MAXTECH VENTURES INC.

Condensed Interim Consolidated Financial Statements

Quarter Ended October 31, 2011

(An exploration stage company)

(Unaudited)

(Expressed in Canadian Dollars)

Notice to Reader

In accordance with National Instrument 51-102 released by Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the accompanying condensed interim consolidated financial statements for the quarter ended October 31, 2011.

Maxtech Ventures Inc.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Notes	October 31, 2011	July 31, 2011	August 1, 2010
			(Note 16)	(Note16)
		$	$	$
Assets				
Current Assets				
Cash		1,825,128	2,489,833	103,250
Short-term investment	4	2,037,675	2,033,540	5,022,032
Marketable securities	6	537,490	225,000	250,000
Other receivables		13,749	9,578	4,480
Prepaid expenses and deposits		5,000	6,079	11,672
		4,419,042	4,764,030	5,391,434
Long-term investment	7	-	1	1
Note receivable	8	618,000	-	-
Machinery and equipment	9	150,858	158,752	8,133
Exploration and evaluation assets	10	879,920	1,203,519	931,530
Total Assets		6,067,820	6,126,302	6,331,098
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accrued liabilities		39,945	17,932	15,252
Shareholders' Equity				
Share capital	11	7,770,961	8,130,000	8,130,000
Contrubuted surplus		5,349,127	5,349,127	5,349,127
Accumulated other comprehensive income	6	127,454	112,500	137,500
Deficit		(7,219,667)	(7,483,257)	(7,300,781)
		6,027,875	6,108,370	6,315,846
Total Liabilities and Shareholders' Equity		6,067,820	6,126,302	6,331,098

Nature of operations and going concern *1*

See accompanying notes to the consolidated financial statements

Approved and authorized by the Board of Directors on January 27, 2012

"Thomas R. Tough"
Director

"Sonny Janda"
Director

Maxtech Ventures Inc.

Condensed Interim Consolidated Statement of Loss and Comprehensive Loss

(Unaudited - expressed in Canadian dollars except the number of shares)

	Note	Quarter Ended October 31, 2011	2010 (Note 16)
		$	$
Expenses			
Amortization		7,893	407
Consulting		12,950	6,030
Office facilities and administration		16,374	10,641
Professional fees		16,895	2,050
Salaries and wages		3,483	-
Transfer agent, filing and stock exchange fees		1,006	1,728
Travel and promotion		-	9,128
Loss before the following		(58,601)	(29,984)
Interest income		12,135	7,766
Gain from recovery of long term investment write off	7	297,535	-
Foreign exchange loss		(3,834)	-
Net income (loss) for the period		247,235	(22,218)
Other comprehensive income (loss):			
Unrealized gain on marketable securities	6	14,954	100,000
Comprehensive income		262,189	77,782
Basic and diluted income (loss) per share		0.01	(0.00)
Weighted average number of common shares outstanding		33,649,002	33,649,002

See accompanying notes to the consolidated financial statements

Maxtech Ventures Inc.

Condensed Interim Consolidated Statements of Changes in Equity

October 31, 2011

(Unaudited -Expressed in Canadian Dollars except for number of shares)

		Share capital		Contributed surplus	Accumulated Other Comprehehsive Income		
	Notes	**Number**	**Amount**	**Share-based compensation**		**Deficit**	**Total shareholders' equity**
			$	$	$	$	$
					(Note 6)		
Balance, August 1, 2010		33,649,002	8,130,000	5,349,127	137,500	(7,300,781)	6,315,846
Unrealized gain on marketable securities		–	–	–	100,000	–	100,000
Net loss for the period		–	–	–	–	(22,218)	(22,218)
Balance, October 31, 2010		33,649,002	8,130,000	5,349,127	237,500	(7,322,999)	6,393,628
Balance, August 1, 2011		33,649,002	8,130,000	5,349,127	112,500	(7,483,257)	6,108,370
Corporate restructuring	5	–	(359,039)	–	–	16,355	(342,684)
Unrealized gain on marketable securities		–	–	–	14,954	–	14,954
Net income for the period		–	–	–	–	247,235	247,235
Balance, October 31, 2011		33,649,002	7,770,961	5,349,127	127,454	(7,219,667)	6,027,875

