
ZOOLANDER CORPORATION
CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2011
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Management's Responsibility for Condensed Interim Financial Statements

The accompanying unaudited condensed interim financial statements of Zoolander Corporation (the "Company" or "Zoolander") are the responsibility of management and the Board of Directors.

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 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.

(signed) "*Gavin Treanor*"
Gavin Treanor
Chief Executive Officer

(signed) "*Sean Rai*"
Sean Rai
Chief Financial Officer

Toronto, Canada
June 16, 2011

Notice to Reader

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements as at and for the three months ended March 31, 2011 and March 31, 2010 have not been reviewed by the Company's auditors.

Zoolander Corporation**Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)**

	As at March 31, 2011	As at December 31, 2010 (note 14)	As at January 1, 2010 (note 14)
ASSETS			
Current assets			
Cash (note 4)	\$ 174,123	\$ 190,715	\$ 276,505
Amounts receivable and other assets (note 7)	11,663	9,719	23,253
Total assets	\$ 185,786	\$ 200,434	\$ 299,758
EQUITY AND LIABILITIES			
Current liabilities			
Amounts payable and other liabilities (note 8)	\$ 28,984	\$ 22,112	\$ 15,515
Equity			
Share capital (note 9)	573,412	573,412	573,412
Reserves	407,193	403,113	403,113
Deficit	(823,803)	(798,203)	(692,282)
Total equity	156,802	178,322	284,243
Total liabilities and equity	\$ 185,786	\$ 200,434	\$ 299,758

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Related party transactions (note 13)
Subsequent event (note 15)

Zoolander Corporation**Condensed Interim Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)****(Unaudited)****Three Months Ended
March 31,
2011 2010
(note 14)**

Expenses

General and administrative (note 12)	\$ 25,600	\$ 3,860
Net loss and comprehensive loss the period	\$ (25,600)	\$ (3,860)
Basic and diluted net loss per share (note 11)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding	3,850,000	3,850,000

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Zoolander Corporation
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

Three Months Ended
March 31,
2011 **2010**
(note 14)

Operating activities		
Net loss for the period	\$ (25,600)	\$ (3,860)
Share-based payments (note 10)	4,080	-
Non-cash working capital items:		
Amounts receivable and other assets	(1,944)	17,714
Amounts payable and accrued liabilities	6,872	(2,939)
Net cash (used in) provided by operating activities	(16,592)	10,915
Cash, beginning of period	190,715	276,505
Cash, end of period	\$ 174,123	\$ 287,420

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Zoolander Corporation**Condensed Interim Statements of Changes in Equity****(Expressed in Canadian Dollars)****(Unaudited)**

		Reserves			
			Equity settled		
		Share	share-based	Deficit	Total
		capital	payments		
			reserve		
Balance, January 1, 2010	\$	573,412	\$ 403,113	\$ (692,282)	\$ 284,243
Net loss and comprehensive loss for the period		-	-	(3,860)	(3,860)
Balance, March 31, 2010		573,412	403,113	(696,142)	280,383
Net loss and comprehensive loss for the period		-	-	(102,061)	(102,061)
Balance, December 31, 2010		573,412	403,113	(798,203)	178,322
Share based payments (note 10)		-	4,080	-	4,080
Net loss and comprehensive loss for the period		-	-	(25,600)	(25,600)
Balance, March 31, 2011	\$	573,412	\$ 407,193	\$ (823,803)	\$ 156,802

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Zoolander Corporation

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2011

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operations and going concern

Zoolander Corporation (the "Company" or "Zoolander") is a Capital Pool Company that has not commenced commercial operations and has no assets other than a minimum amount of cash. The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction, as defined under the policies of the TSX Venture Exchange (the "Exchange"). The Company was incorporated as a private company by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Ontario) on October 27, 2005.

The primary office is located at 30 Adelaide Street East, Suite 1600, Toronto, Ontario, M5C 3H1.

The financial statements were approved and authorized by the Audit Committee of the Board of Directors on June 16, 2011.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

The Company has not completed its qualifying transaction within the specified time period as required by TSX Venture Policy 2.4, the shares of the Company were transferred to the NEX board on March 27, 2008 under the symbol ZOO.H. As a result of a qualifying transaction not being completed within the specified time period as required by the TSX Venture Policy 2.4, 4,050,000 seed shares which were subject to escrow provisions described in note 9 were cancelled.

