stage company)

AMENDED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2011 and 2010

(Unaudited - in Canadian dollars)

	Share capital								
	Preferred shares	Amount	Common shares	Amount	Issuable shares	Amounts	Contributed Surplus	Accumulated deficit	Total
Balance December 31, 2009	9,100,000	$ 13,056	3,905,576	$ 7,796,862	250,000	$ 12,500	$ 51,928	$ (8,870,869)	$ (996,523)
Shares issued for cash	-	-	1,710,000	85,500				-	85,500
Share issued for cash on exercise of warrants	-	-	-	-	(250,000)	(12,500)	-	-	(12,500)
Fair value of warrants	-	-	-	-	-	-	7,249	-	7,249
Stock based compensation	-	-	-	-	-	-	-	(7,249)	(7,249)
Loss and comprehensive loss for period	-	-	-	-	-	-	-	(20,800)	(20,800)
Balance, March 31, 2010	9,100,000	13,056	5,615,576	$ 7,882,362			59,177	$ (8,898,918)	$ (944,323)
Balance December 31, 2010	9,100,000	$ 13,056	23,515,576	$ 8,676,763			$ 152,527	$ (9,117,855)	$ (275,509)
Shares issued for service	-	-	53,100	2,655				-	2,655
Loss and comprehensive loss for period	-	-	-	-	-	-	-	(48,942)	(48,942)
Balance, March 31, 2011	9,100,000	9,100,000	23,568,676	$ 8,679,418			(9,336,066)	$ (9,166,797)	$ (321,796)

See accompanying notes to the amended interim unaudited financial statements.

BLUE VISTA TECHNOLOGIES INC.
(a development stage company)

AMENDED INTERIM STATEMENTS OF CASH FLOWS
FOR THE
(Unaudited - in Canadian dollars)

	Three Months March 31, 2011	2010
OPERATING ACTIVITIES		
Net income (loss) for the period	**$ (48,942)**	$ (20,800)
Non-cash items included in net loss		
Amortization	**31**	-
Accounts receivable	**121,225**	-
Prepaid expenses	**1,575**	-
Accounts payable and accrued liabilities	**(77,849)**	5,644
Cash provided by (used in) operating activities	**(3,960)**	(15,156)
INVESTING ACTIVITIES		
Purchase of capital assets	**(2,495)**	-
Cash used in investing activities	**(2,495)**	-
FINANCING ACTIVITIES		
Issuance of common shares	**-**	85,500
Share subscriptions	**-**	(12,500)
Cash provided by (used in) financing activities	**-**	73,000
Net increase in cash	**(6,455)**	57,844
Cash, beginning of period	**783,776**	12,375
Cash, end of period	**$ 777,321**	$ 70,219

1. REPORTING ENTITY

Blue Vista Technologies Inc. (the "Company") is an exploration stage enterprise incorporated under the laws of Ontario on December 9, 1995 and is principally engaged in the business of exploring and developing base . Substantially all of the efforts of the Company are devoted to these business activities and to date the Company has not earned significant revenues.

2. BASIS OF PRESENTATION

In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and require publicly accountable enterprises to apply such standards effectively for years beginning on or after January 1, 2011. Accordingly, the Company has commenced reporting on this basis in these interim consolidated financial statements. In these financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS. These interim consolidated financial statements do not conform in all respects with disclosures required for annual financial statements for the year ended December 31, 2010.

Statement of Compliance

The interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"). These are the Company's first IFRS interim financial statements from part of the period covered by the first IFRS annual financial statements and IFRS 1, First-time Adoption of International Financial Reporting Standards ("IFRS 1") has been applied (note 4). The IAS 34 interim financial statements do not include all of the information required for full annual financial statements.

The accounting policies set out below have been applied consistently to all periods presented in preparing the opening statement of financial position at January 1, 2010 (note 4) for the purposes of transitioning to IFRS. The accounting policies have been applied consistently to the Company and its subsidiaries.

