GTA RESOURCES AND MINING INC.

(A Development Stage Enterprise)

Condensed Interim Financial Statements

December 31, 2011

(Unaudited)

(Expressed in Canadian Dollars)

These condensed interim financial statements have not been reviewed by the Company's auditors.

GTA RESOURCES AND MINING INC.
(A Development Stage Enterprise)
(Unaudited)
(Expressed in Canadian Dollars)

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December 31, 2011 and 2010

GTA RESOURCES AND MINING INC.
(A Development Stage Enterprise)
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

		As at December 31, 2011		As at March 31, 2011 (Note 15)		As at April 1, 2011
Assets						
Current assets						
Cash and cash equivalents	$	186,489	$	535,436	$	239,582
Sundry receivables		65,365		43,789		2,491
Loan receivable		-		-		49,215
Prepaid expenses		13,360		9,115		16,396
		265,214		588,340		307,684
Property, plant and equipment (Note 7)		633		1,013		-
Exploration and evaluation assets (Note 8)		1,670,662		1,209,657		-
	$	1,936,509	$	1,799,010	$	307,684
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities	$	107,103	$	44,135	$	29,338
Liability for flow-through shares		8,333		35,320		-
		115,436		79,455		29,338
Shareholders' equity						
Share capital (Note 9)		2,540,257		2,198,865		547,978
Contributed surplus (Note 11)		176,655		175,180		48,643
Deficit		(895,839)		(654,490)		(318,275)
		1,821,073		1,719,555		278,346
	$	1,936,509	$	1,799,010	$	307,684

Approved by the Board of Directors

"Peter M. Clausi" ______________________ Director

"Brian Crawford" ______________________ Director

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

GTA RESOURCES AND MINING INC.
(A Development Stage Enterprise)
CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended December 31 2011	Three Months Ended December 31 2010	Nine Months Ended December 31 2011	Nine Months Ended December 31 2010
		(Note 15)		(Note 15)
Operating expenses				
Filing and transfer agent fees	$ 6,821	$ 3,909	$ 24,640	$ 15,329
General and administration costs	92,781	51,055	213,419	115,545
Professional fees	10,978	2,000	38,230	19,950
Share-based compensation	-	-	-	125,887
Depreciation	105	-	380	-
	110,685	56,964	276,669	276,711
Loss before income taxes	110,685	56,964	276,669	276,711
Deferred tax benefit	(24,874)	(2,480)	(35,320)	(6,440)
Net loss and comprehensive loss	$ 85,811	$ 54,484	$ 241,349	$ 270,271
Basic and diluted loss per share	$ (0.01)	$ 0.00	$ (0.02)	$ (0.03)
Weighted average number of shares outstanding	13,206,651	12,896,357	13,185,144	8,891,357

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

GTA RESOURCES AND MINING INC.
(A Development Stage Enterprise)
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Number of Shares	Common Shares Issued and Fully Paid	Contributed Surplus	Deficit Accumulated During Exploration Stage	Total
Balance, April 1, 2010	4,446,502	$ 547,978	$ 48,643	$ (318,275)	$ 278,346
Shares issued for cash:					
Private placements	3,375,000	675,000	-	-	675,000
Share issuance costs		(38,434)	-		(38,434)
Shares issued for exploration and evaluation assets	5,074,855	1,014,971	-	-	1,014,971
Additional broker warrants issued		(650)	650		
Share-based payments		-	125,887	-	125,887
Loss and comprehensive loss		-	-	(270,271)	(270,271)
Balance, December 31, 2010	12,896,357	2,198,865	175,180	(588,546)	1,785,499
Loss and comprehensive loss		-	-	(65,944)	(65,944)
Balance, March 31, 2011	12,896,357	2,198,865	175,180	(654,490)	1,719,555
Stock options exercised	100,000				
Shares issued for exploration and evaluation assets	1,000,000	205,000			205,000
Private placements	594,668	157,000			157,000
Share issue costs		(10,800)			(10,800)
Additional broker warrants issued		(1,475)	1,475		
Flow-through share premium		(8,333)			(8,333)
Loss and comprehensive loss		-	-	(241,349)	(241,349)
Balance, December 31, 2011	14,591,025	$ 2,540,257	$ 176,655	$ (895,839)	$ 1,821,073

