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BONAPARTE RESOURCES INC.  
CONDENSED INTERIM FINANCIAL STATEMENTS  
THREE MONTHS ENDED NOVEMBER 30, 2011

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CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

CONDENSED INTERIM STATEMENTS OF OPERATIONS, COMPREHENSIVE  
LOSS AND DEFICIT

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

CONDENSED INTERIM STATEMENT OF CASH FLOWS

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

**BONAPARTE RESOURCES INC.**

**NOTICE OF AUDITOR REVIEW OF CONDENSED  
INTERIM FINANCIAL STATEMENTS**

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

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

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

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**BONAPARTE RESOURCES INC.****CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**(Unaudited - Prepared by Management)**  
**(Expressed in Canadian Dollars)**

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	November 30, 2011	August 31, 2011	September 1, 2010
	\$	\$	\$
<b>ASSETS</b>		( Note 10 )	( Note 10 )
<b>CURRENT ASSETS</b>			
Cash and equivalents	37,549	136,741	466,746
HST recoverable	116,801	64,782	29,765
Prepaid expenses	699	2,798	2,699
	155,049	204,321	499,210
Advances to contractor for exploration	330,345	769,858	78,025
Deferred financing costs	28,500	28,500	-
Mineral properties ( Note 5 )	1,103,674	558,837	401,850
	1,617,568	1,561,516	979,085
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	18,243	22,612	23,579
Note payable to related party ( Note 6 )	65,919	-	51,729
Due to related parties ( Note 6 )	41,360	21,920	-
	125,522	44,532	75,308
<b>SHAREHOLDERS' EQUITY</b>			
SHARE CAPITAL ( Note 7 )	1,875,334	1,875,334	1,080,534
CONTRIBUTED SURPLUS	214,034	209,225	91,171
DEFICIT	(597,322)	(567,575)	(267,928)
	1,492,046	1,516,984	903,777
	1,617,568	1,561,516	979,085

SUBSEQUENT EVENTS ( Note 11 )

APPROVED BY THE DIRECTORS:

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*"ROBERT JAMIESON"* Director

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*"T. RANDALL SAUNDERS"* Director

The attached notes are an integral part of the financial statements

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**BONAPARTE RESOURCES INC.****CONDENSED INTERIM STATEMENTS OF OPERATIONS, COMPREHENSIVE  
LOSS AND DEFICIT  
(Unaudited - Prepared by Management)  
(Expressed in Canadian Dollars)****THREE MONTH PERIODS ENDED NOVEMBER 30, 2011 AND 2010**

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	<u>2011</u>	<u>2010</u>
	\$	\$
<b>ADMINISTRATION EXPENSES</b>		
Accounting and legal	5,532	1,483
Bank charges and interest	27	793
Interest on long term debt	919	-
Listing and filing	979	2,024
Management fees	18,000	-
Office expenses	405	430
Stock based compensation	4,809	-
Transfer agency	938	1,297
<b>LOSS BEFORE OTHER INCOME</b>	<b>31,609</b>	<b>6,027</b>
<b>OTHER INCOME</b>		
Interest income	1,862	145
<b>NET AND COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>29,747</b>	<b>5,882</b>
<b>DEFICIT AT BEGINNING OF PERIOD</b>	<b>567,575</b>	<b>267,928</b>
<b>DEFICIT AT END OF PERIOD</b>	<b>597,322</b>	<b>273,810</b>
<b>BASIC AND DILUTED LOSS PER COMMON SHARE</b>	<b>0.00</b>	<b>\$ 0.01</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>	<b>10,668,987</b>	<b>7,582,413</b>

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The attached notes are an integral part of the financial statements

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**BONAPARTE RESOURCES INC.****CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**(Unaudited - Prepared by Management)**  
**(Expressed in Canadian Dollars)****THREE MONTHS ENDED NOVEMBER 30, 2011 AND 2010**

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	<u>Shares</u>	<u>Amount</u>	<u>Contributed</u>	<u>Deficit</u>	<u>Total</u>
		\$	Surplus	\$	Equity
			\$	\$	\$
<b>Issued</b>					
Balance at September 1, 2010	7,582,413	1,080,534	91,171	(267,928)	903,777
Loss - three months	-	-	-	(5,882)	(5,882)
Balance - November 30, 2010	7,582,413	1,080,534	91,171	(273,810)	897,895
Loss - nine months	-	-	-	(293,765)	(293,765)
Exercise of options	86,574	22,888	(9,902)	-	12,986
Stock based compensation	-	-	127,956	-	127,956
Flow-through shares issued	3,000,000	1,200,000	-	-	1,200,000
Share issue costs	-	(97,968)	-	-	(97,968)
Flow-through income tax recovery	-	(330,120)	-	-	(330,120)
Balance - August 31, 2011	10,668,987	1,875,334	209,225	(567,575)	1,516,984
Stock based compensation			4,809		
Loss - three months	-	-	-	(29,747)	(29,747)
Balance - November 30, 2011	10,668,987	1,875,334	214,034	(597,322)	1,487,237

