Consolidated Financial Statements of

McLaren Resources

(An Exploration Stage Enterprise)

September 30, 2011 and 2010

MCLAREN RESOURCES INC.
(An Exploration Stage Enterprise)
September 30, 2011 and 2010

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Management's Responsibility for Financial Reporting

The consolidated financial statements of McLaren Resources Inc. (the "Company") have been prepared by management in accordance with Canadian generally accepted accounting principles and have been approved by the Board of Directors of the Company. The integrity and objectivity of these consolidated financial statements are the responsibility of management. In addition, management is responsible for all other information in the annual report and for ensuring that this information is consistent, where appropriate, with the information in the consolidated financial statements.

In support of this responsibility, management maintains a system of internal controls to provide reasonable assurance as to the reliability of financial information and the safe-guarding of assets. The consolidated financial statements include the amounts of which are based on the best estimates and judgments of management.

The Board of Directors are responsible for ensuring that management fulfills its responsibility for financial reporting and internal control and exercises this responsibility principally through the Audit Committee of the Company. The Audit Committee is not involved in the daily operations of the Company. The Audit Committee meets with management and meets independently with the external auditors to satisfy itself that management's responsibilities are properly discharged and to review the consolidated financial statements prior to their presentation to the Board of Directors for approval.

The Company, with the approval of its Board of Directors, has appointed the firm of Rich Rotstein LLP as the external auditor of the Company. The external auditors conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the consolidated financial statements. Their examination includes a review of the Company's system of internal controls and appropriate tests and procedures to provide reasonable assurance that the consolidated financial statements are, in all material respects, presented fairly and in accordance with accounting principles generally accepted in Canada. The external auditors have free and full access to the Audit Committee with respect to their findings concerning the fairness of financial reporting and the adequacy of internal controls.

Ivan Buzbuzian	David McDonald
President	Chief Financial Officer

December 16, 2011

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INDEPENDENT AUDITORS' REPORT

To the shareholders of McLaren Resources Inc.

We have audited the accompanying consolidated financial statements of MCLAREN RESOURCES INC. (the "Company"), which comprise the consolidated balance sheet as at September 30, 2011, the consolidated statements of deficit, operations and comprehensive loss and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, 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 audit. We conducted our audit 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 disclosure 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 MCLAREN RESOURCES INC. as at September 30, 2011 and its results of operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the consolidated financial statements which indicates that the Company has incurred significant operating losses of $4,617,768 since inception. This condition, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other Matter

The financial statements as at September 30, 2010 were audited by Edmund Cachia & Co. LLP who expressed an unqualified opinion on the financial statements in their report dated November 8, 2010.

Comparative Information

Without modifying our opinion, we draw attention to Note 27 to the consolidated financial statements which indicates that the comparative information presented as at and for the year ended September 30, 2010 has been restated.

The consolidated financial statements of McLaren Resources Inc. as at and for the year ended September 30, 2010, excluding the restatement described in Note 27 to the consolidated financial statements, were audited by another auditor who expressed an unqualified opinion on those statements on November 8, 2010.

As part of our audit of the consolidated financial statements as at and for the year ended September 30, 2011, we audited the restatement described in Note 27 to the consolidated financial statements that was applied to restate the comparative information as at and for the year ended September 30, 2010. In our opinion, the restatement is appropriate and has been properly applied.

We were not engaged to audit, review, or apply any procedures to the consolidated financial statements as at and for the year ended September 30, 2010 other than with respect to the restatement described in Note 27 to the consolidated financial statements and, accordingly, we do not express an opinion or any other form of assurance on the consolidated financial statements as at and for the year ended September 30, 2010 taken as a whole.

Rich Rotstein LLP

Chartered Accountants
Licensed Public Accountants

Toronto, Canada
December 16, 2011

MCLAREN RESOURCES INC.

(An Exploration Stage Enterprise)
Consolidated Balance Sheets

		September 30, 2011		September 30, 2010 (Note 27)
Assets				
Current				
Cash and cash equivalents	$	428,898	$	272,291
Restricted cash (Note 18)		-		550,000
HST recoverable		71,161		65,827
Marketable securities (Note 8)		185,503		11,954
Prepaid expenses (Note 11)		7,666		300
	$	693,228	$	900,372
Deferred petroleum and natural gas exploration costs (Note 6)		-		150,000
Mineral properties (Note 5)		280,273		-
Royalty Interest (Note 17)		1		1
Property and equipment (Note 12)		787		1,178
	$	**974,289**	**$**	**1,051,551**
Liabilities and Shareholders' Deficiency				
Current liabilities				
Accounts payable and accrued liabilities (Note 13)	$	36,771	$	37,946
Long-term liabilities				
Deferred income taxes (Note 23)		112,600		56,100
	$	149,371	$	94,046
Shareholders' deficiency				
Capital stock (Note 15(b))	$	4,787,821	$	4,639,246
Warrants (Note 15(c))		26,925		-
Contributed surplus (Note 16)		627,940		461,045
Deficit		(4,617,768)		(4,142,786)
	$	824,918	$	(957,505)
	$	**974,289**	**$**	**1,051,551**

APPROVED BY THE BOARD:

Ivan Buzbuzian
Director

Michael Meredith
Director

The accompanying notes form an integral part of these financial statements

MCLAREN RESOURCES INC.

(An Exploration Stage Enterprise)
Consolidated Statements of Deficit

	September 30, 2011	September 30, 2010 (Note 27)
Deficit - beginning of year as previously stated	$ (4,086,686)	$ (2,512,575)
Correction to prior year future tax liability (Note 27)	(56,100)	-
As stated	-	-
Deficit - beginning of year as restated	(4,142,786)	(2,512,575)
Net loss and comprehensive loss for the year	(474,982)	(1,630,211)
Deficit - end of year	$ (4,617,768)	$ (4,142,786)

The accompanying notes form an integral part of these financial statements

MCLAREN RESOURCES INC.