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

GTA RESOURCES AND MINING INC.
(A Development Stage Enterprise)
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended December 31		Nine Months Ended December 31	
	2011	**2010**	**2011**	**2010**
Operating activities				
Net loss and comprehensive loss for the period	$ (85,811)	$ (54,484)	$ (241,349)	$ (270,271)
Items not affecting cash and cash equivalents				
Depreciation	105	-	380	-
Share-based payments	-	-	-	125,887
Non-cash interest on loan receivable	-	-	-	(785)
Change in non-cash working capital:				
Sundry receivables	(35,019)	(9,538)	(21,576)	(28,924)
Prepaid expenses	3,518	4,682	(4,245)	8,811
Accounts payable and accrued liabilities (Note 14)	30,107	6,278	62,968	12,126
Liability for flow-through shares	(16,541)	(2,480)	(26,987)	38,560
Net cash used in operating activities	(103,641)	(55,542)	(230,809)	(114,596)
Financing activities				
Issuance of common shares, net of issue costs	137,867	-	137,867	636,566
Net cash provided by financing activities	137,867	-	137,867	636,566
Investing activities				
Investment in and expenditures on exploration and evaluation assets (Note 14)	(193,775)	(28,648)	(256,005)	(170,686)
Repayment of loan receivable	-	-	-	50,000
Purchase of property, plant and equipment	-	-	-	(1,350)
Net cash used in investing activities	(193,775)	(28,648)	(256,005)	(122,036)
Net change in cash and cash equivalents	(159,549)	(84,190)	(348,947)	399,934
Cash and cash equivalents, beginning of period	346,038	723,706	535,436	239,582
Cash and cash equivalents, end of period	$ 186,489	$ 639,516	$ 186,489	$ 639,516

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

1. NATURE OF OPERATIONS

GTA Resources and Mining Inc. ("GTA" or the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (Ontario) on August 9, 2006 under the name GTA CorpFin Capital Inc. with the intent to being classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange Inc. (the "Exchange"). On June 21, 2010 the Exchange issued its Final Exchange Bulletin approving the Company's Qualifying Transaction, as the term is defined within the Exchange's corporate finance manual. In June 2010, the Company changed its name to GTA Resources and Mining Inc. from GTA CorpFin Capital Inc.

The Company is primarily engaged in the acquisition and exploration of mineral properties. To date, the Company has not earned significant revenues and is considered to be in the development stage.

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future, and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance and conversion to International Financial Standards ("IFRS")

These financial statements have been 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 15.

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 statement of financial position at April 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 March 31, 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 March 31, 2012.

The condensed interim financial statements should be read in conjunction with the Canadian GAAP annual financial statements for the year ended March 31, 2011, and also they include certain disclosures that were not included in those most recent Canadian GAAP annual financial statements, which are required to be included in annual financial statements prepared in accordance with IFRS.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Presentation

These unaudited condensed interim financial statements have been prepared on a historical cost basis. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Measurement Uncertainty

The preparation of financial statements in conformity with IFRS 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 amounts of revenues and expenses during the reporting period. Areas requiring the use of estimates include the rates of depreciation for property, the collectability of the sundry accounts receivable, the valuation of other assets and accruals, the impairment and recoverability of non-current assets, the assumptions used in the determination of the fair value of financial instruments and stock-based compensation, and the determination of the valuation allowance for deferred income tax assets. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

Mineral Exploration and Evaluation Expenditures

The Company is in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral properties. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

All capitalized exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Property, Plant and Equipment

Recognition and measurement

On initial recognition, property, plant and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition of construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation , less any accumulated impairment losses, with the exception of land which is not depreciated.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation

Depreciation is recognized in profit or loss at the following annual rate:

Computer software 50% declining balance basis

Additions during the year are depreciated at one-half the annual rates.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

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. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment

Reversal of Impairment

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Restoration, Rehabilitation and Environmental Obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at December 31, 2011, March 31, 2011 and April 1, 2010 as the disturbance to date is minimal.

Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share-based Payments

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in reserves. An individual is classified as an employee when the individual is an employee for

2. SIGNIFICANT ACCOUNTING POLICIES - continued

legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

In situations where share options are issued to non-employees and some or all of the goods or services received by the Company as consideration cannot be specifically identified, the unidentified goods or services received (or to be received) are measured as the difference between the fair value of the share-based payment transaction and the fair value of any identified goods or services received at the grant date.

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 the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Stock option expense incorporates an expected forfeiture rate.

Share Capital

The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company.

Commissions paid to agents, and other related share issue costs, such as legal, auditing, and printing, on the issue of the Company's shares are charged directly to share capital.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to common shares issued in the private placements at their fair value as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the warrants. Any fair value attributed to the warrants is recorded as warrants in shareholders' equity. Share issue costs are netted against share proceeds.

Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium if any, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as a deferred income tax recovery and the resulting deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through share liability in Note 13.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions at December 31, 2011, March 31, 2011 and April 1, 2010

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’.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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 and cash equivalents	Loans and receivables
Financial assets at fair value through profit or loss	FVTPL
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 financial assets 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 re-organization.