See accompanying notes to the consolidated financial statements

MAXTECH VENTURES INC.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited - expressed in Canadian dollars)

		Quarter Ended October 31,	
Cash provided by (used in)	**Notes**	**2011**	**2010**
		$	$
Operating activities			
Income(loss) for the period		247,235	(22,218)
Items not involving cash			
Accrued interest income	4,8	(12,135)	(7,766)
Amortization	9	7,893	407
Gain from recovery of long term investment write off	7	(297,535)	–
Foreign currency loss		3,834	–
		(50,708)	(29,577)
Changes in non-cash operating working capital			
Receivables		(4,171)	(6,803)
Prepaid expenses		1,079	(2,879)
Accounts payable and accrued liabilities		22,013	3,480
Cash used in operating activities		(31,787)	(35,779)
Investing activities			
Loan receivable		–	(125,000)
Note receivable	8	(600,000)	–
Exploration and evaluation assets	10	(35,440)	(76,273)
Short term investments	4	–	178,657
Cash used in investing activities		(635,440)	(22,616)
Effect of exchange rate change on cash		2,522	–
Decrease in cash		(664,705)	(58,395)
Cash, beginning of period		2,489,833	103,250
Cash, end of period		1,825,128	44,855

Cash received during the period for interest expense		–	657
Cash paid during the period for income taxes		–	–

See accompanying notes to the consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Maxtech Ventures Inc. ("Maxtech" or the "Company") is an exploration stage company and is primarily engaged in the acquisition, exploration and development of mineral resource properties.

The continued operations of the Company and the recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production. The Company may have to raise additional funds to complete the development phase of its programs. Funding for operations and exploration has been obtained primarily through public and private share offerings. While the Company has been successful in doing so in the past, there are no assurance that it will be able to continue to do so in the future.

These condensed interim consolidated financial statements and the accompanying notes (the "Financial Statements") have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred ongoing losses. A number of alternatives including, but not limited to selling an interest in one or more of its properties or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining additional working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing to finance its exploration programs and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

The Financial Statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations.

The amounts shown as exploration and evaluation assets represent acquisition and deferred exploration costs accumulated and do not necessarily represent present or future values. Changes in future conditions could require material write-downs of the carrying amounts of the Company's exploration and evaluation assets.

2. BASIS OF PRESENTATION AND FIRST TIME ADOPTION OF IFRS

Statement of compliance

These Financial Statements, including comparatives within, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with *International Accounting Standard* ("IAS") *34 Interim Financial Reporting.*

The preparation of these Financial Statements resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements. They also have been applied in preparing an opening IFRS balance sheet at August 1, 2010 for the purposes of the transition to IFRS, as required by the First Time Adoption of International Financial Reporting Standards (IFRS 1).

The impact of the transition from Canadian GAAP to IFRS is explained in Note 16.

The preparation of these Financial Statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period.

Significant assumptions about the future and other sources of estimation uncertainty that management

2. BASIS OF PRESENTATION AND FIRST TIME ADOPTION OF IFRS (Continued)

Statement of compliance (continued)

has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) The recoverability of accounts receivable and prepaid expenses
b) The recognition of deferred tax assets.
c) The estimated useful lives of equipment which are included in the consolidated statements of financial position and the related amortization included in the consolidated statements of comprehensive loss.
d) The recoverability of exploration and evaluation assets

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation and presentation

These Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information. All dollar amounts presented are in Canadian dollars, which is the functional currency of the Company, unless otherwise specified.

These Financial Statements include the accounts of the Company and its wholly owned subsidiaries Maxtech Resources Private Limited and its 53% owned subsidiary Emerging Minerals (BC) Corp. (collectively the 'Subsidiaries"). All material intercompany balances and transactions between the Company and the Subsidiaries have been eliminated.

Foreign exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and each of its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. The Company's exchange gains and losses arising on translation are included in the income (loss) for the period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets
The Company classifies its financial assets into one of the following categories as follows:

Fair value through profit or loss ("FVTPL") - This category comprises derivatives and financial assets acquired principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss. The Company classifies cash and short-term investments as FVTPL

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost using the effective interest method less any provision for impairment. Other receivables and note receivable are designated as loan and receivables.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method less any provision for impairment. The Company does not have held-to-maturity financial assets.

