
ZOOLANDER CORPORATION
INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS SIX MONTHS ENDED JUNE 30, 2011
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Management's Responsibility for Interim Consolidated Financial Statements

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

The unaudited interim consolidated 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 interim consolidated 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 interim consolidated 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 interim consolidated 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 interim consolidated financial statements and (ii) the unaudited interim consolidated 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 interim consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited interim consolidated 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 interim consolidated 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 interim consolidated 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

Notice to Reader

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim consolidated financial statements as at and for the six months ended June 30, 2011 and June 30, 2010 have not been reviewed by the Company's auditors.

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

	June 30, 2011	December 31, 2010
	\$	\$
Assets		(Note 15)
Current Assets		
Cash	1,373,111	190,715
Amounts receivable and other assets (note 8)	17,588	9,719
Exploration and evaluation assets (note 4)	4,496,465	-
	5,887,164	200,434
Liabilities		
Current Liabilities		
Amounts payable and other liabilities (note 9)	46,845	22,112
Shareholders' Equity		
Share capital (note 10)	6,564,937	573,412
Reserves	407,193	403,113
Accumulated other comprehensive income	(65,486)	
Deficit	(1,066,325)	(798,203)
	5,840,319	178,322
	5,887,164	200,434

Nature of Operations and Going Concern (Note 1)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Zoolander Corporation
Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
	\$	\$	\$	\$
		(Note 15)		(Note 15)
Operating Expenses				
General and administrative (note 13)	78,572	7,773	79,141	8,820
Professional fees	100,689	2,812	121,640	5,625
Consulting fees	63,261	-	63,261	-
Stock-based compensation (note 11)	-	-	4,080	-
Loss and comprehensive loss for the period	(242,522)	(10,585)	(268,122)	(14,445)
Loss per share - basic and diluted	(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding -	26,683,889	9,800,000	18,241,944	9,800,000
Weighted average number of shares outstanding - diluted	26,683,889	9,800,000	18,241,944	9,800,000

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

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

	Capital Stock		Reserves			Total
	Number of Shares	Amount	Share based payments	Currency translation adjustment	Accumulated deficit	
Balance at January 1, 2010	9,800,000	\$ 573,412	\$ 403,113	-	\$ (692,282)	\$ 284,243
Net loss for the year		-	-	-	(105,921)	(105,921)
Balance at December 31, 2010	9,800,000	573,412	403,113	-	(798,203)	178,322
Private placement	10,000,000	2,000,000	-	-	-	2,000,000
Purchase of Adsani Exploration	20,000,000	4,000,000	-	-	-	4,000,000
Stock split – 2:1	(4,900,000)	-	-	-	-	-
Share issue for finder's fee	87,500	17,500	-	-	-	17,500
Cost of share issuance – shares		(17,500)		-		(17,500)
Cost of share issuance – cash		(8,475)		-		(8,475)
Share-based payments (note 10)	-	-	4,080	-		4,080
Currency translation adjustment	-	-	-	(65,486)	-	(65,486)
Net loss for the period	-	-	-	-	(268,122)	(268,122)
Balance at June 30, 2011	34,987,500	\$6,564,937	\$ 407,193	\$ (65,486)	\$ (1,066,325)	\$5,840,319

	Capital Stock		Reserves			Total
	Number of Shares	Amount	Share based payments	Accumulated deficit		
Balance at January 1, 2010	9,800,000	\$ 573,412	\$ 403,113	\$ (692,282)	\$	284,243
Net loss for the period		-	-	(14,445)		(14,445)
Balance at June 30, 2010	9,800,000	\$ 573,412	\$ 403,113	\$ (706,727)	\$	269,798