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 account 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 the statement of income (loss) and comprehensive income (loss) to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the 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 at December 31, 2011, March 31, 2011 and April 1, 2010, none of the Company's financial instruments are recorded at fair value on the condensed statement of financial position.

Early Adoption of Accounting Policy

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning after January 1, 2011 or later periods.

The Company has early adopted the amendments to IFRS 1 which replaces references to a fixed date of "January 1, 2004" with "the date of transition to IFRSs". This eliminates the need for the Company to restate derecognition transactions that occurred before the date of transition to IFRSs. The impact of the amendment and early adoption is that the Company only applies to IAS 39, Financial Instruments: Recognition and Measurement, derecognition requirements to transactions that occurred after the date of transition.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after December 31, 2010 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

(i) 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.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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.

(vi) In July 2011, the IASB agreed to defer the effective date of IFRS 9, Financial Instruments from 2013 to 2015. The standard is the first part of a multi-phase project to replace IAS 39, Financial Instruments: Recognition and Measurement.

IAS 28, Investments in Associates and Joint Ventures: IAS 28 has been updated and it is to be applied by all entities that are investors with joint control of, or significant influence over, an investee. The scope of the current IAS 28 Investments in Associates does not include joint ventures. Early application is permitted.

IAS 1 – Presentation of Financial Statements: In June 2011, the IAS issued amendments to IAS 1 that requires an entity to group items presented in the statement of comprehensive income on the basis of whether they may be reclassified to earnings subsequent to initial recognition. For those items presented before taxes, the amendments to IAS 1 also require that the taxes related to the two separate groups be presented separately. The amendments are effective for annual periods beginning on or after July 1, 2012, with earlier adoptions permitted.

3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Company defines its capital as shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to manage its capital to be able to sustain the future development of the Company's business.

The Company currently has no source of revenues, and therefore is dependent upon external financings to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in

3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS - continued

the Company's approach to capital management during the period ended December 31, 2011. The Company is not subject to externally imposed capital requirements.

The Company classified its cash as financial assets at fair value through profit or loss; accounts receivable as loans and receivables; and accounts payable and accrued liabilities, accrued interest payable, loan payable, convertible debenture and advances from directors as other financial liabilities. The carrying values of cash, accounts receivable, accounts payable and accrued liabilities, accrued interest payable, loan payable, convertible debenture and advances from directors approximate their fair values due to the expected maturity of these financial instruments. The fair value of amounts due to related parties has not been disclosed as their fair values cannot be reliably measured since the parties are not at arm's length.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Concentration of credit risk exists with respect to the Company's cash as all amounts are held at a single major Canadian financial institution.

The Company's concentration of credit risk and maximum exposure is as follows:

	December 31, 2011	March 31, 2011
Cash and cash equivalents	$ 186,489	$ 535,436

The credit risk associated with cash is minimized by ensuring it is placed with a major Canadian financial institution with a strong investment-grade rating issued by a primary ratings agency.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The business of mining and exploration involves a high degree of risk and there can be no assurance that exploration programs will result in profitable mining operations. The Company has significant cash to meet its requirements for administrative overhead, to conduct due diligence on mineral property acquisition targets, and to conduct exploration of its mineral properties and mineral properties that may be acquired.

The Company does not generate cash flows from operations to fund its activities and therefore relies principally upon the issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities

(Expressed in Canadian Dollars)

3. RISK MANAGEMENT, CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS - continued

to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

i. Interest rate risk

The Company's cash and cash equivalents consist primarily of cash held in bank accounts and term deposits with banks. Due to the short-term nature of this financial instrument, fluctuations in market rates do not have a significant impact on estimated fair value as of December 31, 2011. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. Accordingly, the Company is not subject to interest rate risk.

ii. Foreign currency risk

During the period ended December 31, 2011, the Company is not exposed to material foreign currency risk.

iii. Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk, foreign currency risk or commodity price risk. The Company has no financial instruments exposed to other price risk.

4. AMOUNTS RECEIVABLE AND OTHER ASSETS

	As at December 31, 2011		As at March 31, 2011		As at April 1, 2011	
Sales tax receivable-(Canada)	$	65,365	$	43,789	$	2,491
Loan receivable				-		49,215
Prepaid expenses		13,360		9,115		16,396
	$	78,725	$	52,904	$	68,102

5. LOAN RECEIVABLE

A non-interest bearing loan of $200,000, secured by land, was advanced in December 2007 in connection with a subsequently failed Qualifying Transaction.

The proceeds from the sale of the land were less than the total amount of debt for which the land was used as security resulting in a shortfall in the principal amount of the loan. As a result of the shortfall the Company received cash proceeds in the amount of $100,000, a promissory note for $50,000 and realized a loss in the amount of $50,000.