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income (loss). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from accumulated other comprehensive income (loss) and loss is recognized. Marketable securities are designated as available-for-sale financial assets.

All financial assets except those measured at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence of impairment as a result of one or more events that have occurred after initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial liabilities
The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss - This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss. The Company does not have FVTPL financial liabilities.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method. Accounts payable and accrued liabilities are designated as other financial liabilities.

Income (loss) per share

Basic income (loss) per share is computed by dividing net income (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted income (loss) per share is computed similar to basic income (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets

Pre-exploration costs are expensed as incurred.

Costs directly related to the exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined impairment in value, the property is written down to its recoverable amount. Exploration and evaluation assets are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount

Proceeds on dispositions of partial interests on properties or specified areas of common interest are credited as a reduction of carrying costs. No profit or loss is realized until all of the related costs have been offset by disposition proceeds. If a property or specified area of common interest is placed into commercial production, accumulated costs to production will be amortized on the unit of production method.

Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

The increase in the provision due to the passage of time is recognized as interest expense.

As at October 31, 2011, the Company, given the early stage of exploration on its mineral property, has no reclamation costs and therefore no provision for environmental rehabilitation has been made.

Equipment

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses. Amortization is calculated using the declining balance method at the following annual rate:

Office equipment, field equipment, and vehicle – 20%.

In the year of acquisition, amortization is recorded at one-half the normal rate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of tangible and intangible assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Share-based payments

The Company grants stock options to directors, officers, employees and consultants. The fair value of stock options is measured on the grant date, using the Black-Scholes option pricing model. The fair value of each tranche of the options granted is recognized over the vesting period with graded vesting method. Consideration paid for the shares on the exercise of stock options is credited to share capital.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards not yet adopted

The following are new and revised accounting pronouncements that have been issued but are not yet effective:

IFRS 9 “Financial Instruments” covers the classification and measurement of financial assets as part of its project to replace IAS 39, “Financial Instruments: Recognition and Measurement.” Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entitles would be required to reverse the portion of the fair value change due to own credit risk out of earnings and recognize the change in other comprehensive income. IFRS 9 is effective for the Company on January 1, 2013. Early adoption is permitted and the standard is required to be applied retrospectively. The Company is currently evaluating the impacts upon the implementation of these issued standards on its financial statements.

IFRS 10 "Consolidated Financial Statements" was issued in May 2011 and will replace portions of IAS 27 "Consolidation and Separate Financial Statements" and interpretation SIC-12 "Consolidation - Special Purpose Entities." The key features of IFRS 10 include consolidation using a single control model, definition of control, considerations on power and continuous reassessment. IFRS 10 is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted.

IFRS 11 "Joint Arrangements" requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venture will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, Interests in Joint Ventures, and SIC-13, Jointly Controlled Entities—Non-monetary Contributions by Venturers.

IFRS 12 “Income Taxes” establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, and special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity’s interests in other entities.

IFRS 13 “Fair Value Measurement” is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRSs. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

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

4. SHORT TERM INVESTMENTS

As at October 31, 2011 and July 31, 2011, the Company’s short term investments consisted of guaranteed investment certificates (“GICs”) issued by a Canadian Chartered bank. These GICs have a maturity on December 17, 2012, and interests ranged from 1.05 to 1.10% per annum.

5. CORPORATE RESTRUCTURING

On January 15, 2011, the Company and its ex-wholly owned subsidiary Chimata Gold Corp. (“Chimata), entered into an arrangement agreement (“Arrangement Agreement”) to proceed with a corporate restructuring by way of a statutory plan of arrangement whereby Chimata will acquire all of Maxtech's interest in Guercheville Property (Note 10) from Maxtech in exchange for 33,649,002 common shares of Chimata (the “Chimata Gold Shares”). Upon the closing of the Arrangement Agreement, the 33,649,002 Chimata Gold Shares will then be distributed to the shareholders of Maxtech pro-rata based on their relative shareholdings of Maxtech.

