

Carpincho Capital Corp.

Condensed Interim Financial Statements

(Expressed in Canadian Dollars)

(unaudited)

For the Three and Six Months Ended December 31, 2011

Management's Responsibility for Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Carpincho Capital Corp. (the "Company" or "Carpincho") are the responsibility of management.

The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the balance sheet date. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34-Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

Carpincho Capital Corp.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
As at
(unaudited)

	December 31, 2011	June 30, 2011
Assets		
Current		
Cash and cash equivalents	\$ 9,388	\$ 13,017
Sales taxes recoverable	6,572	4,774
	\$ 15,960	\$ 17,791
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 6)	28,140	20,062
Shareholder loan (Note 8)	25,000	25,000
	53,140	45,062
Shareholders' Equity		
Capital stock (Note 3)	1,000	1,000
Retained earnings (deficit)	(38,180)	(28,271)
	(37,180)	(27,271)
	\$ 15,960	\$ 17,791

Nature of Operations (Note 1)

Carpincho Capital Corp.
Condensed Interim Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
For the Three and Six Months Ending December 31
(unaudited)

	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Six Months Ended December 31, 2011	Six Months Ended December 31, 2010
Revenues				
Other income		\$904		\$904
Expenses				
Management fees	-	-	-	42,238
General and administrative	41	-	41	6,141
Audit fees	-	6,141	-	5,620
Regulatory filing fees	3,632	-	3,632	4,819
Legal fees	5,494	7,742	6,236	7,742
	9,167	13,883	9,909	66,560
Net loss and comprehensive loss for the period	(9,167)	(12,979)	(9,909)	(65,656)
Retained earnings (Deficit), beginning of period	(29,013)	(11,298)	(28,271)	41,379
Deficit at end of period	(38,180)	(24,277)	(38,180)	(24,277)
Basic and diluted earnings (loss) per share				
	(0.002)	(0.003)	(0.002)	(0.013)
Weighted average number of Common Shares outstanding (Note 3)				
	5,000,000	5,000,000	5,000,000	5,000,000

See accompanying notes

Carpincho Capital Corp.
Condensed Interim Statement of Changes in Equity
(Expressed in Canadian Dollars)
(unaudited)

	Share Capital Shares	Capital Amount	Contributed Surplus	Deficit	Total
Balance, June 30, 2010	5,000,000	\$1,000	\$ -	\$ 41,379	\$ 42,379
Net loss and comprehensive loss for the year	-	-	-	(104,397)	(104,397)
Recovery of refundable taxes	-	-	-	34,747	34,747
Balance, June 30, 2011	5,000,000	1,000	-	(28,271)	(27,271)
Net loss and comprehensive loss for the period	-	-	-	(9,909)	(9,909)
Balance, December 31, 2011	5,000,000	\$1,000	\$ -	\$ (38,180)	\$ (38,180)

See accompanying notes

Carpincho Capital Corp.
Condensed Interim Statement of Cash Flows
(Expressed in Canadian Dollars)
For the Three and Six Months Ending December 31
(unaudited)

	Three Months Ended December 31, 2011	Three Months Ended December 31, 2010	Six Months Ended December 31, 2011	Six Months Ended December 31, 2010
Cash provided by (used in)				
Net earnings (loss)	\$ (9,167)	\$ (12,979)	\$ (9,909)	\$ (65,656)
	(9,167)	(12,979)	(9,909)	(65,656)
Net changes in non-cash working capital				
Sales taxes recoverable	(1,701)	(892)	(1,798)	(4,338)
Accounts payable and accrued liabilities	7,239	(38,424)	8,078	11,692
Net change in cash	(3,629)	(39,316)	(3,629)	7,354
Cash, beginning of period	13,017	62,379	13,107	68,387
Cash, end of period	\$ 9,388	\$ 10,085	\$ 9,388	\$ 10,085
SUPPLEMENTAL CASH FLOW INFORMATION				
Interest paid	-	-	-	-
Income tax paid	-	-	-	-

See accompanying notes

Carpincho Capital Corp.
Notes to Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
December 31, 2011
(unaudited)