The policies applied in these interim financial statements are based on IFRS issued and outstanding as of June 28, 2011, the date the Board of Directors approved the statements. Any subsequent change to IFRS, that are given effect in the Company's annual financial statements for the year ending December 31, 2011 could result in restatement of these interim financial statements, including the transition adjustments recorded on change-over to IFRS.

Functional and Presentation Currency

These interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

Use of Estimates and Judgement

The preparation of interim consolidated financial statements in conformity with IFRS requires that management make estimates and assumptions about future events that affect the amounts reported in the interim consolidated financial statements and related notes to the financial statements. Actual results may differ from those estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are expected to be the same as those to be applied in the first annual IFRS financial statements.

Significant estimates used in the preparation of these consolidated financial statements include, but are not limited to, the recoverability of exploration and evaluation ("E&E") assets, investments, automobile and equipment, asset retirement obligations, share-based compensation, income taxes, the recording of liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenditures during the reporting period. Actual results could differ from management's best estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting polices set out below have been applied consistently to all periods presented in these interim financial statements and in preparing the opening IFRS statements of financial position at January 1, 2010 for the purpose of transitioning to IFRS, unless otherwise indicated.

EXPLORATION AND EVALUATION EXPENDITURES

E&E assets consist of exploration and mining concessions, options and contracts. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonment.

E&E costs consist of:

- Gathering exploration data through topographical and geological studies;
- Exploratory drilling, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

Proceeds received from the sale of any interest in a property are first credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the property and deferred exploration costs are written off to operations.

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of operations in the period when the new information becomes available. The Company assesses each cash generating unit ("CGU") annually to determine whether any indication of impairment exists.

Where an indicator of impairment exists, a formal estimate recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the assets in an arm's length transaction between knowledgeable and willing parties.

EQUIPMENT

Recognition and Measurement

Equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes all expenditures that are directly attributable to the acquisition of the asset.

Depreciation

Equipment is depreciated annually on a straight-line basis using rates of 20% respectively.

Impairment

The carrying amounts of the Company's automobile and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. In addition, capitalized E&E assets are assessed for impairment upon demonstrating the technical feasibility and commercial viability of the project.

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or group of assets, in which case, the individual assets are grouped together into CGUs for impairment purposes.

An impairment exists when the carrying amount of the asset, or group of assets, exceeds its recoverable amount. The impairment loss is the amount by which the carrying value exceeds the recoverable amount and such loss is recognized in the consolidated statement of operations. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

A previously recognized impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized such that the recoverable amount has increased.

ACCOUNTING FOR INCOME TAXES

Income tax expense comprises of current and deferred tax expense. Current tax expense is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity. Income taxes are calculated using the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and for tax losses and other deductions carried forward.

Deferred income tax assets and liabilities are calculated using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability is settled. An asset (liability) is recognized on the statement of financial position when it is probable that the future economic benefits will flow to (away from) the entity and the asset has a cost or value that can be measured reliably. The effect on deferred tax assets and liabilities of changes in tax rates are recognized in income in the period in which the change is substantively enacted.

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual rate used for the three months ended March 31, 2011 was 33% (2010 – 31%).

BASIC LOSS PER COMMON SHARES

The Company presents basic and diluted earnings per share (EPS) data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise convertible warrants and share options granted by the Company.

SHARE-BASED PAYMENT

The Company accounts for share-based payments using the fair value method. Under this method, compensation expense is measured at fair value on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in equity, over the period that the employees earn the options. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility.

Warrants, stock options, and other equity instruments issued as purchase consideration in non-cash transactions, other than as consideration for E&E assets, are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued as purchase consideration for E&E assets is based upon the trading price of those shares on the TSX on the date of the agreement to issue shares as determined by the Board of Directors.