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

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

Six month period ended June 30,	2011	2010
Operating activities	\$	\$
		(Note 14)
Net Loss for the period	(268,122)	(14,445)
Adjustment to reconcile net loss to net cash used by operating activities:		
Stock-based compensation	4,080	-
	(264,042)	(14,445)
Net Change in non-working capital: items:		
Amounts receivable and other assets	(7,869)	(22,332)
Amounts payable and other accrued liabilities	24,723	(8,709)
Cash used in operating activities	(247,188)	(45,486)
Financing activities		
Issuance of common shares	2,000,000	-
Cash provided by financing activities	2,000,000	-
Investing activities		
Addition to exploration and evaluation assets	(570,416)	-
Cash used in investing activities	(570,416)	-
Increase (decrease) in cash and cash equivalents	1,182,396	(45,486)
Cash and cash equivalents, beginning of period	190,715	276,505
Cash and cash equivalents, end of period	\$ 1,373,111	\$ 231,019

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Zoolander Corporation
Notes to Unaudited Interim Condensed Consolidated Financial Statements
Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

1. Nature of operations and going concern

Zoolander Corporation ("Zoolander" or the "Company") is a Canadian-based resource company whose focus is to explore and develop mineral deposits in Africa and throughout the world. The Company was incorporated on October 27, 2005 under the Business Corporations Act (Ontario).

The Company is incorporated and domiciled in Ontario, Canada. The address of Zoolander's registered office and its principal place of business is 30 Adelaide Street East, Suite 1600, Toronto, Ontario, M5C 3H1. Zoolander's shares are listed on the TSX Venture Exchange.

The recoverability of the amounts shown in the consolidated balance sheet for expenditures on mineral properties is dependent upon the existence of economically recoverable reserves, maintaining beneficial interest in the property and the underlying mining claims, obtaining the necessary regulatory approvals and permits, the ability to obtain the necessary financing to fulfill its obligations as they arise, the ability to complete the development of the claims, and achieving profitable production or receiving proceeds from the disposition of the property.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, under which material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern must be disclosed. As at June 30, 2011, the Company has not yet achieved profitable operations and continues to be dependent upon its ability to obtain sufficient working capital from external financing to meet the Company's liabilities as they become payable and ultimately to generate profitable future operations. During the six months ended June 30, 2011 the Company had a working capital balance of \$1,343,854. These unaudited interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in the accompanying consolidated financial statements.

The financial statements were approved and authorized by the Audit Committee of the Board of Directors on August 29, 2011.

2. Significant accounting policies

(i) Basis of Preparation

The consolidated financial statements are presented in accordance with IAS 1 *Presentation of Financial Statements*. The Company has elected to present the 'Statement of Comprehensive Loss' as a single statement, 'Consolidated Statement of Loss and Comprehensive Loss.'

The preparation of financial data is based on accounting policies and practices consistent with those used in the preparation of the Company's Unaudited Interim Consolidated Financial Statements for the six months ended June 30, 2011. The accompanying Unaudited Interim Consolidated Financial Statements for the three and six months ended June 30, 2011 should be read in conjunction with Unaudited Interim Consolidated Financial Statements for the three months ended June 30, 2011.

(ii) Basis of consolidation

The unaudited interim consolidated financial statements comprise the financial statements of Zoolander Corporation, its wholly-owned subsidiary, Adsani Exploration (Proprietary) Limited ("Adsani"), a South African company, and Mezzotin Investments (Private) Limited, a Zimbabwean company controlled by Adsani.

Zoolander Corporation
Notes to Unaudited Interim Condensed Consolidated Financial Statements
Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

2. Significant accounting policies (continued)

(iii) Significant accounting judgments and estimates

The preparation of these unaudited interim consolidated 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 interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited interim consolidated 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 interim consolidated statement of comprehensive loss; and
- the \$nil provision for income taxes which is included in the unaudited interim consolidated statements of comprehensive loss and recognition of deferred income tax assets and liabilities included in the unaudited interim consolidated statement of financial position at June 30, 2011.