(Expressed in Canadian Dollars)

5. LOAN RECEIVABLE - continued

Payment of the promissory note was received by the Company during the year ended March 31, 2011.

6. AMOUNTS PAYABLE AND OTHER LIABILITIES

	As at December 31, 2011	As at March 31, 2011	As at April 1, 2011
Due within the year			
Trade payables	$ 107,103	$ 44,135	$ 29,338

7. PROPERTY, PLANT AND EQUIPMENT

		Computer Software
Cost		
Balance at April 1, 2010	$	-
Additions		1,350
Balance at March 31, 2011 and December 31, 2011	$	1,350
Accumulated depreciation		
Balance at April 1, 2010	$	-
Depreciation for the year		337
Balance at March 31, 2011		**337**
Depreciation of the period		380
Balance at December 31, 2011	$	717
Carrying amounts		
At December 31, 2011	$	633
At March 31, 2011	$	1,013
At April 1, 2010	$	-

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS

	Auden Property	Northshore Property	Total
Balance, April 1, 2010	$ -	$ -	$ -
Acquisition costs	1,157,009	-	1,157,009
Deferred exploration costs	32,200		32,200
Balance, December 31, 2010	1,185,657	-	1,185,657
Deferred exploration costs	24,000		24,000
Balance, March 31, 2011	1,209,657	-	1,209,657
			216,100
Acquisition costs	-	216,100	
Deferred exploration costs	19,075	225,830	244,905
Balance, December 31, 2011	$ 1,228,732	$ 441,930	$ 1,670,662

Auden

On June 21, 2010, the Company completed the acquisition of the Auden property located in Northern Ontario from 1518164 Ontario Inc., an unrelated party. Pursuant to the terms of the Acquisition Agreement, the Company acquired a 100% interest in and to the Auden Property in consideration for the issuance of 5,074,855 common shares. The acquisition of the Auden Property constituted the Company's Qualifying transaction, as that term is defined in the TSX Venture Exchange policies.

The Auden property is subject to a 3% net smelter return and a 10% gross overriding in royalty in favour of the shareholders of the previous owner of the claims. The Company may purchase one half of each royalty for an aggregate amount of $2,000,000 at any time.

As at March 31, 2011 and December 31, 2011, the Auden property consisted of 107 unpatented mining claims comprising 1,596 claim units covering 24,799 hectares in a largely contiguous block. The Company is required by the Ministry of Northern Development and Mines to incur annual qualifying exploration and development expenditures in order to maintain its unpatented claims in good standing. As at March 31, 2011 and December 31, 2011, the Company believes it has incurred the required amount of expenditures.

Northshore

On July 27, 2011 the Company and Balmoral Resources Ltd. entered into an Option Agreement whereby the Company has been granted the right to acquire up to a 70% interest in Balmoral's interest in the Northshore Property.

Under the terms of the Option Agreement, the Company may earn an initial 51% interest ("First Option") in the Northshore Property by making cash payments to Balmoral of $50,000, issuing in favour of Balmoral 2,500,000 common shares of GTA and incurring a minimum of $2,500,000 in eligible exploration expenditures on the Property over a three-year period from receipt of regulatory approval. A cash payment of $10,000, issuance of 1,000,000 shares and a year one exploration expenditure of $350,000 (including the production of a 43-101 technical report) are firm commitments by GTA under the Option Agreement.

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS - continued

Upon exercise of the First Option outlined above, the Company will have the right to elect to proceed with a Second Option, under which the Company would have the ability to earn an additional 19% interest in the Northshore Property by making an additional cash payment of $100,000, issuing an additional 1,000,000 shares in favour of Balmoral upon exercising its right and incurring additional exploration expenditures totalling $3,000,000 over an additional 24 month time frame.

A portion of the property is subject to a variable (2% to 5%) net smelter return royalty on gold production from the claims.

The Company and Balmoral after the exercise of either the first or second options will form a joint venture for future development of the property.

The initial cash payment of $10,000 and the issuance of 1,000,000 common shares were recorded during the period. In addition the Company has incurred exploration expenditures of $225,830 to December 31, 2011.

On a quarterly basis, management of the Company review exploration costs to ensure mining property interests include only costs and projects that are eligible for capitalization.