RECLAMATION OBLIGATION

A legal or constructive obligation to incur restoration, rehabilitation, and environmental costs may arise when environmental disturbance is caused by the exploration, development, or ongoing production of an E&E interest. The Company's exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive. The Company has recorded a liability for the estimated future costs of reclamation, based on geologists' estimates of the costs to comply with the regulations. However, these estimates are subject to change based on changes in circumstances and any new information that becomes available.

The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is amortized over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value.

The Company intends to make in the future, expenditures to comply with such laws and regulations.

WARRANTS

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The fair value of the share component is credited to share capital and the value of the warrant component is credited to contributed surplus. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized in the contributed surplus account is recorded as an increase to share capital.

FINANCIAL INSTRUMENTS

The Company holds certain financial instruments such as cash and cash equivalents, receivables, accounts payable, and accrued liabilities, the fair value of which approximate their carrying value due to the short-term nature of these instruments. IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39") requires classification of financial instruments into one of four categories: financial assets of fair value through profit and loss, held-to-maturity investments, loans and receivables, and available-for-sale securities.

NON-DERIVATION FINANCIAL ASSETS AND LIABILITIES

Cash and cash equivalents

Cash and cash equivalents include cash, and those short-term money market instruments that are readily convertible to cash with an original term of less than 90 days. The company has classified its cash and cash equivalents as financial assets at fair value through profit and loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized costs using the effective interest method, less any impairment losses.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been negatively impacted. Evidence of impairment could include:

- Significant financial difficulty of the issuer or counter party; or
- Default or delinquency in interest or principal payments; or
- It becomes probable that the borrower will enter into bankruptcy or financial reorganization.

The carrying amount of the financial asset is directly reduced by any impairment loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities at fair value through profit and loss

Accounts payable and accrued liabilities are classified as financial liabilities at fair value through profit or loss. The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends to either settle on a net basis or to realize the assets and settle the liability simultaneously.

Financial instruments recorded at FVTPL

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a financial value hierarchy that reflects the significance of the inputs used in marking the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on inputs other than quoted prices including Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 – valuation techniques using inputs for the asset and liability that are not based on observable market data (unobservable inputs).

ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED

IFRS 9, Financial Instruments ("IFRS 9") was issued by the International Accounting Standards Board ("IASB") on November 12, 2009 and will replace IAS 39. IFRS 9 uses a single approach to determine whether a financial asset is measure at amortized cost or fair value, replacing the multiple classification options in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The Company is currently evaluating the impact of IFRS 9 on its financial instruments.

IFRS 7, Financial Instruments – Disclosures ("IFRS 7") was amended by the IASB in October 2010 and provides guidance on identifying transfers of financial assets and continuing involvement in transferred assets for disclosure purposes. The amendment introduces new disclosure requirements for transfers of financial assets including disclosures for financial assets that are not derecognized in their entirety, and for financial assets that are derecognized in their entirety by of which continuing involvement is retained.

The amendment to IFRS 7 is effective for annual periods beginning on or after July 1, 2011. The Company has not yet determined the impact of the amendment to IFRS 7 on its financial statements.

PROVISIONS

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. 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.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The Company had no material provisions at March 31, 2011, December 31, 2010, and January 1, 2010.

FLOW THROUGH SHARES

Upon the issuance of flow through shares, the Company records the initial proceeds to capital stock, net of any tax liability, if any. The liability on the statement of financial position represents the premium of the financing price in excess of the market share price on the date of the flow through share financing. The financial liability pertaining to the premium is recognized in the statement of operations consistent with expenditure renunciations. As the Company incurs expenditures to meet flow through requirements, a corresponding tax expenditure is recognized, reflecting tax renunciations.

4. TRANSITION TO IFRS

First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

IFRS 1 does not permit changes to estimates that have been previously made. Accordingly, estimates used in the preparation of the Company's opening IFRS statements of financial position as at the Transition Date are consistent with those that were made under Canadian GAAP.