(An Exploration Stage Enterprise)
Consolidated Statements of Operations and Comprehensive Loss

	September 30, 2011	September 30, 2010 (Note 27)
Expenses		
Management fees	$ 189,675	$ 125,500
Stock-based compensation (Note 15(d))	166,895	150,640
Office, general and administrative	80,927	78,624
Consulting fees	74,960	105,786
Investors' relations	65,809	37,869
Professional fees	50,637	141,364
Directors' fees	30,000	30,000
Part XII.6 interest	1,900	2,550
Amortization	391	375
Oil and gas pre-acquisition and property evaluation costs (Note 6)	-	26,025
Foreign exchange gain	-	(2,372)
Licenses, taxes and fees	-	1,520
Loss in value of marketable securities held for trading	21,438	-
	682,632	697,881
Loss from operations	(682,632)	(697,881)
Other income		
Interest income	741	38,457
Gain on disposal of property (Note 9)	185,391	-
Gain on sale of marketable securities (Note 10)	21,518	-
	207,650	38,457
Net loss before the undernoted	(474,982)	(659,424)
Impairment of deferred petroleum and natural gas exploration costs (Note 6)	-	(970,787)
Net loss before income taxes	(474,982)	(1,630,211)
Net loss and comprehensive loss for the year	$ (474,982)	$ (1,630,211)
Loss per share		
Weighted average number of shares - basic and diluted (Note 25)	20,994,281	19,581,781
Net loss per share - basic and fully diluted (Note 25)	$ (0.02)	$ (0.08)

The accompanying notes form an integral part of these financial statements

MCLAREN RESOURCES INC.

(An Exploration Stage Enterprise)
Consolidated Statements of Cash Flows

		September 30, 2011		September 30, 2010 (Note 27)
Net Inflow (Outflow) of Cash Related to the Following Activities				
Operating				
Net loss for the year	$	(474,982)	$	(1,630,211)
Items not affecting cash				
Amortization		391		375
Stock-based compensation		166,895		150,640
Impairment of deferred petroleum and natural gas exploration costs (Note 6)		-		970,787
Bad debts expense (recovery)		(4,871)		(11,954)
Gain on disposal of property (Note 9)		(185,391)		-
Gain on sale of marketable securities (Note 10)		(21,518)		-
Loss on value of marketable securities		21,438		-
		(498,038)		(520,363)
Net changes in non-cash working capital balances (Note 22)		536,125		(564,308)
		38,087		(1,084,671)
Investing				
Purchase of property and equipment		-		(295)
Acquisition and exploration expenditures in resource properties		(248,273)		-
Short-term investment		(37,500)		-
Deferred petroleum and natural gas exploration costs		-		(224,236)
Proceeds from disposal of property		150,000		-
Proceeds from sale of securities		54,293		-
		(81,480)		(224,531)
Financing activities				
Proceeds from issuance of common shares		200,000		170,000
Net increase (decrease) in cash		156,607		(1,139,202)
Cash, beginning of year		272,291		1,411,493
Cash, end of year	$	428,898	$	272,291

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid for				
Interest paid	$	1,900	$	-
Income taxes	$	-	$	-
Cash is represented by Cash in bank	$	428,898	$	272,291

The accompanying notes form an integral part of these financial statements

1. NATURE OF OPERATIONS

McLaren Resources Inc. (CNSX:MCL) (the "Company") was incorporated on July 13, 1999 under The Business Corporations Act (Ontario). The Company was engaged in the acquisition, exploration and development of petroleum and natural gas properties until December of 2010.

On November 8, 2010, the Company sold its 5% interest in the EL 1070 Western Newfoundland property to Shoal Point Energy Limited ("SPE") (see Note 9).

On December 6, 2010, the Company entered into an agreement with Red Mile Minerals Corp., ("Red Mile") to earn up to 50% interest in 25 patented mining claims of Blue Quartz property located in Beatty Township, Northern Ontario (see Note 5).

On July 26, 2011, the Company acquired 100% shares of 2285944 Ontario Limited through the issuance of 100,000 common shares and payment of $50,000 cash to the shareholders of 2285944 Ontario Limited. As a result of this transaction, 2285944 Ontario Limited became a wholly-owned subsidiary of the Company (see Note 4).

On September 16, 2011, the Company proposed a joint venture agreement on Blue Quartz property owned 50% by the Company and 50% by Red Mile Minerals Corp. A definitive joint venture agreement will be drafted on standard industry terms and will be executed by the parties within six months from the date of acceptance (see Note 5).

The Company is currently pursuing gold exploration in Ontario and will continue to source and evaluate gold exploration ventures within Canada.

2. GOING CONCERN

The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue to operate for a reasonable period of time and will be able to realize its assets and discharge its liabilities in the normal course of operations. Several adverse conditions and events cast doubt upon the validity of this assumption. The Company has incurred an operating loss of $474,982 for the year ended September 30, 2011 and a cumulative deficit of $4,617,768.

The Company is in the process of exploring its mineral property interest and has not yet determined whether its mineral property interest contains economically recoverable mineral reserves. The underlying value and the recoverability of the mineral property interest is entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interest, and the generation of future profitable production or proceeds from the disposition of the mineral property interest.

The management intends to obtain further financing through the issuance of new equity and entering into joint venture arrangements. While it has been successful in the past, the ultimate outcome of these matters cannot presently be determined because they are contingent to future events. However, the Company's management believes that it will be successful in meeting its business objectives, and that the going concern assumption remains appropriate.

If the going concern assumptions were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying values of assets and liabilities, the reported net loss and the balance sheet classification used.

3. SIGNIFICANT ACCOUNTING POLICIES

The accompanying consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and are reported in Canadian currency. The following are the significant accounting policies used in the presentation of the financial statements:

(a) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, 2285944 Ontario Limited. All inter-company transactions and balances have been eliminated.

(b) Use of estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Significant areas requiring the use of estimates and assumptions are: the fair value of the assets acquired, recoverability of investments, impairment of petroleum and natural gas interest, estimated useful life of property and equipment, accrued liabilities, future income tax liability and the determination of the fair value of warrants and stock-based compensation.