9. SHARE CAPITAL

Authorized
Unlimited number of common shares

Issued

	Number of Shares	Share Capital	Contributed Surplus
Balance April 1, 2010	4,446,502	$ 547,978	$ 48,643
Proceeds from share issuance	3,375,000	675,000	
Shares issued for exploration and evaluation assets	5,074,855	1,014,971	
Finders warrants		(650)	650
Share issue costs		(38,434)	
Share-based payments			125,877
Balance March 31, 2011	12,896,357	2,198,865	175,180
Stock options exercised	100,000		
Shares issued for exploration and evaluation assets	1,000,000	205,000	
Proceeds from share issuance	594,668	157,000	
Finders warrants		(1,475)	1,475
Share issue costs		(10,800)	
Flow-through share premium		(8,333)	
Balance December 31, 2011	14,591,025	$ 2,540,257	$ 176,655

9. SHARE CAPITAL - continued

On June 21, 2010, the Company completed a private placement for gross proceeds of $720,000.

The private placement consisted of 900,000 Flow-Through Units at $0.25 per Flow-Through Unit for gross proceeds of $225,000, and 2,475,000 Units at $0.20 per Unit for gross proceeds of $495,000. Each Flow-Through Unit consists of one common share, issued on a flow -through basis, and one warrant of the Company. Each Unit consists of one common share and one warrant of the Company. Each warrant entitles the holder to purchase one common share at a price of $0.30 until June 11, 2012.

Compensation to the agents consisted of a cash commission of $9,000 and 12,000 agent's warrants, each such agent's warrant entitling the holder to acquire one common share for $0.30 until June 21, 2011. The agent's warrants were valued on the date of issue using the modified Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, risk free interest rate of 0.25%, expected volatility of 100% and an expected life of 12 months. The value attributed to the 12,700 agent's warrants was $650.

On June 21, 2010, the Company issued 5,074,855 common shares as consideration to purchase the Auden property.

On June 1, 2011 the Company entered into an agreement with respect two mining claims, whereby a portion of the purchase price for the mining claims was the issuance of 250,000 common shares as follows:

- 50,000 common shares upon approval from the TSX Venture Exchange (the “approval date”)
- 50,000 common shares six months from the approval date
- 50,000 common shares twelve months from the approval date
- 50,000 common shares eighteen months from the approval date
- 50,000 common shares twenty four months from the approval date.

As of December 31, 2011 the Company has issued 100,000 common shares with respect to the two mining claims.

On October 3, 2011 the Company issued 1,000,000 common shares as consideration to acquire its initial interest in the Northshore Property.

On December 23, 2011 the Company completed a private placement for gross proceeds of $157,000.
The private placement consisted of 166,668 Flow-Through Units at $0.30 per Flow-Through Unit for gross proceeds of $50,000, and 428,000 Units at $0.25 per Unit for gross proceeds of $107,000. Each Flow-Through Unit consists of one common share, issued on a flow-through basis, and one half warrant of the Company. Each Unit consists of one common share and one half warrant of the Company. Each warrant entitles the holder to purchase one common share at a price of $0.35 until December 23, 2012.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL – continued

Compensation to agents consisted of a cash commission of $4,800 and 18,000 agent's warrants, each such agent's warrant entitling the holder to acquire one common share for $0.35 until December 23, 2012. The agent's warrants were valued on the date of issue using the modified Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, risk free interest rate of 1.25%, expected volatility of 100% and an expected life of 12 months. The value attributed to the 18,000 agent's warrants was $1,475.

Escrowed

The following table reflects the continuity of common shares held in escrow:

	Number of Shares	Release Date
	1,050,728	June 21, 2012
	1,050,728	December 21, 2012
	1,050,728	June 21, 2013
	3,152,184	

10. WARRANTS

The following common share purchase warrants entitle the holders thereof the right to purchase one common share for each common share purchase warrant. Warrants transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, April 1, 2010	-	$ -
Issue of warrants	3,387,000	$ 0.30
Balance, March 31, 2011	3,387,000	$ 0.30
Warrants expired	(12,000)	$ 0.30
Issue of warrants	315,332	$ 0.35
Balance December 31, 2011	3,690,332	$ 0.31

The weighted average remaining contractual life of warrants outstanding at December 31, 2011 was 0.98 years.

As at December 31, 2011 and March 31, 2011, the Company had outstanding warrants as follows:

	December 31, 2011		March 31, 2011	
Expiry Date	**Number of Warrants**	**Exercise Price**	**Number of Warrants**	**Exercise Price**
June 11, 2012	3,375,000	$ 0.30	3,375,000	$ 0.30
June 9, 2011 (agent warrants)	-	$ 0.30	12,000	$ 0.30
December 23, 2013	315,334	$ 0.35		

(Expressed in Canadian Dollars)

11. SHARE-BASED PAYMENTS

The Company has established a stock option plan whereby the Board of Directors may grant options to directors, officers and consultants to purchase common shares of the Company. The stock option plan is a rolling plan and the maximum number of authorized but unissued shares available to be granted shall not exceed 10% of its issued and outstanding common shares. Each stock option granted is for a term not exceeding five years unless otherwise specified.