2. Significant accounting policies

(a) *Statement of compliance*

These unaudited condensed interim financial statements are the Company's first financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). Previously, the Company prepared its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). The disclosures required by the provisions of IFRS 1, "First-time adoption of International Financial Reporting Standards", explaining how the transition to IFRS has affected the reported financial performance, cash flows and financial position of the Company, are presented in note 14.

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 January 1, 2010 (note 14) for the purposes of the transition to IFRS, as required by IFRS 1, First Time Adoption of International Financial Reporting Standards (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 December 31, 2011, 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 December 31, 2011.

Zoolander Corporation
Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2011
(Expressed in Canadian Dollars)
(Unaudited)

2. Significant accounting policies (continued)

(b) Basis of presentation

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

(c) 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.

(d) Cash

Cash includes cash on hand with a Canadian chartered bank and funds held in trust with the Company's corporate counsel.

(e) Financial instruments

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 fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity investments', 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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.

Zoolander Corporation
Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2011
(Expressed in Canadian Dollars)
(Unaudited)

2. Significant accounting policies (continued)

(e) Financial instruments (continued)

De-recognition of financial liabilities:

The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expire.

The Company's financial instruments consist of the following:

Financial assets:	Classification:
Cash	FVTPL
Amounts receivable	Loans and receivables
Financial liabilities:	Classification:
Amounts payable and other liabilities	Other financial liabilities

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amounts receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

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

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the unaudited condensed interim statements of financial position 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) 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 (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of March 31, 2011 and December 31, 2010, none of the Company's financial instruments are recorded at fair value on the unaudited condensed interim statement of financial position, except for cash which is classified as a Level 1 financial instrument.

Zoolander Corporation
Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2011
(Expressed in Canadian Dollars)
(Unaudited)

2. Significant accounting policies (continued)

(f) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

(g) Share based payment transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

(h) Income taxes

Income tax for the periods presented 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, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the 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 provided using the balance sheet 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. 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 financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

(i) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

Zoolander Corporation
Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2011
(Expressed in Canadian Dollars)
(Unaudited)

2. Significant accounting policies (continued)

(j) Significant accounting judgments and estimates

The preparation of these unaudited condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The unaudited condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future that management has made 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:

- the inputs used in measurement for share based payments expense in the unaudited condensed interim statement of comprehensive loss; and
- the \$nil provision for income taxes which is included in the unaudited condensed interim statements of comprehensive loss and recognition of deferred income tax assets and liabilities included in the unaudited condensed interim statement of financial position at March 31, 2011.

(k) Business combinations

Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

Zoolander Corporation

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2011

(Expressed in Canadian Dollars)

(Unaudited)

3. Capital risk management

The Company includes equity, comprised of issued share capital, reserves 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 its activities relating to identifying and evaluating qualifying transactions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity and completion of the Qualifying Transaction. In addition, see note 4.

There has been no change with respect to the overall capital risk management strategy during the three months ended March 31, 2011.

4. Cash restrictions

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange. As of March 31, 2011, the Company has exceeded this limit. The impact of this violation is not known.

5. Financial instruments and risk factors

The Company's financial instruments consisting of cash and amounts payable and other liabilities, 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 March 31, 2011, the Company had working capital of \$156,802. As a result, the Company is not exposed to any liquidity risk, and has sufficient funds to meet its ongoing obligations and meet its objective of completing a Qualifying Transaction.