(c) Property and equipment

Property and equipment are recorded at cost. Amortization is provided annually at the following rate using the declining balance method:

Computer and office equipment	20%

(d) Mineral properties

The Company is in the exploration stage and capitalizes all expenditures related to the acquisition and exploration of mineral property interests, net of recoveries received, until such time as the properties are put into commercial production, sold or abandoned. Under this method the amounts shown as mineral properties do not necessarily represent the present or future values of the property.

If the properties are put into commercial production, the expenditures will be depleted based upon the proven reserves available. If the properties are sold or abandoned, the expenditures will be charged to operations. The Company does not accrue the estimated future costs of maintaining its mineral properties in good standing.

The carrying values of mineral interests, on a property by property basis, are reviewed by management at least annually to determine if they have become impaired. If impairment is deemed to exist, the mineral property will be written down to its net recoverable value. The ultimate recoverability of the amounts capitalized for the mineral properties is dependent upon the identification of economically recoverable ore reserves, the Company's ability to complete its exploration and to realize profitable production or proceeds from the disposition thereof. Management's estimates of recoverability of the Company's investment in various projects are based on current conditions. However, it is possible that changes could occur in the near term, which could adversely affect management's estimates and may result in future write downs of capitalized property carrying values.

No amortization is provided in respect of mineral properties until commencement of commercial production. Mineral properties are amortized and charged to operations using the units of production method based on the estimated life of the mine considering recoverable proven and probable reserves. All expenditures incurred prior to the commencement of commercial levels of production from each development property are capitalized to the extent to which recoverable cash flows to be derived from the sale of production is reasonably assured.

(e) Impairment of long-lived assets

The Company assesses the impairment of long-lived assets, which consists primarily of mineral property interests for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset, an impairment loss is recognized and assets are written down to fair value; which is normally determined using the discounted value of future cash flows. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management reviews whether carrying value can be recovered by considering alternative methods of determining fair value. These reviews involve consideration of the fair value of each property to determine whether a permanent impairment in value has occurred and whether any asset write down is necessary.

(f) Asset retirement obligations

The Company recognizes statutory, contractual or other legal obligations related to the retirement of tangible long lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at fair value and the resulting costs capitalized to the carrying value of the related asset. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. The capitalized asset retirement cost is amortized to operations over the life of the asset.

Management has determined that there were no material asset retirement obligations associated with the Company's mineral property interest as at September 30, 2011 and 2010.

(g) Revenue recognition

Revenue from mining operations is recognized after shipment of gold to third party refineries, when the sales price is determinable, title has passed to the buyer and ultimate collection is reasonably assured.

Revenue from interest and dividends are recognized when earned.

(h) Royalties

The Company's production will be subject to overriding royalties, and mineral or production taxes. These amounts are reported net of any related tax credits and other incentives available.

(i) Financial instruments

CICA Section 3855, "Financial Instruments – Recognition and Measurement", establishes standards for recognizing and measuring financial assets and financial liabilities including non-financial derivatives. In accordance with this standard, the Company is required to classify its financial assets as one of the following: (i) held-to-maturity, (ii) loans and receivables, (iii) held for trading or (iv) available-for-sale. All financial liabilities must be classified as: (i) held-for-trading or (ii) other financial liabilities.

All financial instruments are initially recorded at fair value and subsequently accounted for based on their classification. The fair value of the instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. After initial recognition, financial instruments are classified according to their categories and are measured at their fair values, except for held-to-maturity investments, loans and receivables and other liabilities, which are measured at amortized cost.

The Company's financial assets and liabilities are classified and measured as follows:

Asset/liability	Classification	Measurement
Cash and cash equivalents	Held-for-trading	Fair value
Marketable securities	Held-for-trading	Fair value
HST recoverable	Loans receivable	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

The determination of fair value requires judgment and is based on market information where available and appropriate. The Company is also required to present its financial instruments reported at fair value into three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith (see Note 21).

Transaction costs related to all financial assets and liabilities are recorded in the acquisition or issue cost, unless the financial instrument is classified as held-for-trading, in which case the transaction costs are recognized immediately in net income (loss).

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash in banks and highly liquid investments with maturities of 90 days or less from the date of acquisition and are currently held by financial institutions with high credit worthiness.

(k) Income taxes

The Company uses the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Future income tax assets and liabilities are recognized for the estimated income tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective income tax bases. Future income tax assets and liabilities are recognized using the substantively enacted income tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

The effect of a change in income tax rates is recognized in income in the period in which the substantive enactment of the change occurs. Future income tax assets are recognized with respect to deductible temporary differences and loss carry forwards only to the extent their realization is considered more likely than not.

(l) Stock-based compensation

The Company uses the fair value method of accounting for stock options granted to directors, officers and consultants. The fair value of stock options is estimated using the Black-Scholes option pricing model. The value of the compensation expense is recognized over the vesting period of the stock options with a corresponding increase in contributed surplus. Any consideration received on exercise of stock options or the purchase of stock is credited to capital stock.

(m) Warrant and unit issuance

Proceeds from issuance by the Company of units consisting of shares and warrants generally allocated based on the relative estimated fair market value of the shares and the warrants. Warrants are valued using the Black-Scholes option pricing model.

(n) Share issue costs

Direct costs associated with the issuance of shares or warrants are deducted from the Capital Stock when the related shares are issued.

(o) Loss per share information

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method. In order to determine diluted loss per share, the treasury stock method assumes that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would decrease loss or increase income per share.

For the fiscal years ended 2011 and 2010, the impact of stock options and warrants has been excluded as they were anti-dilutive.

(p) Comprehensive income (loss)

CICA Section 1530, "Comprehensive Income", requires the presentation of a Statement of Comprehensive Income where certain gains and losses that would otherwise be recorded as part of net earnings are presented in other comprehensive income (loss) until it is considered appropriate to recognize it in net earnings or losses, such as unrealized gains and losses related to available-for-sale investments.