1. NATURE OF OPERATIONS

The Company was incorporated under the Canada Business Corporations Act on April 26, 2002 and is engaged in venture capital activities. The Company intends to identify and evaluate opportunities for the acquisition of an interest in properties, assets or businesses, and once identified and evaluated, to negotiate an acquisition thereof, merger with or participation therein.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation or once identified, conclude a merger or acquisition transaction. Furthermore, the Company has limited working capital to pursue such opportunities. The ability of the Company to continue as a going concern is dependant upon, among other things, being able to obtain adequate financing, and maintaining positive operating cash flows. Additionally, if the Company requires additional cash resources to fund current operations, there is no assurance that it will be able to obtain these required cash resources. However, management has assessed the Company's ability to continue as a going concern and determined that the Company will continue for the foreseeable future subject to the material uncertainties listed above. Therefore, the financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or amounts and classifications of liabilities that may result from the possible inability of the Company to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies set out below have been applied consistently to all periods presented in these unaudited condensed interim financial statements. They also have been applied in preparing an opening IFRS balance sheet at July 1, 2010 (note 11 for the purposes of the transition to IFRS, as required by IFRS 1).

These unaudited condensed interim financial statements have been prepared on the basis of IFRS standards that are expected to be effective or available for early adoption by the Company on June 30, 2012, the Company's first annual reporting date under IFRS. The Company has made certain assumptions about the accounting policies expected to be adopted when the first IFRS annual financial statements are prepared for the year ended June 30, 2012.

These unaudited condensed consolidated interim financial statements for the three and six months ended December 31, 2011 have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB") under International Financial Reporting Standards ("IFRS") and using the accounting policies the Company expects to adopt in its consolidated financial statements as at and for the year ending June 30, 2012. The same accounting policies and methods of computation were followed in the preparation of these unaudited condensed consolidated interim financial statements as were followed in the preparation of the unaudited condensed consolidated interim financial statements for the three months ended September 30, 2011.

The unaudited condensed consolidated interim financial statements for the three months ended September 30, 2011 contain certain incremental annual IFRS disclosures not included in the annual consolidated financial statements for the year ended June 30, 2011 prepared in accordance

with previous Canadian generally accepted accounting principles ("GAAP"). Accordingly, these unaudited condensed consolidated interim financial statements for the three and six months ended December 31, 2011 should be read in conjunction with the annual consolidated financial statements for the year ended June 30, 2011 prepared in accordance with previous Canadian GAAP, as well as the unaudited condensed consolidated interim financial statements for the three

Carpincho Capital Corp.
Notes to Condensed Interim Financial Statements
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months ended June 30, 2011.

As IFRS and Canadian GAAP differ in some areas, management has amended certain accounting, measurement, and consolidation methods previously applied under Canadian GAAP financial statements in order to comply with IFRS. An explanation of how the transition to IFRS has affected the reported financial position, financial results and cash flows of the Company is provided in Note 8.

Basis of presentation

These unaudited condensed interim financial statements have been prepared on the historical cost basis.

Functional and Presentation Currency

These unaudited condensed interim financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

Cash

Cash comprises cash on hand with a Canadian chartered bank.

Loss Per Share

Basic loss per share is calculated using the weighted average number of shares outstanding during the year. Contingently issuable shares are not considered outstanding common shares and consequently not included in loss per share calculations. The Company uses the treasury stock method to compute the dilutive effect of options and similar instruments. Under this method, the dilutive effect on earnings per share is recognized on the use of the proceeds that could be obtained upon exercise of options and similar instruments. It assumes that proceeds would be used to purchase common shares at the average market price during the period.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on temporary differences between financial reporting and tax bases of assets and liabilities, as well as for the benefit of losses available to be carried forward to future years for tax purposes. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred income tax assets are recorded in the financial statements if realization is considered probable.

Carpincho Capital Corp.
Notes to Condensed Interim Financial Statements
(Expressed in Canadian Dollars)
December 31, 2011
(unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Use of Estimates

The preparation of financial statements in conformity with IFRS principles 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 date of the financial statements and the reported amount of revenue and expenses during the year. Actual results could differ from those estimates. Significant estimates made include valuation of stock based compensation.

Financial Instruments

All financial instruments are measured based on the classification adopted for the financial instrument: fair value through profit and loss ("FVTPL"), held to maturity, loans and receivables, available for sale or other liability.