The Arrangement Agreement was approved by the Supreme Court of British Columbia on March 25, 2011 and by Maxtech’s shareholders on March 17, 2011 and became effective on August 17, 2011. As a result, Chimata was spun off from Maxtech and Chimata Gold Shares were distributed to Maxtech’s shareholders on September 2, 2011 (Note 11). Various directors of Maxtech remained directors of Chimata after the spun off.

Chimata has obtained the approval from TSX Ventures Exchange to list the common shares of Chimata on TSX Ventures Exchange and the common shares of Chimata started trading in TSX Ventures Exchange commencing September 16, 2011.

6. MARKETABLE SECURITIES

	October 31, 2011			
	Cost	Carrying Value	Market Value	Unrealized Gain (loss)
Abacus Mining & Exploration Corp. – 1,250,000 shares	$112,500	$ 212,500	$ 212,500	$ 100,000
Majescor Resources Inc. – 1,413,000 shares (Note 7)	$297,536	$ 324,990	$ 324,990	27,454
	$410,036	$ 537,490	$ 537,490	$ 127,454

The Company designates marketable securities as available for sale financial asset. As a result, the Company recorded $127,454, being the change in unrealized gain during the quarter ended October 31, to other comprehensive income (loss) in accordance with the Company’s accounting policies.

	July 31, 2011			
	Cost	Carrying Value	Market Value	Unrealized Gain
Abacus Mining & Exploration Corp. – 1,250,000 shares	$112,500	$ 222,500	$ 222,500	$ 112,500

7. LONG TERM INVESTMENT

On October 22, 2007 the Company entered into a subscription agreement with Societe Miniere Genevieve-Haiti, S.A. ("SGH"), a Haitian private company, to purchase 320,000 SGH common shares at $12.50 US per share for a total investment of US $4,000,000. SGH holds a number of advanced-stage exploration properties in Haiti which require additional expenditures to further explore and develop the properties. The Company, in order to earn an interest in the projects, has agreed to provide the necessary funding for this development through the purchase of common shares of SGH. The Company purchased 24,160 SGH common shares for US $302,000 during the year ended July 31, 2008.

The Company did not receive the 24,160 shares from SGH and decided not to continue with its investment and to instead pursue the recovery of the advances paid. During the year ended July 31, 2008, the Company wrote down its investment to a nominal amount $1 and recorded a loss of $297,535 due to the uncertainty surrounding its recovery. SGH then underwent a name change to SOMINE, S.A.

In 2011, Maxtech entered into an agreement with Simact Mining Holding Inc. ("SMHI") on behalf of SGH, pursuant to which SMHI will transfer 1,413,000 shares of Majescor Resources Inc. ("MJX Shares") to Maxtech for the reimbursement of Maxtech's investment in SGH.

Maxtech received the MJX Shares on September 7, 2011 with a market value of $367,380 determined by the closing price of the MJX shares on TSX Venture Exchange on September 7, 2011. As a result, the Company has recognized a gain of $297,535 which is the recovery to the write down previously recorded in 2008.

8. NOTE RECEIVABLE

On June 16, 2011, the Company and Chimata, the Company's ex-subsidiary, entered into a loan agreement whereby Maxtech advanced $600,000 to Chimata to finance its operations. The loan is unsecured and bears an interest of Canadian bank's prime borrowing rate (3% as at October 31, 2011) plus 5% per annum. The principal and accrued interest of the loan will be due on December 31, 2012. As at October 31, 2011, the Company's note receivable balance was comprised of $600,000 principal and $18,000 accrued interest.

9. MACHINERY AND EQUIPMENT

	Cost	Accumulated Amortization	October 31, 2011 Net Book Value	July 31, 2011 Net Book Value
Field equipment	$151,809	$ 29,586	$ 122,223	$ 128,657
Office equipment	18,472	4,009	14,463	15,218
Vehicle	16,530	2,358	14,172	14,877
	$186,811	$ 35,953	$ 150,858	$ 158,752

10. EXPLORATION AND EVALUATION ASSETS

	Ariane	Guercheville	Julia	Lalitpur	Total
As at July 31, 2011	$ 357,168	$ 359,039	$ 358,857	$ 128,455	$1,203,519
Acquisition, renewal and holding	-	-	-	-	-
Drafting and map	-	-	-	-	-
Geologist and geophysics	-	-	-	22,959	22,959
Management	-	-	-	6,308	6,308
Supplies	-	-	-	6,173	6,173
Travelling and lodging	-	-	-	-	-
Disposal (Note 5)	-	(359,039)	-	-	(359,039)
As at October 31, 2011	$ 357,168	$ -	$ 358,857	$ 163,895	$ 879,920