The Company has elected to apply the following exemptions in accordance with IFRS 1, which provides specific one-time choices and mandates specific one-time exceptions with respect to first time adoption of IFRS.

Choices available at first-time adoption

i) Share-based payment – IFRS 2, Share Based Payment, permits the application of that standard only to equity instruments granted after November 7, 2002 that had not vested by January 1, 2010. Accordingly, the Company has applied IFRS 2 for all equity instruments granted after November 7, 2002 that had not vested by January 1, 2010.

ii) Business combinations – IFRS 3, Business Combinations may be applied retrospectively or prospectively. The retrospective basis would require restatement of all business combinations that occurred prior to January 1, 2010. The Company has elected not to retrospectively apply IFRS 3 to business combinations that occurred prior to January 1, 2010 and such business combinations will not be restated.

iii) Deemed cost – IFRS 1, First time adoption provides a choice between measuring items of property, plant and equipment and mining interests at their fair value at the date of transition and using those amounts as deemed cost or using the historical valuation under the prior GAAP. The Company has decided to continue to apply the cost model for its capital assets and mining interests and has not re-measured them to fair value under IFRS. The historical basis under Canadian GAAP has been designated as the deemed cost under IFRS at Transition Date.

Property, plant and equipment

IAS 16 Property, plant and equipment allows for property, plant and equipment to continue to be carried at cost less depreciation, which is the same as under Canadian GAAP.

Mandatory Exception

Estimates

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

Derecognition of Financial Assets and Liabilities

The Company has applied the derecognition requirements in IAS 39 Financial instruments: Recognition and Measurement prospectively from the transition date. As a result any non-derivative financial assets or non-derivative financial liabilities derecognized prior to the transition date in accordance with pre-changeover Canadian GAAP have not been reviewed for compliance with IAS 39.

Changes to accounting policies:

The Company has changed certain accounting policies to be consistent with IFRS as is expected to be effective or available for adoption on December 31, 2011, the Company's first annual IFRS reporting date. However, these changes to its accounting policies have not resulted in any significant change to the recognition and measurement of assets, liabilities, equity, revenue, and expenses within its interim consolidated financial statements.

The following summarizes the significant changes to the Company's accounting policies upon adoption of IFRS:

a) Impairment of (non-financial) assets

IFRS requires a write-down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Canadian GAAP requires a write-down to estimated value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Company's accounting policies related to impairment of non-financial assets have been changed to reflect these differences. There is no impact on the unaudited interim consolidated financial statements.

b) Decommissioning liabilities

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions. IFRS also requires that the discount rate used should reflect the risks specific to the decommissioning liability, while Canadian GAAP requires the use of a discount rate that reflects the Company's credit adjusted risk free rate.

The Company's accounting policies relating to warrants have been changed to reflect these differences. . There is no impact on the unaudited interim consolidated financial statements.

c) Share-based payments

IFRS 2, Share-based Payments requires each vesting tranche to be valued with unique assumptions, as if it were a separate grant, along with estimates on forfeitures based on historical trends experienced by the Company.

Under IFRS, the Company uses an estimate of forfeitures based on historical trends experienced by the Company. Under Canadian GAAP no estimate was used, but rather actual forfeitures were accounted for as they occurred. The changes affected the calculation of the share-based compensation expense. There is no impact on the unaudited interim financial statements.

Expiration of share-based compensation

Canadian GAAP – Under Canadian GAAP, the Company's policy was to leave the value recorded for expired, unexercised stock options to contributed surplus, and to record the value of expired, unexercised warrants to contributed surplus.

IFRS – The Company continues to use its current policy regarding expired share-based compensation whereby amounts recorded for expired, unexercised stock options and warrants are transferred to contributed surplus on expiry. Therefore, there was no significant impact on the transition to IFRS.

d) Warrants

International Accounting Standards 32 ("IAS 32"), pertaining to classification of rights issues was amended to address the accounting for rights issues (rights, options, and warrants) that are denominated in a currency other than the functional currency of the issuer. Prior to the amendment, such rights issues were accounted for as derivative liabilities. The amendment states that, if such rights are issued pro rata to a Company's existing shareholders for a fixed amount of any currency, they should be classified as equity, regardless of the currency in which the exercise price is denominated.