The attached notes are an integral part of the financial statements

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**BONAPARTE RESOURCES INC.****CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
**(Unaudited - Prepared by Management)**  
**(Expressed in Canadian Dollars)****THREE MONTHS PERIODS ENDED NOVEMBER 30, 2011 AND 2010**

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	<u>2011</u>	<u>2010</u>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(29,747)	(5,882)
Items not involving cash		
Stock based compensation	4,809	-
	(24,938)	(5,882)
HST recoverable	(52,019)	337
Prepaid expenses	2,099	4,094
Accounts payable and accrued liabilities	(4,369)	(17,655)
Payable to related parties	19,440	-
	(59,787)	(19,106)
<b>INVESTING ACTIVITIES</b>		
Mineral properties and exploration costs	(544,837)	(1,942)
Advances to exploration contractor	439,513	-
	(105,324)	(1,942)
<b>FINANCING ACTIVITIES</b>		
Note payable to related party	65,919	766
<b>CHANGE IN CASH</b>	(99,192)	(20,282)
<b>CASH AND EQUIVALENTS, BEGINNING OF PERIOD</b>	136,741	466,746
<b>CASH AND EQUIVALENTS, END OF PERIOD</b>	37,549	446,464

**Supplemental Information:**

Interest Paid	919	766
Income Taxes Paid	-	-

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The attached notes are an integral part of the financial statements

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**BONAPARTE RESOURCES INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
(Unaudited - Prepared by Management)  
(Expressed in Canadian Dollars)****THREE MONTHS PERIODS ENDED NOVEMBER 30, 2011 AND 2010**

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**1. NATURE OF BUSINESS AND CONTINUED OPERATIONS**

During 2010, pursuant to shareholder approval, the Company changed its name to Bonaparte Resources Inc. The Company is primarily engaged in the acquisition and exploration of mineral properties and is considered to be in the exploration stage. No revenues have been earned to date from its operations. The Company has not yet determined whether its mineral properties contain reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. The Company has accumulated losses of \$ 597,322 to November 30, 2011.

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a forced liquidation. These financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

**2. BASIS OF PREPARATION AND ADOPTION OF IFRS**

The Company prepares its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") as set out in the Handbook of the Canadian Institute of Chartered Accountants ("CICA Handbook"). In 2010, the CICA Handbook was revised to incorporate IFRS and requires publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. Accordingly, the Company has commenced reporting on this basis in these condensed interim financial statements. In the financial statements, the term "Canadian GAAP" refers to Canadian GAAP before the adoption of IFRS.

These condensed interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34 and IFRS 1. These condensed interim financial statements do not include all of the information required for full annual financial statements. The Company has consistently applied the same accounting policies in its opening IFRS statement of financial position at September 1, 2010 and throughout the period presented, as if these policies had always had been in effect. Note 10 discloses the impact of the transition to IFRS on the Company's reported financial position including the nature and effect of significant changes in accounting policies from those used in the Company's financial statements for the year ended August 31, 2011.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(Unaudited - Prepared by Management)**  
**(Expressed in Canadian Dollars)****THREE MONTHS PERIODS ENDED NOVEMBER 30, 2011 AND 2010**

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**2. BASIS OF PREPARATION AND ADOPTION OF IFRS - continued**

The policies applied in these condensed interim financial statements are based on IFRS issued and outstanding as at February 23, 2012, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending August 31, 2012 could result in restatement of these condensed interim financial statements, including any transitional adjustments recognized on change-over to IFRS. The condensed interim financial statements should be read in conjunction with the Company's Canadian GAAP annual financial statements for the year ended August 31, 2011.

**3. SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENT AND ESTIMATION UNCERTAINTY****Significant Accounting Policies**

These condensed interim financial statements follow the same accounting policies and methods of application as the Company's most recent annual financial statements for the year ended August 31, 2011 except for those changes recognized on change-over to IFRS, as described in Note 10.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and further periods if the review affects both current and future periods.

There are no judgements made by management in the application of IFRS that have a significant effect on the financial statements and no estimates were made by management with a significant risk of material adjustment in the next year.