Ariane & Guercheville

By an Option agreement dated March 5, 2007, the Company may acquire a 100% interest in two prospective gold properties in the Abitibi region of Quebec for consideration of:

- Cash payment of $45,000 for each property; and
- Undertaking the drilling of at least three holes on each property

For each property upon which an economic discovery is made, a bonus of $70,000 in the Company's common shares and a 2% NSR will be issued to the vendor. The Company can acquire 1% of the NSR for $1 million.

On October 20, 2010, the Company renegotiated the original agreement and acquired a 100% interest of Ariane and Guercheville property by paying the sum of $67,500 (paid).

When the Arrangement Agreement became effective on August 17, 2011 (Note 5), the Company transferred the Guercheville property to Chimata at $359,039 which was the cost and carrying value at the date of transfer (Note 11). As a result, the Company did not record gain or loss in connection with this transfer.

Lalitpur District, India

In March 2010, the Company's wholly owned subsidiary, Maxtech Resources Private Limited ("MRPL"), was granted a Reconnaissance Permit in the Lalitpur District, Uttar Pradesh (U.P.) India to explore for platinum group minerals and gold mineralization.

For the quarter ended October 31, 2011, the Company incurred $35,440 exploration expenditure in connection with the Lalitpur Reconnaissance Permit.

10. EXPLORATION AND EVALUATION ASSETS (Continued)

Julia

By an Option agreement dated November 30, 2005 and amended September 7, 2006, between the Company and an un-related party (the "Optionor"), the Company has acquired a 50% interest, subject to a 2% NSR, in a property consisting of 6 mineral claims in the Atlin Mining Division of British Columbia (the "Julia Property") . The Company can further acquire 1% of the NSR for $1 million.

The expiry date of all the claims have been extended to October 30, 2017. All the claims were in good standing as of October 31, 2011. No exploration cost was incurred during the quarter ended October 31, 2011.

On May 31, 2011, the Company entered into an agreement with the Optionor whereby the Company and the Optionor agreed to transfer their interests in the Julia Property to Emerging Minerals (BC) Corp. a subsidiary owned by the Company and the Optionor.

11. SHARE CAPITAL

The authorized share capital of the Company consists of unlimited number of common shares without par value.

In accordance with the Arrangement Agreement, the Company created a new class of common share ("New Common Share") and a new class of preferred share ("Class A Preferred Shares"). At the Effective Date, each common share of the Company ("Common Share") was exchanged into one New Common Share and one Class A preferred share. The Company then fully redeem the Class A preferred shares by distributing to the shareholders of Maxtech the 33,649,002 Chimata Gold Shares.

The class of Common Share and Class A preferred share were eliminated and cancelled upon the completion of the Arrangement Agreement.

The continuity of the Company's outstanding share capital as at October 31, 2011 is as follows:

Common Share	**Number**	**Amount ($)**
Balance, July 31, 2011	33,649,002	8,130,000
Cancellation-Arrangement Agreement	(33,649,002)	(8,130,000)
Balance, October 31, 2011	**-**	-

Class A Preferred Shares	**Number**	**Amount ($)**
Balance, July 31, 2011	-	-
Issuance-Arrangement Agreement	33,649,002	359,039
Redemption – Arrangement Agreement (Note 10)	(33,649,002)	(359,039)
Balance, October 31, 2011	**-**	-

New Common Share	**Number**	Amount ($)
Balance, July 31, 2011	-	-
Issuance-Arrangement Agreement	33,649,002	7,770,961
Balance, October 31, 2011	**33,649,002**	7,770,961

11. SHARE CAPITAL (Continued)

Stock Options

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 6,116,000. Options granted under the Plan may have a maximum term of five (5) years. The exercise price of options granted under the Plan will not be less than the closing price of the Company's shares on the TSX Venture Exchange (the "Exchange") on the trading day immediately before the date of grant, less the discount permitted under the Exchange's policies, subject to a minimum of $0.10 per common share. Stock options granted under the Plan vest over a period of 18 months from the date of grant and vesting of the options shall occur equally every six months.