IAS 32 also indicates that a contract that will be settled by the Company (receiving or) delivering a fixed number of its own equity instruments in exchange for a fixed amount of cash or another financial asset is an equity instrument. Changes to the fair value of the equity instrument are not recognized in the financial statements.

The Company's accounting policies relating to warrants have been changed to reflect these differences. There is no impact on the unaudited interim financial statements.

e) Flow through shares

Under Canadian GAAP, the Company would record the gross proceeds relating to flow-through shares to share capital at the time of issuance. The Company would then record a charge (reduction) to share capital at the time the tax benefits of the flow-through shares were renounced to the subscribers. The charge was calculated by multiplying the amount of the renounced tax benefits (which are equal to the gross proceeds of the flow-through share issuance) by the effective tax rate at the time. The offset would be recorded as a deferred tax liability to reflect the fact that the Company could no longer use the tax attributes for its benefit.

Under IFRS, the proceeds from issuing flow-through shares are allocated between the offering of shares and the sale of tax benefits. The allocation is based on the difference ("premium") between the quoted price of the Company's existing shares, at the date of closing, and the amount the investor pays for the actual flow-through shares. A liability is recognized for the premium, and is extinguished when the tax effect of the temporary differences, resulting from the renunciation, is recorded. The difference between the liability and the value of the tax assets renounced is recorded as a deferred tax expense. There is no subsequent reduction in share capital. If the flow-through shares are not issued at a premium, a liability is not established and on renunciation the full value of the tax assets renounced is recorded as a deferred tax expense.

On transition to IFRS, the Company recognized in the December 31, 2010 balance sheet an increase to capital stock and deficit of $108,500.

f) Presentation

The presentation in accordance with IFRS differs from the presentation in accordance with Canadian GAAP. Please refer to the interim consolidated statements of financial position and interim consolidated statements of operations, comprehensive loss, and deficit for the impact of the specific IFRS changes noted above.

There have been no changes to the January 1, 2010 and March 31, 2010 statement of operations, statement of financial position and comprehensive loss and statement of financial position upon conversion of Canadian GAAP to IFRS.

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

ASSET	CANADIAN GAAP	IFRS Adjustments	Ref.	IFRS
Current				
Cash and cash equivalents	$ 783,776	$ -		$ 783,776
Accounts receivable	14,703	-		14,703
Subscription receivable	130,000	-		130,000
Prepaid expenses and deposits	5,775	-		5,775
	934,254	-		934,254
	$ 934,254	$ -		$ 934,254
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$ 912,666	$ -		$ 912,666
Note payable	188,597			188,597
	1,101,263	-		1,101,263
Future income taxes	108,500	-		108,500
	1,209,763	-		1,209,763
SHAREHOLDERS' EQUITY				
Capital stock	8,581,319	108,500	(e)	8,689,819
Share subscriptions	-	-		-
	-	-		-
Contributed surplus	152,527	-		152,527
	-	-		-
Deficit	(9,009,355)	(108,500)	(e)	(9,117,855)
	(275,509)	-		(275,509)
	$ 934,254	$ -		$ 934,254

The Canadian GAAP statement of operations and comprehensive loss for the year ended December 31, 2010 has been reconciled to IFRS as follows:

	CANADIAN GAAP	IFRS Adjustments	Ref.	IFRS
Expenses				
Administrative	$ 189,507	$ -		$ 189,507
	189,507	-		189,507
Other income				
Other income	300	-		300
Forgiveness of loan payable and accounts payable	50,721	-		50,721
	51,021	-		51,021
Net loss before provision income taxes	(138,486)			(138,486)
Future income tax recovery	-	(108,500)	(e)	(108,500)
Net loss and comprehensive loss	$ (138,486)	$ (108,500)		$ (246,986)