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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**(Expressed in Canadian Dollars)****THREE MONTHS PERIODS ENDED NOVEMBER 30, 2011 AND 2010**

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**4. FUTURE CHANGES IN ACCOUNTING STANDARDS****Accounting Standards Issued and Effective**

IFRS 7 - Financial Instruments: Disclosures - In October, 2010 the IASB issued amendments to IFRS 7 that improve the disclosure requirements in relation to transferred financial assets. The amendments are effective to annual periods beginning on or after July 1, 2011, with early adoption permitted. The Company has adopted this amendment and it is expected to have no significant impact on the condensed interim financial statements.

**Standards Issued But Not Yet Adopted**

For the purposes of preparing and presenting the Company's condensed interim financial statements, the Company has adopted all standards and interpretations issued other than those discussed in this note. These standards have not been adopted because they are not effective until subsequent to August 31, 2012. Standards and interpretations issued, but not adopted include:

	<u>Effective</u>
Amendment to IAS 12, Income Taxes	January 1, 2012
IFRS 9 - Financial Instruments	January 1, 2013
IFRS 10 - Consolidated Financial Statements	January 1, 2013
IFRS 11 - Joint Arrangements	January 1, 2013
IFRS 12 - Disclosure of Interests in Other Entities	January 1, 2013
IFRS 13 - Fair Value Measurement	January 1, 2013
IAS 27 - Separate Financial Statements	January 1, 2013
IAS 28 - Investments in Associates and Joint Ventures	January 1, 2013

The Company believes that, with the exception of IFRS 9, Financial Instruments, the adoption of these revised standards will have no material impact on the financial statements of the Company. For standards that become effective after January 1, 2013, the Company has not yet begun the process of assessing the impact that the new and amended standards will have on its condensed interim financial statements.

IFRS 9, Financial Instruments, proposes to replace IAS 39 Financial Instruments; Recognition and Measurement. The replacement standard has three main phases, the first of which provides new guidance for the classification and measurement of financial assets and liabilities. The second part, which is currently an exposure draft, provides guidance for amortized cost and methodology for financial assets. The third part, which is also currently an exposure draft proposes a revised general hedge accounting model. The Company will evaluate the impact of the change to its financial statements based upon the characteristics of the financial instruments anticipated to be outstanding at the time of adoption.

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**BONAPARTE RESOURCES INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
(Unaudited - Prepared by Management)  
(Expressed in Canadian Dollars)****THREE MONTHS PERIODS ENDED NOVEMBER 30, 2011 AND 2010**

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**5. MINERAL PROPERTIES****( a ) HOPPER PROPERTY**

The Company entered into an Option Agreement ("the Option") with Strategic Metals Inc., ("Strategic") whereby the Company acquired the option to acquire up to a 100% interest in 192 claims, comprising approximately 4,000 hectares located in the Whitehorse Mining District, Yukon Territory, known as the Hopper Property. The Hopper Property is located southwest of Whitehorse and is accessible from the Alaska Highway along the access to the Aishihik hydroelectric facility. The Company can earn its 100% interest as part of a three ( 3 ) phase programme as follows:

Phase 1 - the Company will earn a 50% interest in the Hopper Property by: paying \$50,000 within 10 days of the acceptance of the Option by the TSX - Venture Exchange and by paying \$150,000, \$300,000 and \$500,000 on or before December 31, 2011, 2012 and 2013. In addition, the Company will be required to incur exploration expenditures of \$700,000, \$1,300,000 and \$2,000,000 on or before December 31, 2011, 2012 and 2013 respectively;

Phase 2 - the Company will earn a further 30% ( 80% total ) interest in the Hopper Property by paying Strategic \$1,000,000 each on or before December 31, 2014 and 2015 and by incurring further exploration expenditures of \$3,000,000 and \$7,000,000 on or before December 21, 2014 and 2015 respectively: and,

Phase 3 - Upon completion of Phase 2, the Company shall have the option to acquire the remaining 20% of the Hopper Property by paying \$5,000,000 to Strategic on or before March 31, 2016. Strategic retains the right, but not the obligation, to accept all or part of the final payment in shares of the Company and Strategic shall retain a 2% net smelter returns royalty.

**( b ) HOOCH PROPERTY**

During the year, the Company has entered into an agreement with Strategic Metals Ltd. ("Strategic") to acquire an option to earn a 50% interest in 12 mineral claims located in the Whitehorse Mining District, Yukon Territory, know as the "Hooch" claims for the following consideration:

- i) paying \$5,000 on the execution of the agreement (paid) and \$15,000, \$30,000 and \$50,000 on or before December 31, 2011, 2012 and 2013 respectively;
- ii) incurring exploration expenditures totalling \$30,000, \$70,000 and \$100,000 on or before December 31, 2011, 2012 and 2013 respectively.