During 2010, the Company cancelled all the outstanding stock options and has not granted any stock options since then. As a result, the Company did not have outstanding stock option as at October 31 and July 31, 2011.

12. RELATED PARTY TRANSACTIONS

The Company's related party transactions have been recorded at their exchange amounts, being the amounts agreed to and by the related parties. Amounts due to or from related parties are unsecured, non-interest bearing, and have the same terms as other trade payable and receivables.

Related party transactions that have not been disclosed elsewhere in these Financial Statements are as follows:

a) Management transactions - The aggregate value of transactions relating to key management and entities over which they have controlled or significant influences are as follows:

-Maxtech was charged by a company controlled by the Chief Financial Officer $5,450 for the consulting services provided.

b) Other related party transactions – Nil.

c) Balance with related parties – As at October 31, 2011, Maxtech's accounts payable and accrued liabilities included a $3,998 balance owing to a Company controlled by the Chief Financial Officer (July 31, 2011 - $1,232).

13. FINANCIAL INSTRUMENTS

Carrying Amounts and Fair Values of Financial Instruments

The fair value of a financial instrument is the price at which a party would accept the right and/or obligations of the financial instrument from an independent third party. Given the varying influencing factors, the reported fair values are only indicators of the prices that may actually be realized for these financial instruments.

The fair values of the Company's cash, marketable securities, short-term investments, amounts receivable, note receivable, accounts payables and accrued liabilities approximate their carrying values because of their short term nature.

13. FINANCIAL INSTRUMENTS (Continued)

Carrying Amounts and Fair Values of Financial Instruments (continued)

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair values as follows:

Level 1 - quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3 – inputs that are not based on observable market data.

The following table illustrates the classification of the Company's financial instruments recorded at fair value as at October 31 and July 31, 2011:

	Financial assets at fair value as at October 31, 2011			
	Level 1	Level 2	Level 3	Total
Cash	$ 1,825,128	$ -	$ -	$ 1,825,128
Short term investments	$ 2,037,675	$ -	$ -	$ 2,037,675
Marketable securities	$ 537,490	$ -	$ -	$ 537,490

	Financial assets at fair value as at July 31, 2011			
	Level 1	Level 2	Level 3	Total
Cash	$ 2,489,833	$ -	$ -	$ 2,489,833
Short term investments	$ 2,033,540	$ -	$ -	$ 2,033,540
Marketable securities	$ 225,000	$ -	$ -	$ 225,000

Financial Instrument Risk Exposure and Risk Management

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk and interest rate risk.

Currency risk

The Company's India subsidiary makes it subject to foreign currency fluctuations which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and the Indian Rupee.

The Company does not invest in foreign currency contracts to mitigate the risks.

Credit risk

Credit risk refers to the risk that another entity will default on its contractual obligations resulting in financial loss to the Company. The Company's credit risk is primarily attributable to its cash deposits, short-term investment, other receivables, and note receivable. The Company's cash and short term investments are held in a reputable Canadian chartered bank. Other receivables consisted of harmonized sale taxes recovery due from the government of Canada and advance due from its ex-subsidiary, Chimata. Note receivable is solely due from Chimata which have various common director with the Company. Management believes the risk of loss is minimal as the debtors are either having good reputation or having close relationship with the Company.

13. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within the current operating period.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at October 31, 2011, the Company has investments in guaranteed income certificates with fixed interest rates which are not subject to interest rate risk; and a $600,000 receivable with an interest rate of Canadian bank's prime borrowing rate (the "Prime Rate') plus 5% per annum. The Company's interest revenue will increase / decrease by $1,000 for the quarter ended October 31, 2011 if the Prime Rate increases / decreases by one percent per annum.