Financial Assets

All financial assets are recognized and derecognized on the trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL which are initially measured at fair value.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. Other financial liabilities:

Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

The Company has classified its financial instruments as follows:

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2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

<u>Financial Instrument</u>	<u>Classification</u>
Cash	FVTPL
Other receivables	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities

The Company's financial instruments measured at fair value on the balance sheet consist of cash. Cash is measured at level 1 of the fair value hierarchy. There are three levels of the fair value hierarchy as follows:

- Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.
- Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after June 30, 2011 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the list below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

- (a) IFRS 9 Financial instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013.
- (b) IFRS 10 'Consolidated Financial Statements' – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.
- (c) IFRS 11 'Joint arrangements' ("IFRS 11") was issued by the IASB in May 2011 and will replace IAS 31 Interests in Joint ventures and SIC 13 – Jointly Controlled Entities – Non-Monetary Contributions by Venturers. IFRS 11 is effective for annual periods beginning on or after January 1, 2013.

Carpincho Capital Corp.
Notes to Financial Statements
December 31, 2011 (unaudited)

- (d) IFRS 12 'Disclosure of Interests in Other Entities' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.
- (e) IFRS 13 'Fair Value Measurement' - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.
- (f) IAS 1 – Presentation of financial statements ("IAS 1") was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012.

3. CAPITAL STOCK

	December 31, 2011	June 30, 2011
Authorized unlimited common shares		
Issued 5,000,000 common shares ⁽¹⁾	\$ 1,000	\$ 1,000
	\$ 1,000	\$ 1,000

- (1) On January 20, 2011 the articles of the Company were amended to: (i) change the name of the Company to "Carpincho Capital Corp."; (ii) eliminate all classes of share capital of the Company and replace it with one class of common shares; and (iii) to reclassify each issued and outstanding Class A Share as 5,000 common shares. All share figures in these financial statements have been adjusted for the share reclassification.

4. LOSS PER SHARE

Loss per share for the three months ended December 31, 2011 has been calculated based on the weighted average number of shares outstanding of 5,000,000.

5. CAPITAL RISK MANAGEMENT

The Company includes equity, comprised of issued common shares and deficit, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The Company is not subject to externally imposed capital requirements.

6. RELATED PARTY TRANSACTION

Transactions with related parties are incurred in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and approved by the related parties. Related party transactions have been listed below, unless they have been disclosed elsewhere in the financial statements.

During the six months ended December 31, 2011 the Company incurred legal fees from a law firm in which a director and officer of the Corporation is a director, officer and shareholder in the amount of \$6,236 (2010 – \$7,742). An amount of \$21,098 (including applicable taxes) is included in accrued liabilities for fees incurred with this law firm.

7. FINANCIAL INSTRUMENTS AND RISK FACTORS

The Company's financial instruments, consisting of cash, accounts payable and accrued liabilities, and demand shareholder loan, approximate fair values due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

As at December 31, 2011, the Company had accounts payable and accrued liabilities of \$28,140 due within 12 months, a demand shareholder loan of \$25,000 and had cash of \$9,388. Additional funding will be required to satisfy these liabilities.

8. CONVERSION TO IFRS

Overview

The Company has adopted IFRS, effective for interim and annual consolidated financial statements relating to its fiscal year ended June 30, 2012. The accounting policies have been selected to be consistent with IFRS as is expected to be effective on June 30, 2012 the Company's first annual IFRS reporting date. Previously, the Company prepared its interim and annual consolidated financial statements in accordance with Canadian GAAP.

First-time Adoption of IFRS

IFRS 1 requires reconciliation disclosures that explain how the transition from Canadian GAAP to IFRS has affected the Company's previously reported consolidated financial statements prepared in accordance with previous Canadian GAAP for the three and six months ended December 31, 2010. The changes in accounting policies resulting from the Company's adoption of IFRS had no impact on the unaudited interim statement of financial position, and on the statements of loss and comprehensive loss, changes in equity and cash flows for the three and six months ended December 31, 2010.

Reconciliation of Canadian GAAP to IFRS

There are no reconciling items within the statement of financial position, and on the statements of loss and comprehensive loss, changes in equity and cash flows between Canadian GAAP to IFRS as at December 31, 2010 or for the three and six months then ended.

9. SHAREHOLDER LOAN

The loan is unsecured, non-interest bearing and repayable on demand.