For fiscal years ended September 30, 2011 and 2010, the Company did not have other comprehensive income or loss components; therefore, the Company's net loss equals comprehensive loss for the year.

(q) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the balance sheet date and non-monetary assets and liabilities are translated at historical exchange rates. Revenues and expenses are translated at the average exchange rate in effect during the year, except depreciation expenses, which are translated at the same historical exchange rates as those used to translate the respective assets. Realized and unrealized foreign exchange gains and losses are included in the statements of operations.

(r) Flow through shares

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for income tax purposes for qualified resource expenditures can be renounced and claimed by the flow-through share subscribers. The Company records issuances of flow-through shares by crediting share capital for the full value of cash consideration received. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, a deferred income tax liability is recognized with a corresponding reduction to share capital for the cost of the future tax benefits foregone.

If the Company has sufficient unused tax losses and deductions to offset all or part of the deferred income tax liability and no future income tax assets have been previously recognized on such losses, the Company may reverse a portion of the valuation allowance on future income tax assets and recognize a recovery of future income taxes.

(s) Joint Operations

Certain portion of the Company's exploration and development activities are conducted jointly with others. As at September 30, 2011, the Company had no joint venture undertaking.

(t) Accounting changes and recent pronouncements

International Financial Reporting Standards

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that Canadian public entities will have to adopt International Financial Reporting Standards ("IFRS") effective for the fiscal years beginning on or after January 1, 2011. The Company will report its first financial statements in accordance with IFRS for the three months ending December 31, 2011, with comparative figures for the corresponding period for 2010. In addition, the adoption will require the restatement, for comparative purposes, of amounts reported by the Company for its year ended September 30, 2011, and restatement of the opening balance sheet as at October 1, 2010. The process will be ongoing as new standards and recommendations are issued by the International Accounting Standards Board and AcSB. The Company will cease to prepare its financial statements in accordance with Canadian GAAP as set out in Part V of the CICA Handbook - Accounting ("Canadian GAAP") for the periods beginning on October 1, 2011 when it will start to apply International Financial Reporting Standards as published by the International Accounting Standards Board. Consequently, future accounting changes to Canadian GAAP are not discussed in these financial statements as they will not be applied by the Company.

The Company has identified the following four phases of its conversion plan: scoping and planning, detailed assessment, operations implementation and post implementation. The responsibility for carrying out these phases rests with the Company's President and the CFO. The scoping and planning phase ("Phase 1") involve mobilizing organizational support for the conversion plan, obtaining stakeholder support for the project, identifying major areas affected and developing an implementation plan and communication strategy. The detailed assessment phase ("Phase 2") will result in the accounting policies and transitional exemptions decision, quantification of financial statement impact, preparation of shell financial statements and identification of business processes and resources impacted. The operations implementation phase ("Phase 3") includes the design of business, reporting and system processes to support the compilation of IFRS compliant financial data for the opening balance sheet of fiscal year 2011 at October 1, 2010 and thereafter. Phase 3 also includes ongoing training, testing of the internal control environment and updated processes for disclosure controls and procedures. Post implementation ("Phase 4") will include sustainable IFRS compliant financial data and processes for fiscal 2012 and beyond.

The current focus of the project is identification of local level impacts for the opening balance sheet in the Company's operations, and finalization of the IFRS 1 transitional provisions to be taken. The current assessment has indicated that the transition to IFRS will not have a material impact on the Company's financial statements.

4. ACQUISITION OF 2285944 ONTARIO LIMITED ("2285944")

Pursuant to the Asset Purchase Agreement dated July 26, 2011, the Company acquired 100% of the outstanding shares of 2285944 Ontario Limited ("2285944"). 2285944 owned certain mineral properties consisting of 8 unpatented claims totalling 240 hectares or approximately 600 acres for a purchase price of $68,000. In consideration of the assets acquired, the Company paid $50,000 in cash and issued 100,000 common shares at a deemed price of $0.18 per share to the shareholders of the Corporation. The common shares issued are subject to certain escrow conditions agreed upon by the parties.

The acquisition does not meet the definition of a business combination as set out in the CICA Handbook Section 1582 and has therefore been accounted for as an asset purchase.

The following table summarizes the fair values of the asset acquired at the date of acquisition:

	$
Asset acquired:	
Mineral Property	68,000
Purchase price consists of:	
100,000 common shares @ $0.18 per share (added to the stated capital)	18,000
Cash paid	50,000
Transaction costs	-
	68,000

5. MINERAL PROPERTIES

Below is the summary of mineral properties and deferred exploration costs incurred during the year:

	September 30, 2011	September 30, 2010 (Note 27)
Northern Ontario, Canada		
Blue Quartz		
Acquisition	$ 10,000	$ -
Exploration	202,273	-
2285944 Claims		
Acquisition	68,000	-
Exploration	-	-
	$ 280,273	$ -

Northern Ontario, Canada

Blue Quartz

On December 6, 2010, McLaren Resources Inc. ("McLaren"or the "Company") and Red Mile Minerals Corp., ("Red Mile") entered into an Option Agreement whereby McLaren could earn a 50% interest in the Blue Quartz gold property, with McLaren having the right of first refusal on the remaining 50% interest. The Property consists of 25 patented mining claims and is located in Beatty Township, Northern Ontario. To earn a 50% interest in the Blue Quartz Property, the Company paid $10,000 cash and issued 100,000 McLaren common shares with a deemed price of $0.14 per share.

During the year, the Company completed the $200,000 in exploration and development expenditures and exercised its option to acquire 50% of the Blue Quartz property holding 25 patented mining claims. A 1.0% Net Smelter Royalty ("NSR") is retained by the predecessor companies (Thundermin Resources Inc. and Wesdome Mines Ltd.). Upon completion of the earn in and exercising its option to acquire the 50% interest in the Blue Quartz property, the Company has the right to participate in repurchasing it pro-rated share of the NSR, of 0.5%, by paying $250,000.