6. Categories of financial instruments

	As at March 31, 2011	As at December 31, 2010	As at January 1, 2010
Financial assets:			
FVTPL			
Cash	\$ 174,123	\$ 190,715	\$ 276,505
Financial liabilities:			
Other financial liabilities			
Amounts payable and other liabilities	\$ 28,984	\$ 22,112	\$ 15,515

Zoolander Corporation

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2011

(Expressed in Canadian Dollars)

(Unaudited)

7. Amounts receivable and other assets

	As at March 31, 2011	As at December 31, 2010	As at January 1, 2010
Harmonized sales tax recoverable - (Canada)	\$ 10,413	\$ 9,719	\$ 23,155
Prepaid expenses	1,250	-	98
	\$ 11,663	\$ 9,719	\$ 23,253

8. Amounts payable and other liabilities

	As at March 31, 2011	As at December 31, 2010	As at January 1, 2010
Falling due within the year:			
Trade payables	\$ 28,984	\$ 22,112	\$ 15,515

9. Share capital

a) Authorized share capital

At March 31, 2011, the authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

At March 31, 2011, the issued share capital amounted to \$573,412. The change in issued share capital for the periods were as follows:

	Number of common shares	Amount
Balance, January 1, 2010, December 31, 2010 and March 31, 2011	9,800,000	\$ 573,412

The Company had issued 10,000,000 seed shares which are subject to a CPC Escrow Agreement. Under the CPC Escrow Agreement, 10% of the escrowed common shares will be released from escrow upon completion of a Qualifying Transaction by the Company and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. Effective June 26, 2008, 4,050,000 of the 10,000,000 seed common shares were cancelled for no consideration as a Qualifying Transaction was not completed within the prescribed time frame in accordance with Exchange Policy 2A.

The seed common shares are considered contingently issuable until the Company completes a Qualifying Transaction and accordingly, they are not considered to be outstanding shares for purposes of loss per share calculations.

Zoolander Corporation

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2011

(Expressed in Canadian Dollars)

(Unaudited)

10. Stock options

On November 24, 2005, the Company established a stock option plan for its directors, officers and technical consultants under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company. The option price of the shares shall be fixed by the Board but must not be less than the closing sale price of the shares on the Exchange on the day immediately preceding grant. Options have a maximum term of five years and vest immediately.

On March 30, 2011, Zoolander granted an aggregate of 680,000 stock options. 380,000 of the total stock options granted were awarded to the President, Chief Executive Officer, Chief Financial Officer and Secretary of the Company. 300,000 of the total stock options granted were awarded to a director of the Company. For the purposes of the 680,000 options, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.72% and an expected average life of one year. The fair market value was determined to be \$4,080 and was charged against salaries and benefits. The weighted average grant date fair value of the options was \$0.01.

The Company issued stock options to acquire common shares as follows:

	Number of stock options	Weighted average exercise price (\$)
Balance, January 1, 2010, December 31, 2010	980,000	0.10
Expired	(680,000)	0.10
Granted	680,000	0.10
Balance, March 31, 2011	980,000	0.10

The following table reflects the actual stock options issued and outstanding as of March 31, 2011:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
March 30, 2012	0.10	1.00	680,000	680,000
September 24, 2014	0.10	3.49	300,000	300,000
		1.76	980,000	980,000

11. Net loss per common share

The calculation of basic and diluted loss per share for the three months ended March 31, 2011 and 2010 was based on the loss attributable to common shareholders of \$25,600 (three months ended March 31, 2010 - \$3,860) and the weighted average number of common shares outstanding of 3,850,000 (three months ended March 31, 2010 - 3,850,000). Diluted loss per share did not include the effect of 980,000 share purchase options as they are anti-dilutive.

Zoosland Corporation
Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2011
(Expressed in Canadian Dollars)
(Unaudited)

12. General and administrative

	Three Months Ended March 31,	
	2011	2010
Professional fees	\$ 20,951	\$ 2,813
Transfer agent, listing and filing fees	569	1,047
Stock-based compensation expense (note 10)	4,080	-
	\$ 25,600	\$ 3,860

13. Related party transactions

Related parties include the Board of Directors, officers, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

Remuneration of Directors and key management personnel of the Company was as follows:

Three Months Ended March 31, 2011

Share based payments ⁽¹⁾	\$ 4,080
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⁽¹⁾ Included in salaries and benefits are share based payments. Other than share based payments, compensation to officers and directors is strictly prohibited.

14. Conversion to IFRS

As stated in Significant Accounting Policies note 2, these are the Company's first unaudited condensed interim financial statements prepared in accordance with IFRS.

As required by IFRS 1 first time Adoption of International Financial Reporting Standards, the date of transition to IFRS was January 1, 2010, therefore the comparative figures that were previously reported under previous Canadian GAAP have been restated.