3. Operating segment

The following is an analysis of the Company's operating losses and results from continuing operations by reportable segment:

For the six months ended June 30, 2011

	Canada	South Africa	Zimbabwe	Total
Operating Loss				
Share-based payments	4,080	-	-	4,080
Other general and administrative expenses	50,918	(4,024)	32,247	79,141
Professional fees	115,252	-	6,388	121,640
Consulting fees	43,950	-	19,311	63,261
Segment Administrative Expenses	214,200	(4,024)	57,946	268,122
Segment Assets				
Current Assets	1,390,630	-	69	1,390,699
Mineral Properties	-	-	4,496,465	4,496,465
Accounts Payable and Accrued Liabilities	(46,846)	-	-	(46,846)
Total Segment Assets	1,343,784	-	4,496,534	5,840,318

Zoolander Corporation
Notes to Unaudited Interim Condensed Consolidated Financial Statements
Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

3. Operating segment (continued)

For the six months ended June 30, 2010

	Canada	South Africa	Zimbabwe	Total
Operating Loss				
Other general and administrative expenses	8,820	-	-	8,820
Professional fees	5,625	-	-	5,625
Segment Administrative Expenses	14,445	-	-	14,445
Segment Assets				
Current Assets	276,604	-	-	276,604
Accounts Payable and Accrued Liabilities	(6,806)	-	-	(6,806)
Total Segment Assets	269,798	-	-	269,798

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than other financial assets and tax assets. Assets used jointly by reportable segments are reported as part of the Canadian reportable segment; and
- All liabilities are allocated to reportable segments other than other financial liabilities, current and deferred tax liabilities, and other liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

4. Exploration and evaluation assets

As at	June 30, 2011	December 31, 2010
Beginning balance	\$ -	\$ -
Addition: Mineral properties	4,243,448	-
Total exploration and evaluation assets	\$ 4,243,448	\$ -

Sabi Star Property

The Sabi Star Property is comprised of 30 rare earth exploration permits covering a total of 2,348 hectare area held by Adsani, through its wholly-owned subsidiary, Mezzotin Investment (Private) Limited. The property is located in Eastern Zimbabwe approximately 150 kilometres from Harare, the capital of Zimbabwe, approximately 250 kilometres from the border of South Africa. The property is located on the Odzi Gold Belt, a known mineralization belt having historically produced gold, copper, tin, tantalum, niobium and diamonds.

Zoolander Corporation
Notes to Unaudited Interim Condensed Consolidated Financial Statements
Three and Six Months Ended June 30, 2011 and 2010
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5. Capital management policies and procedures

The Company's capital management objectives are to ensure the Company's financial capacity to support exploration and development activities and its long-term growth objectives, and to protect shareholder value while appropriately assessing growth opportunities and risks related to changes in the market and providing ample return to shareholders and other stakeholders. The Company's capital structure is reflective of the requirements of a company focused on exploration and development in a capital intensive industry that experiences lengthy development lead times as well as associated risks related to capital expenditure and timing of project completion due to factors that are out of the Company's control, including access to sufficient resources, obtaining required permits and licences, as well as other variable costs.

6. 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 June 30, 2011, the Company had working capital of \$1,343,854. As a result, the Company is not exposed to any liquidity risk, and has sufficient funds to meet its ongoing obligations.

7. Categories of financial instruments

	As at June 30, 2011	As at December 31, 2010	As at January 1, 2010
Financial assets:			
FVTPL			
Cash	\$ 1,373,111	\$ 190,715	\$ 276,505
Financial liabilities:			
Other financial liabilities			
Amounts payable and other liabilities	\$ 46,846	\$ 22,112	\$ 15,515

Zoollander Corporation
Notes to Unaudited Interim Condensed Consolidated Financial Statements
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8. Amounts receivable and other assets

	As at June 30, 2011	As at December 31, 2010	As at January 1, 2010
Harmonized sales tax recoverable - (Canada)	\$ 17,106	\$ 9,719	\$ 23,155
Prepaid expenses	482	-	98
	\$ 17,588	\$ 9,719	\$ 23,253

9. Amounts payable and other liabilities

	As at June 30, 2011	As at December 31, 2010	As at January 1, 2010
Falling due within the year:			
Trade payables	\$ 46,486	\$ 22,112	\$ 15,515

10. Share capital

a) Authorized share capital

At June 30, 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 June 30, 2011, the issued share capital amounted to \$6,564,937. The changes in issued share capital for the periods were as follows:

	No. of Shares	\$
Balance at December 31, 2010 and January 1, 2010	9,800,000	\$ 573,412
Private placement	10,000,000	2,000,000
Purchase of Adsani Exploration Limited	20,000,000	4,000,000
Stock split – 2:1	(4,900,000)	-
Finder's fee	87,500	17,500
Cost of share issuance – cash	-	(8,475)
Cost of share issuance – share	-	(17,500)
Balance at June 30, 2011	34,987,500	\$ 6,564,937

Zoolander Corporation
Notes to Unaudited Interim Condensed Consolidated Financial Statements
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11. 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 340,000 stock options. 190,000 of the total stock options granted were awarded to the President, Chief Executive Officer, Chief Financial Officer and Secretary of the Company. 150,000 of the total stock options granted were awarded to a director of the Company. For the purposes of the 340,000 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	490,000	0.20
Expired	(340,000)	0.20
Granted	340,000	0.20
Balance, June 30, 2011	490,000	0.20

The following table reflects the actual stock options issued and outstanding as of June 30, 2011:

Expiry Date	Exercise Price (\$)	Weighted Average Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
March 30, 2012	0.20	0.75	340,000	340,000
September 24, 2014	0.20	3.24	150,000	150,000
		1.76	490,000	490,000

12. Net loss per common share

The calculation of basic and diluted loss per share for the six months ended June 30, 2011 and 2010 was based on the loss attributable to common shareholders of \$268,122 (six months ended June 30, 2010 - \$14,445) and the weighted average number of common shares outstanding of 18,241,944 (six months ended June 30, 2010 - 9,800,000). Diluted loss per share did not include the effect of 490,000 share purchase options as they are anti-dilutive.

Zoolander Corporation
Notes to Unaudited Interim Condensed Consolidated Financial Statements
Three and Six Months Ended June 30, 2011 and 2010
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13. General and administrative

	Six Months Ended June 30,	
	2011	2010
Travel	\$ 15,175	\$ -
Transfer agent, listing and filing fees	48,551	-
Other general and administrative expenses	15,415	8,820
	\$ 79,141	\$ 8,820

14. 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:

Six months ended June 30, 2011

Stock-based compensation	\$ 4,080
Consulting	38,500

15. Conversion to IFRS

As stated in Significant Accounting Policies note 2, these are the Company's first unaudited 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 six months ended June 30, 2011, the comparative information presented in these financial statements for the six months ended June 30, 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 Unaudited Interim Condensed Consolidated Financial Statements
Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

15. 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 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 Interim Statements of Financial Position

	As at December 31, 2010	As at June 30, 2010	As at January 1, 2010
Amounts receivable and other assets	\$ (74,344)	\$ -	\$ -
Adjustment to deficit	\$ (74,344)	\$ -	\$ -

Impact on Interim Statements of Loss and Comprehensive Loss

	Year ended December 31, 2010	Six months ended June 30, 2010
Adjustment to transaction costs	\$ 74,344	\$ -
Adjustment to comprehensive loss	\$ (74,344)	\$ -

Impact on Interim Statements of Cash Flows

	Year ended December 31, 2010	Six months ended June 30, 2010
Adjustment to comprehensive loss	\$ (74,344)	\$ -
Amounts receivable and other assets	\$ 74,344	\$ -

Zoolander Corporation
Notes to Unaudited Interim Condensed Consolidated Financial Statements
Three and Six Months Ended June 30, 2011 and 2010
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15. Conversion to IFRS (continued)

Transition date unaudited consolidated statement of financial position

The Company's Transition Date IFRS unaudited statement of financial position is included as comparative information in the unaudited 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 consolidated financial statements

The changes in accounting policies resulting from the Company's adoption of IFRS had no impact on the unaudited statement of loss and comprehensive loss and the unaudited statement of cash flows for the six months ended June 30, 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

Zoolander Corporation
Notes to Unaudited Interim Condensed Consolidated Financial Statements
Three and Six Months Ended June 30, 2011 and 2010
(Unaudited)

15. 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 six months ended June 30, 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 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.