Upon exercising the option herein to earn its full 50% interest in the Property, McLaren and Red Mile shall agree to associate on a joint venture basis for further exploration and development of the Property, sharing the costs of exploration and development in accordance with their respective interest in the Property. On September 16, 2011, the Company proposed a joint venture agreement on Blue Quartz property owned 50% by the Company and 50% by Red Mile Minerals Corp. A definitive joint venture agreement will be drafted on standard industry terms and will be executed by the parties within six months from the date of acceptance.

2285944 Claims

On July 26, 2011, the Company purchased additional property from 2285944 Ontario Limited consisting of 8 unpatented claims totalling 240 hectares or approximately 600 acres for a purchase price of $68,000. Details of the purchase are described in (Note 4).

As of the date of the audit report, the transfer of the property titles are currently in process.

6. DEFERRED PETROLEUM AND NATURAL GAS EXPLORATION COSTS AND COMMITMENTS

Below is the summary of petroleum and natural gas properties and deferred exploration costs.

	September 30, 2011	September 30, 2010 (Note 27)
Western Newfoundland, Canada		
Exploration license 1070	$ -	$ 150,000
North Sea, Netherlands (Note 7(a))		
Exploration	970,787	970,787
Writedown	(970,787)	(970,787)
	$ -	$ 150,000

Western Newfoundland, Canada: Exploration License 1070 ("EL 1070")

On November 11, 2010 McLaren Resources Inc. completed the sale of its 5% interest in the El 1070 Western Newfoundland property to Shoal Point Energy Ltd ("SPE"). The Company received proceeds of $150,000 cash, 750,000 SPE shares and 250,000 SPE warrants exercisable at a price of $0.28 with a two year term. In addition, the aggregate funds of $550,000 held in trust with the Company's solicitors, pursuant to the purchase and sale agreement, have been released back to the Company (Note 9 and 18).

North Sea Leases, Netherlands:

During the year ended September 30, 2010, the Company relinquished two of the four offshore petroleum exploration blocks held by the Company in the North Sea. In addition, on June 29, 2010, the Company disposed of its 27% interest in the two remaining North Sea blocks for a 3% net profit interest and a cash payment of $125,000 in aggregate, conditional upon further extension of the licenses by the regulatory bodies.

As a result of the Company's decision to no longer pursue the business opportunities in the North Sea leases, an impairment charge in the amount of $970,787 was made during the year ended September 30, 2010.

South Sumatra Permits, Indonesia:

During the year ended September 30, 2010, the Company reduced its net carried interest in the Indonesian concessions to 2%, capped at $2 million in exchange for the beneficial owner of a certain portion of the Indonesian concession blocks having arranged an earn in arrangement with an arms length third party by which the third party has committed to incur exploration expenditures of up to US $3,243,500 on these concessions. On December 30, 2010 McLaren signed an agreement to deliver its residual interest in Indonesia to Victory Gold Mines Inc. (formerly Batavia Energy Inc.), reducing the Company's interest in Indonesia to zero.

7. COMMITMENTS AND CONTINGENCIES:

Minimum cash expenditures on Canadian exploration and development.

The Company is committed to spend proceeds of flow-through share issuance resulting from private placement. In December 2010, the Company issued 1,000,000 flow through shares with gross proceeds of $200,000 (Note 15(b)(i)). The stock qualified as flow-through shares under the Income Tax Act (Canada) and the corresponding expenditures are to be made by the Company on or before December 31, 2011.

The Company's operations were partly financed by the issuance of flow-through shares. However, there is no assurance that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to take all the necessary measures for this purpose.

At September 30, 2011, the Company accrued a liability of $1,334 (2010-$2,550) for Part XII.6 interest charged on unspent flow-through funds which were raised and renounced to the subscribers in December 2010. These funds are to be fully spent for qualified Canadian exploration expenditures in accordance with the Income Tax Act (Canada) through December 31, 2011.

8. MARKETABLE SECURITIES

The Company's marketable securities consist of the following:

	September 30, 2011 $	September 30, 2010 $
Held-for-trading:		
Shoal Point Energy common shares (659,772 shares @ $0.18 per share)	118,759	-
Shoal Point Energy warrants (250,000 units - fair market value was determined using Black-Scholes option pricing model)	14,244	-
Victory Gold Mine Inc - common shares (250,000 shares @ $0.21)	52,500	-
	185,503	-

During the year ended September 30, 2010, the Company received 59,772 (2010 - $11,954) Shoal Point Energy Limited ("SPE") shares as a debt settlement. In November 2010, the Company received an additional 750,000 SPE shares and 250,000 warrants on the sale of property rights to SPE. During the 1st quarter of 2011, the Company sold 150,000 SPE common shares, see (Note 10).

As of September 30, 2011, the Company held 659,772 common shares with fair market value of $0.18 per share and 250,000 warrants of SPE fair market value was determined using the Black-Scholes option pricing model.

The shares and warrants have been classified as held-for-trading.

The Company follows the fair value method of accounting for warrants using the Black-Scholes option pricing model. The fair value of warrants were calculated based on the following assumptions at September 30, 2011.

Risk free interest rate	1.60 %
Expected volatility	100 %
Expected life (in years)	2.0
Dividend yield	0.00 %
Stock price	$ 0.18
Weighted average exercise price	$ 0.28

On December 31, 2010, the Company received 250,000 common shares of Victory Gold Mines Inc. (formerly Batavia Energy Corp) at a price of $0.15 per share in settlement of the accounts receivable for $37,500. As at September 30, 2011, the fair market value of the shares quoted in active market was $0.21 per share equal to $52,500.

9. GAIN ON DISPOSAL OF PROPERTY

On November 8, 2010, the Company sold its 5% interest in the EL 1070 Western Newfoundland property to Shoal Point Energy Limited ("SPE") for $150,000 cash, 750,000 common shares of SPE and 250,000 commons shares purchase warrants. Each warrant entitles the Company to purchase one common share of SPE for $0.28 expiring on November 8, 2012.