On completion of the first option the Company has the option to earn a further 50% (100% total) interest in the Hooch claims for the payment of a further \$875,000 in the increments of \$125,000 on or before January 31, 2014 and \$250,000 and \$500,000 on or before December 31, 2014 and 2015 respectively. In addition, the Company will be required to make further exploration expenditures in the amounts of \$500,000 and \$600,000 on or before December 31, 2014 and 2015 respectively. Strategic will retain a 2% Net Smelter Returns Royalty.

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**BONAPARTE RESOURCES INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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**THREE MONTHS PERIODS ENDED NOVEMBER 30, 2011 AND 2010**

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**5. MINERAL PROPERTIES - Continued**

	2011			2010
	Hopper	Hooch	Total	(Rosy)
	\$	\$	\$	\$
<u>Acquisition and holding</u>				
Cash payments	-	-	-	-
Shares issued	-	-	-	-
Regulatory payments	-	-	-	-
	-	-	-	-
<u>Deferred exploration costs</u>				
Assays and testing	21,367	3,222	24,589	313
Camp costs	16,624	1,113	17,737	150
Consulting and engineering	16,541	15,194	31,735	-
Contract labour	86,027	3,159	89,186	-
Drilling and site preparation	159,930	-	159,930	-
Equipemnt rental	28,296	2,102	30,398	-
Fuel	(578)	-	(578)	(733)
Geological and Geophysical	96,514	87,941	184,455	-
Legal and regulatory	5,900	-	5,900	-
Miscellaneous	137	0	137	32
Office and overhead	12	12	24	2,180
Reports, drafting and maps	-	-	-	-
Travel and accomodation	1,324	-	1,324	-
	432,094	112,743	544,837	1,942
<b>Expended in period</b>	432,094	112,743	544,837	1,942
<b>Balance- beginning of period</b>	552,837	6,000	558,837	401,850
<b>Balance - end of period</b>	984,931	118,743	1,103,674	403,792

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**BONAPARTE RESOURCES INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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**THREE MONTHS PERIODS ENDED NOVEMBER 30, 2011 AND 2010**

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**6. RELATED PARTIES**

The Company is indebted to its Chief Executive Officer in the amount of \$65,919 (August 31 2011 - Nil). During the period the Company was loaned \$65,000 by the CEO. The loan is secured by a promissory note, with interest at the bank prime plus 3 percent, and is due and payable September 6, 2012, its one year anniversary date.

The Company incurred the following amounts to related parties during the respective periods.

	Three Months Ended November 30	
	<u>2011</u>	<u>2010</u>
	\$	\$
Management fees	18,000	-
Interest on promissory note	919	-
	<u>18,919</u>	<u>-</u>

**7. SHARE CAPITAL AND CONTRIBUTED SURPLUS****( a ) Escrowed Shares**

Pursuant to an escrow agreement dated August 27, 2007, the 3,733,339 shares then issued and outstanding were to be held in escrow and are to be released on a staged basis, with 10% to be released on the issuance of a final exchange bulletin by the TSX - V and 15% to be released every six months thereafter for a period of 36 months. Upon approval of the Qualifying Transaction and the issue of the exchange bulletin, 10% or 373,331 shares were released from escrow in February, 2010 and a further 15% or 560,000 shares were released in August, 2010, February and August, 2011. As at August 31 and November 30, 2011 a total of 1,680,008 shares (2010 - 2,950,008) remained in escrow.

**( b ) Stock Options**

The Company grants incentive stock options as permitted to the Company's Stock Option plan ("the Plan") approved by the shareholders of the Company. The Plan has been structured to comply with the rules of the TSX-V. The aggregate number of common shares which may be subject to option at any one time may not exceed 10% of the issued common shares of the Company as of that date including options granted prior to the adoption of the Plan. Options granted may not exceed a term of five years. If the optionee ceases to be qualified to receive options from the Company those options expire immediately. Options generally have varying expiry terms of up to five years and vesting periods determined at the discretion of the directors.

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**BONAPARTE RESOURCES INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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**THREE MONTHS PERIODS ENDED NOVEMBER 30, 2011 AND 2010**

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**7. SHARE CAPITAL AND CONTRIBUTED SURPLUS - Continued**

On June 22, 2010 the Company granted 50,000 stock options to a director of the Company that vested upon grant and exercisable at \$0.45 per share on or before June 22, 2015.