The policies set out in the Significant Accounting Policies section have been applied in preparing the financial statements for the three months ended March 31, 2011, the comparative information presented in these financial statements for the three months ended March 31, 2010 and in the preparation of an opening IFRS balance sheet at January 1, 2010 (the Company's date of transition).

First-time adoption of IFRS

The Company did not use any of the exemptions listed in IFRS 1.

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

Changes to accounting policies

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

Zoolander Corporation

Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2011
(Expressed in Canadian Dollars)
(Unaudited)

14. Conversion to IFRS (continued)

Changes to accounting policies (continued)

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

(a) Impairment of (Non-financial) Assets

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

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

(b) Transaction costs

IFRS requires transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination to be expensed as incurred. Previously, the Company's Canadian GAAP policy was to capitalize transaction costs as incurred until the business combination was completed.

Impact on Condensed Interim Statements of Financial Position

	As at December 31, 2010	As at March 31, 2010	As at January 1, 2010
Amounts receivable and other assets	\$ (74,344)	\$ -	\$ -
Adjustment to deficit	\$ (74,344)	\$ -	\$ -

Impact on Condensed Interim Statements of Loss and Comprehensive Loss

	Year ended December 31, 2010	Three months ended March 31, 2010
Adjustment to transaction costs	\$ 74,344	\$ -
Adjustment to comprehensive loss	\$ (74,344)	\$ -

Impact on Condensed Interim Statements of Cash Flows

	Year ended December 31, 2010	Three months ended March 31, 2010
Adjustment to comprehensive loss	\$ (74,344)	\$ -
Amounts receivable and other assets	\$ 74,344	\$ -

Zoolander Corporation

Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2011
(Expressed in Canadian Dollars)
(Unaudited)

14. Conversion to IFRS (continued)

Transition date unaudited condensed statement of financial position

The Company's Transition Date IFRS unaudited statement of financial position is included as comparative information in the unaudited condensed interim statements of financial position in these financial statements. The changes in accounting policies resulting from the Company's adoption of IFRS had no impact on the unaudited interim statement of financial position as at the Transition Date of January 1, 2010.

Comparative unaudited condensed financial statements

The changes in accounting policies resulting from the Company's adoption of IFRS had no impact on the unaudited condensed statement of loss and comprehensive loss and the unaudited condensed statement of cash flows for the three months ended March 31, 2010.

Reconciliation between IFRS and Canadian GAAP

The December 31, 2010 Canadian GAAP balance sheet has been reconciled to IFRS as follows:

	December 31, 2010		
	Canadian GAAP	Effect of transition to IFRS	IFRS
ASSETS			
Current assets			
Cash	\$ 190,715	\$ -	\$ 190,715
Amounts receivable and other assets	84,063	(74,344)	9,719
Total assets	\$ 274,778	\$ (74,344)	\$ 200,434
EQUITY AND LIABILITIES			
Current liabilities			
Amounts payable and other liabilities	\$ 22,112	\$ -	\$ 22,112
Capital and reserves			
Share capital	573,412	-	573,412
Reserves	403,113	-	403,113
Deficit	(723,859)	(74,344)	(798,203)
Total capital and reserves	252,666	(74,344)	178,322
Total liabilities and capital and reserves	\$ 274,778	\$ (74,344)	\$ 200,434

Zolander Corporation

Notes to Condensed Interim Financial Statements
Three Months Ended March 31, 2011
(Expressed in Canadian Dollars)
(Unaudited)

14. Conversion to IFRS (continued)

Reconciliation between IFRS and Canadian GAAP (continued)

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

	Year Ended December 31, 2010		
	Canadian GAAP	Effect of transition to IFRS	IFRS
Expenses			
General and administrative	\$ 31,577	\$ -	\$ 31,577
Transaction costs	-	74,344	74,344
Net loss and comprehensive loss the period	\$ 31,577	\$ 74,344	\$ 105,921

The Canadian GAAP interim statement of cash flows for the three months ended March 31, 2010 has been reconciled to IFRS as follows:

	Year Ended December 31, 2010		
	Canadian GAAP	Effect of transition to IFRS	IFRS
Operating activities			
Net loss for the period	\$ (31,577)	\$ (74,344)	\$ (105,921)
Non-cash working capital items:			
Amounts receivable and other assets	(60,810)	74,344	13,534
Amounts payable and accrued liabilities	6,597	-	6,597
Net cash used in operating activities	(85,790)	-	(85,790)
Cash, beginning of period	276,505	-	276,505
Cash, end of period	\$ 190,715	\$ -	\$ 190,715

Presentation

Certain amounts on the unaudited condensed consolidated statement of financial position, statement of loss and comprehensive loss and statement of cash flows have been reclassified to conform to the presentation adopted under IFRS.

15. Subsequent event

On May 26, 2010, Zolander announced that, it has entered into an arm's length binding acquisition agreement (the "Agreement") dated as of May 17, 2010, with Adsani Exploration (Proprietary) Limited ("Adsani"), a South African corporation, Larry Delville Hood, a South African national, Edison Kadzombe, a Zimbabwe national, Mezzotin Investments (Private) Limited ("Mezzotin"), a Zimbabwe corporation, and Rhoden Munyoro, a Zimbabwe national who holds 10% of the shares of Mezzotin, pursuant to which Zolander will acquire all of the issued and outstanding shares of Adsani. The transaction will constitute Zolander's Qualifying Transaction under the policies of the Exchange. Following completion of the Qualifying Transaction, it is anticipated that Zolander will be a Tier 2 mining exploration company.

Zoolander Corporation

Notes to Condensed Interim Financial Statements

Three Months Ended March 31, 2011

(Expressed in Canadian Dollars)

(Unaudited)

15. Subsequent event (continued)

Pursuant to the terms of the agreement, Zoolander will acquire all of the issued and outstanding shares of Adsani for an aggregate purchase price of \$4 million, to be satisfied by the issuance of an aggregate of 20 million post-consolidation common shares to Messrs. Hood, Kadzombe and Munyoro. Prior to completion of the Qualifying Transaction, Rhoden Munyoro will sell his shares of Mezzotin (representing 10% of the issued and outstanding shares of Mezzotin not currently owned by Adsani) to Adsani in exchange for shares of Adsani which, in turn, will be exchanged for shares of Zoolander in connection with the Qualifying Transaction.

Following completion of the Qualifying Transaction, the resulting corporate structure of Zoolander will result in Adsani being a wholly-owned subsidiary of Zoolander, and Mezzotin being a wholly owned subsidiary of Adsani.

Prior to completion of the Qualifying Transaction and as a condition of closing of same, Zoolander will consolidate its issued and outstanding common shares on the basis of one post-consolidation common share for each two Zoolander common shares then outstanding, resulting in approximately 4,900,000 post-consolidation Zoolander common shares being outstanding prior to completion of the Qualifying Transaction.

On June 29, 2010, Zoolander announced that Adsani had completed a previously announced non-brokered private placement of subscription receipts of Adsani, issuing an aggregate of 10,000,000 subscription receipts for gross proceeds of \$2 million (the "Private Placement"). The gross proceeds of the Private Placement were deposited in escrow pending the satisfaction of certain escrow release conditions, including the receipt of Zoolander of the conditional approval of the Exchange for the Qualifying Transaction.

5,000,000 subscription receipts were voluntarily exercised by BTR Accelerator Fund Limited on September 9, 2010, with \$1,000,000 of the escrowed proceeds being released to Adsani in connection with such exercise. The balance of the proceeds of the Private Placement remain in escrow pending completion of the Qualifying Transaction.

On March 31, 2011, the Company announced that the Exchange has conditionally accepted the acquisition of all of the issued and outstanding shares of Adsani as Zoolander's qualifying transaction pursuant to the policies of the Exchange. Final approval of the Exchange is subject to Zoolander fulfilling all of the requirements of the Exchange.

In connection with the Qualifying Transaction, Zoolander has filed a filing statement on SEDAR dated March 31, 2011 regarding the Qualifying Transaction and the business of Adsani in accordance with Policy 2.4 of the Exchange.

On May 31, 2011, the Exchange has accepted for filing Zoolander's qualifying transaction described in its filing statement dated March 31, 2011."