The gain on disposal of property is calculated as follows:

Carrying value of property at the time of disposal	$	150,000
Legal costs associated with closing		3,900
Cost	$	153,900
Considerations received:		
Cash received	$	150,000
SPE shares received (750,000 common shares @ $0.22 per share)		165,000
Warrants (250,000 units valued using the Black-Scholes options pricing model)		24,291
Total considerations received	$	339,291
Gain on disposal of property	$	185,391

The Company follows the fair value method of accounting for warrants using the Black-Scholes option pricing model. The fair value of warrants were calculated based on the following assumptions.

Risk free interest rate	1.60 %
Expected volatility	100 %
Expected life (in years)	2.0
Dividend yield	0.00 %
Stock price November 8, 2011	$ 0.22
Weighted average exercise price	$ 0.28

10. GAIN ON SALE OF MARKETABLE SECURITIES

During the 1st quarter of 2011, the Company sold 150,000 SPE common shares for proceeds of $54,293 resulting in a gain of $21,518.

11. PREPAID EXPENSES

Prepaid expenses represent advance payments made to vendors for expenses applicable to a future period. They include advance payment made to consultants for maintenance of Company's website and unexpired portion of insurance.

12. PROPERTY AND EQUIPMENT

			September 30, 2011			September 30, 2010 (Note 27)
	Cost $	Accumulated amortization $	Net book value $	Cost $	Accumulated amortization $	Net book value $
Computer equipment	2,560	1,773	787	2,560	1,382	1,178

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist primarily of outstanding vendors' invoices and accrued expenses incurred during the years. The balances owing to the creditors are payable in accordance with the vendors' individual credit terms. The Company has the following contractual maturities:

	September 30, 2011	September 30, 2010 (Note 27)
Less than 3 months	$ 36,771	$ 37,946
3 - 6 months	-	-
6 - 9 months	-	-
9 - 12 months	-	-
Greater than 12 months	-	-
	$ 36,771	$ 37,946

14. RELATED PARTY TRANSACTIONS

(a) During the year ended September 30, 2011 officers and directors of the Company and corporations related to them charged consulting and management fees of $189,675 (2010-$123,000). Included in accounts payable is $Nil (2010-$Nil) relating to unpaid management and consulting fees.

(b) During the year ended September 30, 2011 directors of the Company and corporations related to them charged director fees of $30,000 (2010-$30,000). Included in accounts payable is $6,000 (2010-$Nil) relating to unpaid director fees.

(c) During the year ended September 30, 2011, the Company reimbursed certain directors, officers and individuals and companies related to directors of the Company at the time of the transaction, for corporate costs paid directly by them. These reimbursements were at cost and aggregated $17,305 (2010 - $22,635). Accounts payable and accrued liabilities at September 30, 2011 include $Nil (2010 - $259).

(d) During the year ended September 30, 2011, the Company was charged $38,065 (2010-$78,731) by a law firm of which an officer of the Company is a partner. Accounts payable at September 30, 2011 includes $5,755 (2010-$3,645) owing to this law firm.

(e) During the first quarter of fiscal 2011 management fees were charged by a former Chief Financial Officer in the amount of $7,500 (2010-$7,500).

These transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

15. CAPITAL STOCK

(a) Authorized

An unlimited number of one class of voting shares, designated common shares, with no par value.

(b) Issued and outstanding

	September 30, 2011		September 30, 2010 (Note 27)	
	Number of shares	Amount $	Number of shares	Amount $
Beginning balance	19,794,281	$ 4,639,246	18,944,281	$ 4,525,346
Private placement (i)	-	-	850,000	170,000
Private placement flow-through (ii)	1,000,000	200,000	-	-
Issuance of warrants (ii)	-	(26,925)	-	-
Issued for property (iii)	200,000	32,000	-	-
Future income taxes from renounced expenditures (v)	-	(56,500)	-	(56,100)
Ending balance	20,994,281	$ 4,787,821	19,794,281	$ 4,639,246

During the year the following transactions occurred:

(i) On December 31, 2009, the Company issued 850,000 flow-through common shares at $0.20 per share; gross proceeds of $170,000.

(ii) On December 30, 2010, the Company completed a non-brokered private placement of 1,000,000 flow-through common shares at a price of $0.20 per share; gross proceeds of $200,000. Each unit consists of one common share and a half-warrant, with each full warrant being exercisable at $0.30 per share for 18 months from the date of closing.

(iii) The Company paid $10,000 cash and issued 100,000 common shares at a deemed price of $0.14 per share in relating to its 50% option in the Blue Quartz property consisting of 25 patented mining claims (see Note 5).

The Company paid $50,000 in cash and issued a 100,000 common shares at a deemed price of $0.18 per share in full consideration to acquire 100% of 8 unpatented mining claims located in Beatty Township, Northern Ontario which are contiguous to the Blue Quartz property (see Note 4).

(iv) Deferred income taxes for renounced expenditures amounted to $56,500 for the current year calculated at current year's combined taxes of 28.25%.

c) Warrants:

In December 2010, the Company issued 1,000,000 common share units consisting of one common share and a half-warrant, with each full warrant being exercisable at $0.30 per share for 18 months from the date of closing. These warrants remain outstanding as at September 30, 2011:

Date issued	Number of Warrants	Fair Value of Warrants	Exercise Price	Expiry Date
December 30, 2010	500,000	$ 26,925	0.30	June 30, 2012
Totals	500,000	$ 26,925		

The Company follows the fair value method of accounting for warrants using the Black-Scholes option pricing model. The fair value of warrants were calculated based on the following assumptions:

Risk free interest rate	1.71 %
Expected volatility	100 %
Expected life (in years)	1.5
Dividend yield	0.00 %
Stock price	$ 0.17
Exercise price	$ 0.30

d) Stock option plan:

The Company has adopted a stock option plan (the "Plan"), which provides that the board of directors of the Company may from time to time, in its discretion, and in accordance with exchange requirements, grant to directors, officers, employees and consultants of the Company options to purchase the Company's shares, provided that the number of the Company's shares reserved for issuance may not exceed 10% of the issued and outstanding common shares at any time. Such options will be exercisable for a period of up to 5 years from the date of grant. Except in specified circumstances, options are not assignable and will terminate if the optionee ceases to be employed by or associated with the Company. The terms of the Plan further provide that the price at which shares may be issued cannot be less than the market price (net of permissible discounts) of the shares when the relevant options were granted.