Options granted to consultants not engaged in investor relations activities are granted for past services and vest immediately.

A summary of the status of the stock option plan and changes are presented below:

	Number of Options	Weighted Average Exercise Price
Balance, April 1, 2010	442,000	$ 0.20
Grant of options	840,000	$ 0.20
Balance, March 31, 2011	1,282,000	$ 0.20
Options expired	(165,000)	$ 0.20
Balance, December 31, 2011	1,117,000	$ 0.20

The weighted average remaining contractual life of options outstanding at December 31, 2011 was 3.58 years.

A summary of the status of the stock option plan and changes are presented below:

	December 31, 2011			March 31, 2011		
Expiry Date	Exercise Price	Number of Options	Exercisable at Year-End	Exercise Price	Number of Options	Exercisable at Year-End
September 12, 2012	$ 0.20	277,000	277,000	$ 0.20	442,000	442,000
June 21, 2015	$ 0.20	840,000	840,000	$ 0.20	840,000	840,000
		1,117,000	1,117,000		1,282,000	1,282,000

The Company applies the fair value method in accounting for its stock options using the modified Black-Scholes option pricing model. During the nine months ended December 31, 2011, the Company issued a total of nil (2010-840,000) incentive stock options to directors and consultants of the Company resulting in stock-based compensation of nil (2010-$125,887).

The following assumptions were used in the year ended March 31, 2011: risk-free interest rate of4.15%, expected life of options of 5 years, volatility of 40%, expected dividend rate of 0%.

12. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants 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).

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS - continued

GTA entered into the following transactions with related parties:

Names	Nine months ended December 31, 2011	Nine months ended December 31, 2010
	$	$
Maplegrow Capital Inc. (i)	54,000	38,000
Brant Capital Partners Inc. (ii)	54,000	38,000
Duess Geological Services Inc. (iii)	74,050	43,674
Brant Capital Partners Inc. (iv)	19,800	16,200

(i) The Chief Executive Officer (“CEO”) services were provided by a company controlled by the CEO.

(ii) The Chief Financial Officer (“CFO”) of GTA is the President of Brant Capital Partners Inc. Fees relate to CFO and Secretarial functions performed.

(iii) The services of the Vice President Exploration were provided by a company controlled by him. The amounts relate substantially to mineral properties and deferred costs.

(iv) The Company paid administrative expenses to a company controlled by the CFO of GTA.

13. COMMITMENTS AND CONTINGENCIES

On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision. Other liabilities include the liability portion (the premium) of the flow-through shares issued for the amount of the premium on flow-through funds that at December 31, 2011 have not been used to incur qualifying exploration expenditures. The following is a continuity schedule of the liability portion of the flow-through shares issuances.

Flow-through Shares

Balance at April 1, 2010	$	
Liability incurred on flow-through shares issued on June 10, 2010		**225,000**
Settlement of flow-through share liability on incurring expenditures		(48,400)
Balance at March 31, 2011		176,600
Settlement of flow -through share liability on incurring expenditures		(176,600)
Liability incurred on flow –through shares issued on December 23, 2011		50,000
Balance at December 31, 2011	$	**50,000**

13. COMMITMENTS AND CONTINGENCIES - continued

As March 31, 2011, the Company had fulfilled $48,400 of its commitment to incur exploration expenditures in relation to flow-through share financing in 2010.

As at December 31, 2011, the Company had fulfilled an additional $176,600 of its commitment to incur exploration expenditures in relation to flow-through share financing in 2010 and has a commitment to incur expenditures of $50,000 with respect to its flow-through share financing in 2011.

14. SUBSEQUENT EVENTS

(1) Subsequent to the period end 1,328,399 warrants were exercised resulting in the issue of 1,328,399 common shares in exchange for $ 399,023 in cash.

(2) Subsequent to the period end 647,000 options were exercised resulting in the issue of 592,000 common shares in exchange for $ 129,400 in cash.

(3) Subsequent to the period end the Company entered into an agreement with a syndicate led by Laurentian Bank Securities Inc. under which the Company will offer on a private placement basis up to $5,000,000 in common share units and flow-through shares. The Company has also granted the syndicate an overallotment option of $1,000,000 bringing potential gross proceeds of the financing to $6,000,000.

The terms of the financing include up to $3,000,000 in common share units at a price of $0.90 per unit with each unit consisting of one common share and one-half of one common share purchase warrant. Each whole warrant will be exercisable into one common share at a price of $1.25 for a period of 18 months from the date of closing of the financing transaction. In addition the proposed financing includes up to $3,000,000 of flow-through common shares at a price of $1.20 per flow-through share.

The Company will pay the syndicate a cash fee of 7% of the gross amount raised under the financing and will issue broker warrants in the amount of 7% of the combined number of units and flow-through shares issued under the financing.