5. FINANCIAL INSTRUMENTS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required, through the use of derivative financial instruments. The Company does not use derivative financial instruments for purposes other than risk management. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up-to-date market information.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The Company may use derivative financial instruments such as foreign exchange contracts and interest rate swaps to manage certain exposures. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity is derived from its common stock issuances. These fund are primarily used to finance working capital, operating expenses, capital expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash and cash equivalents. The current year's budget is planned to be funded by cash and cash equivalents.

Accounts payable and accrued liabilities are current financial instruments expected to be settled in the normal course of operations.

As at March 31, 2011 the Company held cash and cash equivalents of $777,321.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash and cash equivalents bear interest at market rates. Other current financial assets and liabilities are not exposed to interest rate risk because of their short-term nature or being non-interest bearing.

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. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company has reduced its credit risk by investing its cash equivalents with a Canadian chartered bank. Also, as the majority of its receivables are with the Canadian government in the form of sales tax receivable, credit risk is considered minimal.

Commodity Price Risk

The Company is subject to price risk from fluctuations in market prices of gold, copper and other metals. Gold, copper and other metal prices historically have fluctuated widely and are affected by numerous factors outside of the Company's control.

The future operations of the Company are highly correlated to the market prices of these metals, as is the ability of the Company to continue to explore and develop its mineral properties.

A prolong period of depressed prices could impair the Company's operations and development opportunities, and significantly erode shareholder value.

Fair Value

The Company has designated its cash and cash equivalents as FVTPL, which is measured at fair value. Accounts receivable is classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost. Marketable securities are classified as available-for-sale which are measured at fair value.

The carrying value and fair value of financial instruments held at March 31, 2011 and December 31, 2010 are disclosed below by financial instrument category.

	Period ended March 31, 2011			Year ended December 31, 2010		
Financial Instrument	**Carrying Value**	**Fair Value**	**Interest Expense**	Carrying Value	Fair Value	Interest Expense
FVTPL						
Cash	$ 777,321	$ 777,321	$ -	$ 783,776	$ 783,776	$ -
Loan and receivable						
Accounts receivable	$ 25,033	$ 25,033	$ -	$ 144,703	$ 144,703	$ -
Financial liabilities						
Other liabilities						
Accounts payable and accrued liabilities	$ 833,717	$ 833,717	$ -	$ 912,666	$ 912,666	$ -
Notes payable	$ 188,597	$ 188,597	$ -	$ 188,597	$ 188,597	$ -

There has been no changes to the classification on financial instruments since inception on January 1, 2007.

6. CAPITAL MANAGEMENT

The Company defines capital management in the manner it manages its capital stock. As at March 31, 2011 the Company's capital stock was $8,692,474 (2010 - $8,689,819). Changes in capital stock over prior year end resulted from the issuance of 53,100 common shares during first quarter of 2011.

There were no changes in the Company's approach to capital management during the period ended March 31, 2011 and the Company is not subject to any externally imposed capital requirements.

The Company's objectives when managing capital are:

a) To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders;

b) To maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk; and

c) To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

The Company's capital structure includes components of shareholders' equity.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. 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 the capital structure, the Company may issue new debt or equity or similar instruments, reduce debt levels from, or make adjustments to, its capital expenditure program.

7. NOTES PAYABLE

	March 31, **2011**	March 31, 2010
Unsecured advances from shareholders, directors and officers of the Company due on demand and are non-interest bearing.	**$188,597**	$188,597

8. CAPITAL ASSET

			March 31, 2011	December 31, 2010
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	$ 2,495	$ 31	$ 2,464	$ -

9. SHARE CAPITAL

(a) Authorized:

Unlimited number of common shares

8,000,000 Class A preference shares, transferable, non-cumulative, non-retractable, redeemable on a performance basis for $1 per share over sixteen years, commencing subsequent to the sale of 50 PARCON units.

