

The loss in Q4 of 2009 was a result of the write down of the Promissory Note.

Liquidity and Capital Resources

As at June 30, 2011 the Company had net working capital of (\$18,980) compared to (\$5,587) as at June 30, 2010.

Management anticipates raising additional capital through the sale of its securities to enable the Company to fund ongoing operations. The accompanying financial statements have been prepared on the basis of Canadian generally accepted accounting principles applicable to a going concern. The appropriateness of using the going concern basis is dependent upon, among other things, future profitable operations, and the ability to raise additional capital.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements

Changes in Accounting Policies

Adoption of New Accounting Pronouncements International Financial Reporting Standards

In 2006, The ACSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The ACSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year period. In February 2008, the AcSB announce that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. This date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide comparative IFRS information for the previous fiscal year.

The Company is cognizant of the changes required for accounting and financial reporting purposes and will commence a scoping and planning process as required, dependent upon the level of future activities. The Company will continue to monitor changes in IFRS and the impacts on the Company over the coming year.

Share Capital

Authorized

Unlimited common shares, voting, participating without par value.

Unlimited first preferred shares, voting, participating, redeemable and retractable, at the amounts of consideration received at the time of issuance without par value

Issued

5,973,700 common shares

July 27, 2011

\$724,037

During the period no additional shares were issued. Also no warrants or options were issued

Risks and Uncertainties

The Company plans to raise additional capital through the sale of its securities. The Company's ability to raise additional capital will depend upon subsequent developments and strength of the equity markets which are uncertain. There can be no assurance that additional capital will be available.