The financing is anticipated to close on or before March 16, 2012.

15. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

As stated in Note 2, these are the Company’s second unaudited condensed interim financial statements for the period covered by the first annual financial statements prepared in accordance with IFRS. An explanation of how the transition from previous Canadian GAAP to IFRS has affected the Company’s financial position and comprehensive loss is set out in this note.

The accounting policies set out in Note 2 have been applied in preparing the condensed interim financial statements for the period ended December 31, 2011, the comparative information presented in these financial statements for the period ended December 31, 2010 and in the preparation of an opening IFRS financial position at April 1, 2010 (the Company’s date of transition).

15. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS - continued

FIRST TIME ADOPTION OF IFRS (IFRS 1)

The Company's financial statements for the year ending March 31, 2012 are the first annual financial statements that will be prepared in accordance with IFRS. The Company has adopted IFRS on April 1, 2011 with a transition date of April 1, 2010. Under IFRS 1 First time adoption of International Financial Reporting Standards ("IFRS 1"), the IFRS standards are applied retrospectively at the transition date with all adjustments to assets and liabilities as stated under GAAP taken to deficit, with IFRS 1 providing for certain optional and mandatory exemptions to this principle.

Below are the adjustments necessary for the IFRS transition, including exemptions taken at the transition date:

(a) Share-based payment transactions

IFRS 1 allows that full retrospective application may be avoided for certain share-based instruments depending on the grant date, vesting terms and settlement of any real liabilities. A first-time adopter can elect to not apply IFRS 2 to share-based payments granted after November 7, 2002 that vested before the later of (i) the date of transition to IFRS and (ii) January 1, 2005. The Company has elected this exemption and will apply IFRS 2 to only unvested stock options as at April 1, 2010 being the transition date.

(b) Estimates

The estimates previously made by the Company under pre-changeover Canadian GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result the Company has not used hindsight to revise estimates.

(c) Flow-through shares

Under Canadian GAAP, the accounting treatment for flow-through shares is to record the full amount of the proceeds in share capital. When expenditures are incurred, the related tax effect is recorded to share capital and the future tax liability. Under IFRS, the amount initially recorded in share capital is limited to the amount of common shares that would have been issued on that date and the premium being the difference between the actual proceeds and the amount recorded in share capital is set up as a flow-through share premium liability. The flow-through premium is recorded as a liability until the tax benefits are renounced to the investor and the expenditures are incurred, at which time a deferred income tax recovery for the tax effect of flow-through shares is recognized in the Statement of Operations and Comprehensive Income (Loss). Additional deferred income tax recovery recognized for the difference between the deferred tax liability and the liability recognized on issuance.

The Company recorded a $45,000 decrease to share capital and corresponding $45,000 flow-through premium liability at June 21, 2010, and a $9,680 decrease to deficit and corresponding $9,680 decrease in flow-through premium liability.

(d) Income Taxes

Under Canadian GAAP , in the case of an asset that is acquired, other than in a business combination, and the tax basis of that asset is less than its cost, deferred income taxes are recognized at the time of acquisition and the cost of those deferred taxes is added to the cost of the asset. IFRS does not allow the recognition of a deferred tax liability if the asset is not recognized as part of a business combination.

(Expressed in Canadian Dollars)

15. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS - continued

At March 31, 2011**,** the Company recorded a $338,290 decrease to exploration and evaluation assets and a decrease to deficit of $163,358 and a net charge to deferred tax liability of $231,970.

RECONCILIATION TO PREVIOUSLY REPORTED FINANCIAL STATEMENTS

A reconciliation of the above noted changes is included in these following Statements of Financial Position and Statements of Operations and Comprehensive Loss for the dates and periods noted below. The effects of transition from Canadian GAAP to IFRS on the cash flow are not material; therefore a reconciliation of the Statement of Cash Flows has not been presented.

- Transition Statement of Financial Position Reconciliation – April 1, 2010
- Statement of Financial Position Reconciliation – March 31, 2011
- Statement of Operations and Comprehensive Loss Reconciliation – March 31, 2011
- Interim Statement of Financial Position Reconciliation - December 31, 2010
- Interim Statement of Operations and Comprehensive Loss Reconciliation – December 31, 2010

Transition Statement of Financial Position Reconciliation-April 1, 2010

	Canadian GAAP	Effect of Transition to IFRS	IFRS
Assets			
Current assets			
Cash and cash equivalents	239,582	-	239,582
Sundry receivables	2,491	-	2,491
Loan receivable	49,215	-	49,215
Prepaid expenses	16,396	-	16,396
	307,684		307,684
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	29,338	-	29,338
	29,338		29,338
Deferred tax liability			
Shareholders' Equity			
Share capital	547,978	-	547,978
Contributed surplus	48,643	-	48,643
	278,346		278,346
	307,684	-	307,684