As at September 30, 2011, common share options held by directors, officers, and consultants are as follows:

Number of options outstanding	Exercise Price $	Expiry Date	Number of options exercisable
200,000	0.50	February 5th, 2013	200,000
1,025,000	0.20	December 30, 2014	1,025,000
375,000	0.20	December 10, 2015	375,000
350,000	0.35	April 28, 2016	350,000
125,000	0.20	August 07, 2016	-
2,075,000	0.26		1,950,000

The following table outlines the transactions of stock options occurred during the year:

	September 30, 2011	September 30, 2010
Weighted average exercise price	$ 0.26	$ 0.24
Balance, beginning of the year	1,600,000	1,600,000
Options granted during the year (i)	850,000	-
Options exercised during the year	-	-
Options cancelled during the year (ii)	(375,000)	-
Balance, end of the year	2,075,000	1,600,000

(i) On December 10, 2010, the Company granted 375,000 stock options to its officers and directors with an exercise price of $0.20 per share, expiry date December 10, 2015.

On April 28, 2011, the Company granted 350,000 stock options to the management and consultants with an exercise price of $0.35, expiry date April 28, 2016.

In August 2011, the Company granted 125,000 stock options to its Consultant with an exercise price of $0.20 per share, vesting quarterly, expiry date August 30, 2013.

(ii) During the year ended September 30, 2011, the Company cancelled 375,000 options previously granted to the officers and employees no longer connected with the Company.

In calculating the fair value of the options, the Company follows the Black-Scholes option pricing model. The following table summarizes the underlying assumptions that the Company used to determine the stock-based compensation cost for the Company's option awards during the year.

	September 30, 2011	September 30, 2010
Risk-free interest rate	1.71 %	2.74 %
Expected life (in years)	5	5
Expected volatility	100 %	100 %
Weighted average exercise price	$ 0.26	$ 0.24

The stock-based compensation recorded during the year amounted to $166,895 (2010 - $150,640) and credited to Contributed Surplus.

16. CONTRIBUTED SURPLUS

The following table summarizes the changes of Contributed Surplus during the year:

	September 30, 2011	September 30, 2010 (Note 27)
Balance - beginning of the year	$ 461,045	$ 310,405
Stock-based compensation (Note 15(d))	166,895	150,640
Balance - end of the year	$ 627,940	$ 461,045

17. ROYALTY INTEREST

During 2005, the Company purchased a beneficial 5% new smelter royalty interest ("NSR") on the Zenda Property in Kern County, California, USA. During 2007, the Company paid its remaining contractual obligation regarding the purchase of the NSR and wrote-down the carrying value of the NSR interest due to lack of progress in bringing the property into commercial production.

18. RESTRICTED CASH

On September 29, 2010, the Company entered into a Purchase and Sale Agreement (the "Agreement") with Shoal Point Energy Inc. and Canadian Imperial Venture Corp. to acquire a 5% working interest in a Western Newfoundland property. In consideration the Company placed $550,000 in trust with the Company's solicitors. In November 2010, the Agreement was cancelled and the $550,000 was released to the Company.

19. SEGMENTED INFORMATION

The Company operates in one operating segment, that being the acquisition, exploration and development of mineral properties. No revenue has been generated by these properties. Segmented geographical information is as follows:

The following table allocates total assets by segment:

	September 30, 2011		
	Canada	North Sea	Total
Current assets	$ 693,228	$ -	$ 693,228
Mineral properties	280,273	-	280,273
Deferred petroleum and natural gas exploration costs	-	-	-
Other	788	-	788
	$ 974,289	$ -	$ 974,289

	September 30, 2010 (Note 27)		
	Canada	North Sea	Total
Current assets	$ 900,372	$ -	$ 900,372
Deferred petroleum and natural gas exploration costs	150,000	-	150,000
Other	1,179	-	1,179
	$ 1,051,551	$ -	$ 1,051,551

The following table allocates net loss by segment:

	September 30, 2011	September 30, 2010 (Note 27)
Canada	$ 474,982	$ 659,424
North Sea	-	970,787
Net loss for the year	$ 474,982	$ 1,630,211

20. CAPITAL MANAGEMENT

The Company's objective in managing capital is to maintain the entity's ability to continue as going concern, support the Company's normal operating requirements and to continue the exploration and development of its mineral properties.

The capital of the Company consists of the items in the shareholders' equity. The Board of Directors does not establish a quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

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 debts or equity or similar instruments to obtain additional financing.

The Company's over-all strategy with respect to capital risk management remained unchanged during the year. The Company is not subject to any externally imposed capital requirements as at September 30, 2011.

21. 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 though 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 to up-to-date market information.

The Company's risk exposure and risk management policies and procedures have not changed.

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.

Credit risk

The maximum exposure to credit risk is equal to the carrying amount of financial instruments classified as loans and receivables.

Liquidity risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are its cash and cash equivalents. These funds are primarily used to finance working capital, operating expenses, exploration expenditures, capital expenditures, dividends and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities, holding adequate amounts of cash and cash equivalents. The current year's budget is planned to be funded and cash and cash equivalents provide additional flexibility for short-term timing fluctuations.

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

Foreign Currency Risk

As at September 30, 2011, the Company determined that change in the U.S. dollar exchange rate would not impact net earnings/loss and is not exposed to significant foreign currency risk.