14. SEGMENT DISCLOSURES

The Company considers itself to operate in a single reportable operating segment, being exploration and development of mineral properties. Geographic segment disclosures are as follows:

	Total Assets	Machinery and Equipment	Exploration and Evaluation Assets	Current Assets	Other Non-Current Assets
	$	$	$	$	$
October 31, 2011					
India	191,645	26,225	163,895	1,525	-
Canada	5,876,175	124,633	716,025	4,417,517	618,000
	6,067,820	150,858	879,920	4,419,042	618,000
July 31, 2011					
India	199,432	16,931	128,455	54,046	-
Canada	5,926,870	141,821	1,075,064	4,709,984	1
	6,126,302	158,752	1,203,519	4,764,030	1

15. MANAGEMENT OF CAPITAL RISK

The Company manages its cash, short term investments, marketable securities, and common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

In order to maximize ongoing development efforts, the Company does not plan to pay dividends in the

15. MANAGEMENT OF CAPITAL RISK (Continued)

near future. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments, selected with regards to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period.

16. FIRST TIME ADOPTION OF IFRS

As stated in Note 2, these are the Company's first condensed consolidated interim financial statements for the quarter covered by the first annual financial statements prepared in accordance with IFRS. The accounting policies stated in note 2 and 3 have been applied as follows:

- In preparing the unaudited condensed interim consolidated financial statements for the three months ended October 31, 2011,
- the comparative information for the three months ended October 31, 2010,
- the statement of financial position as at July 31, 2011, which is the most recent year end,
- the opening IFRS statement of financial position on the IFRS Transition Date, being August 1, 2010.

Adoption of IFRS1

The guidance for the first time adoption of IFRS is provided by IFRS1 - First Time Adoption of International Financial Reporting Standards, which provides guidance for an entity's initial adoption of IFRS. IFRS1 gives entities adopting IFRS for the first time a number of optional exemptions in certain areas to the general requirement for full retrospective application of IFRS.

Optional Exemptions

The Company elected to take the following IFRS 1 optional exemptions:

- to apply the requirements of IFRS 3, Business Combinations, prospectively from the Transition Date
- to apply the requirements of IFRS 2, Share-based payment, only to equity instruments granted after November 7, 2002 which had not vested as of the Transition Date

.
Additionally, in accordance with IFRS 1, an entity's estimates under IFRS at the Transition Date 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 August 1, 2010 are consistent with its IFRS estimates for the same date.

Impacts of IFRS Transitions

a) Impacts to statements of comprehensive income (loss)

IFRS 1 requires an entity to reconcile comprehensive income for prior periods presented under Canadian GAAP to IFRS as of the same date, accompanying with an explanation for any material adjustments to cash flows to the extent that they exist. The IFRS transition has no impact to the company's statements of comprehensive loss for the quarter ended October 31, 2010 and for the year ended July 31, 2011. Thus reconciliation is not necessary.

16. FIRST TIME ADOPTION OF IFRS (Continued)

Adoption of IFRS1 (continued)

Impacts of IFRS Transitions (continued)

b) Impacts to statements of financial position

The IFRS transition has no impact to the company's statements of financial position reported in accordance with Canadian GAAP as at the Transition Date (August 1, 2010), the reporting date of comparative interim period in prior year (October 31, 2010), and the recent year end date (July 31, 2011). Thus reconciliation is not necessary.

c) Impacts to statements of change in equity

The adoption of IFRS does not have impact on the Company's equity previously reported in accordance with Canadian GAAP as at August 1, 2010, October 31, 2010 and July 31, 2011. Thus reconciliation is not provided.

d) Impacts to statements of cash flow

The IFRS transition has no impact to the company's statements of cash flow for the quarter ended October 31, 2010 and for the year ended July 31, 2011. Thus reconciliation is not necessary.

e) The following summarizes the significant differences between the Company's GAAP accounting policies and those applied by the Company under IFRS:

i. Impairment of (non-financial) asset

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 estimate future cash flows. Current Canadian GAAP requires a write-down to estimate fair value only if the undiscounted estimate 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 was no impact on the financial statements.

ii. Decommissioning Liabilities (Asset Retirement Obligations)

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current 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. The Company's accounting policies related to decommissioning liabilities have been changed to reflect these differences. There is no impact on the financial statements.

iii. Exploration and evaluation

Under IFRS, an entity can choose to expense or defer exploration and evaluation expenditures on mineral resources. Under Canadian GAAP, the Company capitalized direct exploration and evaluation expenditures. On transition to IFRS, the Company continued to capitalize all the direct exploration and evaluation expenditures.

17. SUBSEQUENT EVENTS

The Company does not have subsequent events to report on.