(Expressed in Canadian Dollars)

15. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS - continued

RECONCILIATION TO PREVIOUSLY REPORTED FINANCIAL STATEMENTS - continued

Statement of Financial Position Reconciliation-March 31, 2011

	Canadian GAAP	Effect of Transition to IFRS	Ref	IFRS
Assets				
Current assets				
Cash and cash equivalents	$ 535,436	$ -		$ 535,436
Sundry receivables	43,789	-		43,789
Prepaid expenses	9,115	-		9,115
	588,340			588,340
Property and equipment	1,013			1,013
Mineral properties and deferred expenditures	1,547,947	(338,290)	(d)	1,209,657
	$ 2,137,300	$ (338,290)		$ 1,799,010
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$ 44,135	$ -		$ 44,135
Liability for flow through shares	-	35,320	(c)	35,320
	44,135	35,320		79,455
Deferred tax liability	231,970	(231,970)	(d)	-
	276,105	(196,650)		79,455
Shareholders' equity				
Share capital	2,008,328	12,038	(c)	2,198,865
		178,499		
Warrants	179,149	(179,149)		-
Contributed surplus	174,530	650		175,180
Deficit	(500,812)	(153,678)	(c) (d)	(654,490)
	1,861,195	(141,640)		1,719,555
	$ 2,137,300	$ (338,290)		$ 1,799,010

(Expressed in Canadian Dollars)

15. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS - continued

RECONCILIATION TO PREVIOUSLY REPORTED FINANCIAL STATEMENTS - continued

Statement of Operations and Comprehensive Loss Reconciliation-March 31, 2011

	Canadian GAAP	Effect of Transition to IFRS	Ref	IFRS
Expenses				
Filing and transfer agent fees	$ 20,124	$ -		$ 20,124
General and administration costs	168,740	-		168,740
Professional fees	30,807	-		30,807
Stock based compensation	125,887	-		125,887
Depreciation	337	-		337
Loss before income taxes	345,895	-		345,895
Deferred income tax recovery	(163,358)	153,678	(d)	(9,680)
Net loss and comprehensive loss	$ 182,537	$ 153,678		$ 336,215
Basic and diluted loss per share	$ (0.02)	-		$ (0.03)
Weighted average number of shares outstanding	10,998,033	-		10,998,033

(Expressed in Canadian Dollars)

15. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS - continued

RECONCILIATION TO PREVIOUSLY REPORTED FINANCIAL STATEMENTS - continued

Interim Statement of Financial Position Reconciliation-December 31, 2010

	Canadian GAAP	Effect of Transition to IFRS		IFRS
Assets				
Current assets				
Cash and cash equivalents	$ 639,516	$ -		$ 639,516
Sundry receivables	31,415	-		31,415
Prepaid expenses	7,585	-		7,585
	678,516			678,516
Property, plant and equipment	1,350	-		1,350
Exploration and evaluation assets	1,185,657	-		1,185,657
	$ 1,865,523	$ -		$ 1,865,523
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$ 41,464	$ -		$ 41,464
Liability for flow through shares	-	45,000	(c)	38,560
		(6,440)	(c)	
	46,023	45,000		80,024
Shareholders' Equity		178,499		
Share capital	2,065,366	(45,000)	(c)	2,198,865
Warrants	179,149	179,149		-
Contributed surplus	174,530	650		175,180
Deficit	(594,986)	6,440	(c)	(588,546)
	1,824,059	-		1,785,499
	$ 1,865,523	$ -		$ 1,865,523

(Expressed in Canadian Dollars)

15. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS - continued

RECONCILIATION TO PREVIOUSLY REPORTED FINANCIAL STATEMENTS - continued

Interim Statement of Operations and Comprehensive Loss Reconciliation – December 31, 2010

	Canadian GAAP		Effect of Transition to IFRS	IFRS	
	Three months	Nine months		Three months	Nine months
Expenses					
Filing and transfer agent fees	$ 3,909	$ 15,329		$ 3,909	$ 15,329
General and administration costs	51,055	115,545		51,055	115,545
Professional fees	2,000	19,950		2,000	19,950
Stock based compensation	-	125,887		-	125,887
Loss before income taxes	56,964	276,711		56,964	276,711
Deferred tax benefit	-	-		2,480	6,440
Net loss and comprehensive loss	$ 56,964	$ 276,711		$ 54,484	$ 270,271
Basic and diluted loss per share	$ 0.00	$ (0.03)		$ 0.00	$ (0.03)
Weighted average number of shares outstanding	12,896,357	8,891,357		12,896,357	8,891,357