Fair value

The carrying value and fair value of these financial instruments at September 30, 2011 is disclosed below by financial instrument category, as well as any related interest expense for the year ended September 30, 2011:

	September 30, 2011			September 30, 2010 (Note 27)		
Financial Instrument	Carrying Value	Fair Value	Interest Expense	Carrying Value	Fair Value	Interest Expense
Held for trading						
Cash	$ 428,898	$ 428,898	$ -	$ 272,291	$ 272,291	$ -
Restricted cash	$ -	$ -	$ -	$ 550,000	$ 550,000	$ -
Marketable Securities	$ 185,503	$ 185,503	$ -	$ 11,954	$ 11,954	$ -
Loan and receivable						
HST Recoverable	$ 71,161	$ 71,161	$ -	$ 65,827	$ 65,827	$ -
Financial liabilities						
Accounts payable and accrued liabilities	$ 36,771	$ 36,771	$ -	$ 37,946	$ 37,946	$ -

The fair value of the Company's financial assets and liabilities approximates their respective carrying values as at the balance sheet dates because of the short term maturity of these instruments. The fair value of the financial instruments 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.

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3 - valuation techniques based on inputs for the asset or liability that are not based on observable market data.

The fair value of cash and cash equivalent is measured based on Level 1 inputs referred to in the three levels of the hierarchy noted above. The Company does not have any Level 2 or Level 3 fair value measurements and thus no continuity schedule has been presented. In addition, there have been no significant transfers between levels.

22. CHANGES IN NON-CASH WORKING CAPITAL BALANCES

	September 30, 2011	September 30, 2010 (Note 27)
Increase in HST recoverable	$ (5,334)	$ (15,854)
Increase in Prepaid expense	(7,366)	(300)
(Decrease) increase in Accounts payable and accrued liabilities	(1,175)	1,846
Decrease (increase) in Restricted cash held in trust	550,000	(550,000)
	$ 536,125	$ (564,308)

23. DEFERRED INCOME TAXES

	September 30, 2011	September 30, 2010 (Note 27)
Balance - beginning of the year	$ 56,100	$ 56,100
Deferred tax on flow-through shares issued during the year @ 28.25% tax rate	56,500	-
Balance - end of year	$ 112,600	$ 56,100

During the year, the Company issued 1,000,000 flow-through common shares at $0.20 per share, gross proceeds of $200,000. The Company renounced to its investors certain expenditures in accordance with the rules under the Canadian Income Tax Act. Based on the current year's tax rate of 28.25%, the deferred income tax amounts to $56,500.

The Company is committed to spend the proceeds of the flow-through share issuance on resource properties on or before December 31, 2011.

24. INCOME TAXES

(a) Provision for income taxes current and future.

The provision for income taxes attributable to income taxes differs from the amounts computed by applying the combined federal and provincial tax rate of 28.25% (2010-33.%).

	September 30, 2011	September 30, 2010 (Note 27)
Net loss before taxes	$ (474,982)	$ (1,630,211)
Expected recovery of income taxes based on combined federal and provincial statutory rate of 28.25% (2010-33%) applied to loss	(134,182)	(537,970)
Adjustments to tax (benefit) expense resulting from:		
Non-deductible permanent differences		
Stock based compensation	47,148	49,711
Other items	39,853	(20,116)
Tax effect on reversal of temporary differences	-	11,951
Timing differences	110	-
Change in valuation allowance	47,071	496,424
Current tax expense	$ Nil	$ Nil

(b) Future income tax assets

The tax effects of temporary differences that give rise to significant portions of the future income tax assets and liabilities are presented below:

	September 30, 2011	September 30, 2010 (Note 27)
Non-capital losses	$ 972,331	$ 910,796
Deferred petroleum and natural gas exploration costs, excess of tax basis over carrying value	-	264,260
Cumulative tax (expense) benefits renounced from flow-through shareholders	(112,600)	(56,100)
Property and equipment, excess of tax basis over carrying value	222	303
Share issue costs	-	21,924
Total gross future tax assets	859,953	1,141,183
Less: Valuation allowance	(859,953)	(1,141,183)
Total net future tax assets	$ Nil	$ Nil

(c) Tax loss carry-forwards

The Company has approximately $3,441,880 of non-capital losses which may be used prior to 2031 to reduce future taxable income.

2011	$ 14,752
2015	126,599
2016	184,151
2027	487,834
2028	307,391
2029	949,478
2030	689,784
2031	681,891
	$ 3,441,880

25. LOSS PER SHARE

Net loss per share has been calculated by dividing the net loss for the year by the weighted average number of common shares outstanding during the year. The effect of stock options and warrants was anti-dilutive and hence, the diluted loss per share equals the basic loss per share.

26. SUBSEQUENT EVENTS

On November 7, 2011 the Company announced that it had signed a binding letter of Intent with Timginn Exploration Limited to earn a 60% interest in a past producing gold property located in the heart of the Timmins Gold Camp adjacent to Goldcorp's Hollinger and McIntyre mines which have combined production of over 30 million ounces of gold to date. The property contains the favorable gold mineralized horizon which was the source of production for both Hollinger and McIntyre mines. Drilling is planned to commence in December 2011.

McLaren can earn a 50% interest in the property by incurring $2 million of exploration expenditures by April 30, 2015 and an additional 10% interest by incurring an additional $2 million in exploration expenditures by April 30, 2016 in order to earn a total 60% interest for $4 million in total expenditures.

27. RESTATEMENT OF PRIOR YEAR'S COMPARATIVE

The Company made an adjustment to the September 30, 2010 comparative figures.

It was determined that the future income tax liability of $56,100 with respect to the flow-through shares issued on December 31, 2009 was included in the income statement as future income tax recovery instead of as a long-term liability in the balance sheet.

The resulting adjustments to the September 30, 2010 comparative balance sheet and statement of operations figures were as follows:

	Increase (Decrease)
Balance sheet:	
(i) Future income tax liability	$ 56,100
(ii) Deficit	56,100
Statement of operations:	
(iii) Future income tax (recovery)	(56,100)
(iv) Net loss and comprehensive loss	(56,100)

28. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation. These reclassifications did not affect the prior year's net losses.