1,600,000 Class B preference shares, transferable, non-cumulative, non-retractable, redeemable on a performance basis for $1 per share over four years, commencing subsequent to the sale of 50 PARCON units.

(b) Issued - Common shares:

i) In February 2011, the Company issued 53,100 common shares with a fair value of $2,655 pursuant to the debt settlement agreement

ii) The Company recorded an estimated premium of $108,500 respectively on the flow-through shares issued on December 2010 against share capital, generating a liability which is credited to the statement of options and comprehensive loss, on a proportional basis, as offset to deferred tax expense in the period of renunciation.

(d) Warrants

The following table summarizes warrants that have been issued during the year ended March 31, 2011

	Number of Warrants		Fair Value		Weighted Average Exercise Price	Expiry date
Balance, January 1, 2010	-	$	-	$	-	
Issued	855,555		7,249		0.10	March 31, 2011
Issued	11,000,000		93,350		0.10	December 31, 2011
Balance, December 31, 2010	11,855,555	$	100,599	$	0.10	
Expired	(855,555)	$	(7,249)	$	0.10	
Balance, March 31, 2011	**11,000,000**	**$**	**93,350**	**$**	**0.10**	

10. CONTRIBUTED SURPLUS

	March 31, 2011	December 31, 2010
Balance, beginning of period	$ 152,527	$ 51,928
Fair value of warrants issued during the year	-	100,599
Balance, end of period	$ 152,527	$ 152,527

11. RELATED PARTY TRANSACTIONS

The following related party transactions occurred and were reflected in the interim financial statements during the years ended March 31, 2011 and 2010 as follows:

	March 31, 2011	March 31, 2010
Management fees and directors fees expense:		
Management fees were charged by officers for corporate administrative and financial management services	$ 6,000	$ -

a) Included in accounts payable and accrued liabilities are management fees of $502,758 (December 31, 2010 - $543,434) to companies controlled by certain directors and officers in common with the Company and legal fees of $162,543 (December 31, 2010 - $162,543) due to a company controlled by a director in common with the Company, and interest on notes of $53,118 (December 31, 2010 - $53,118) due to certain directors and an officer of the Company and companies controlled by certain shareholders, directors and officers in common with the Company.

b) Included in notes payable are advances of $188,597 (December 31, 2010 - $188,597) due to certain directors and an officer of the Company, companies controlled by certain shareholders, and companies controlled by a director and officer in common with the Company.

The above transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. In management's opinion, the exchange amount was negotiated, established and agreed to by the related parties as if they were dealing at arm's length.

12. COMMITMENTS AND CONTINGENCIES

On December 30, 2010, the Company shareholders approved a proposal to settle a total of up to $1.1 million of debt through the issuance of up to 22 million common shares of the Company. The Company is waiting TSX Venture approval for the transaction.

The Company shareholders also approved special resolutions which would authorize the Company to: (i) to change the name of the Company to such other name as the directors of the Company may determine and may be acceptable to applicable regulatory authorities; (ii) increase the authorized capital of the Company by creating an unlimited number of special shares, issuable in series; (iii) converting each 100 issued and outstanding Class A preference shares and each 100 issued outstanding Class B preference shares (collectively referred to herein as the "Preference Shares") into one common share ("Common Share") of the Company; (iv) cancelling the unissued Preference Shares and deleting the rights, privileges and restrictions attached to such shares; (v) providing that a holder of shares of a class or series of the Company are not entitled to vote separately as a class or series and shall not be entitled to dissent in respect of certain proposals to amend the articles of the Company; and (vi) consolidating each of the issued and outstanding Common Shares by changing four (4) Common Shares, or such lesser amount as the directors of the Company may determine, into one (1) Common Share (1:4).