In February, 2011, the Company granted a further 315,000 options exercisable at a price of \$0.45 per share until February 8, 2016. Of the 315,000 granted, 78,750 vested immediately, 78,750 vested on May 8, August 8, and November 8, 2011 respectively. In July, 2011 the Company's CEO and CFO relinquished a total of 80,000 options that had been granted in February, 2011.

The Company granted a further 150,000 options to consultants at a price of \$0.30 exercisable until July 30, 2012. The options vest over a period of one year with 37,500 options vesting on October 20, 2011 and January 20, April 20 and July 20, 2012 respectively.

During the period the Company recognized stock based compensation in the amount of \$4,809 calculated using the Black Scholes model for options that vested in the period.

	Number of Options	Weighted Average Exercise Price \$
Balance - August 31, 2010	673,334	0.17
Exercised	(86,574)	0.15
Granted	465,000	0.40
Cancelled	(80,000)	0.45
Balance - August 31 and November 30, 2011	971,760	0.26

The following stock options are outstanding as at November 30, 2011

Exercise Price	Weighted Average Remaining Life	Options Outstanding		Options Exercisable	
		Number of shares	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
0.15	0.71	536,760	0.15	536,760	0.15
0.45	3.56	50,000	0.45	50,000	0.45
0.40	4.19	235,000	0.40	235,000	0.40
0.30	0.67	150,000	0.30	37,500	0.30
	1.69	971,760	0.26	859,260	0.24

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**THREE MONTHS PERIODS ENDED NOVEMBER 30, 2011 AND 2010**

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**7. SHARE CAPITAL AND CONTRIBUTED SURPLUS - Continued**

## Share Purchase Warrants

On December 30, 2010 the Company issued 3,000,000 flow-through units consisting of one flow-through share and 1/2 share purchase warrant exercisable until December 30, 2011. The Units were priced at \$0.40 per share. No fair value was assigned to the warrants upon issuance as they had no intrinsic value at the time of issuance. As at August 31 and November 31, 2011 a total of 1,500,000 warrants remain outstanding. (See Subsequent Events)

**8. CAPITAL MANAGEMENT**

The Company manages its capital structure in order to ensure sufficient resources are available to meet operational requirements and safeguard its ability to continue as a going concern. There are no externally imposed capital requirements on the Company. The Company seeks to manage its capital to provide adequate funding for its operations while minimizing dilution for its existing shareholders. The Company's principal source of funds is advances from related parties. Management considers its shareholders' deficit, note payable and payable to related parties as capital (capital deficiency), which consists of the following:

	November 30, 2011	August 31, 2011	September 1, 2010
	\$	\$	\$
Due to related parties	41,360	21,920	-
Note payable to related party	65,919	-	51,729
Shareholders' deficit	(597,322)	(567,575)	(267,918)
	<u>(490,043)</u>	<u>(545,655)</u>	<u>(216,189)</u>

**9. FINANCIAL INSTRUMENTS AND RISK**

All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss (FVTPL). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities. Financial instruments comprise cash and cash equivalents, marketable securities and accounts payable. At initial recognition management has classified financial assets and liabilities as follows:

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Financial assets - the Company has recognized its cash and cash equivalents and marketable securities at FVTPL. A financial instrument is classified at FVTPL if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Financial instruments at FVTPL are measured at fair value and changes therein are recognized in income.

Financial liabilities - the Company has recognized its accounts payable as financial liabilities. Accounts payable are recognized at the amount required less, when material, a discount to reduce the payable to fair value. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Credit Risk - Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. To minimize the credit risk the Company places these instruments with high credit quality financial institutions.

Liquidity Risk - The Company ensures its holding of cash and cash equivalents is sufficient to meet its short-term obligations and general and administrative expenditures. The Company does not have investments in any asset backed deposits.

Foreign Exchange Risk - The Company does not have any foreign exchange currency denominated financial instruments and is not exposed to foreign exchange risk.

Interest Rate Risk - The Company manages its interest rate risk by obtaining the best available commercial deposit interest rates by major Canadian financial institutions.

Market Risk - market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The Company is not exposed to market risk at present.

**10. TRANSITION TO INTERNATIONAL REPORTING STANDARDS**

As stated in Notes 1 and 2, these are the Company's first condensed interim financial statements for the period covered by the first annual financial statements prepared in accordance with IFRS.

The accounting policies in Note 3 have been applied in preparing the condensed interim financial statements for the three months ended November 30, 2011, the comparative information for the three months ended November 30, 2010, the statement of financial position for August 31, 2011 and the opening statement of financial position on September 1, 2010 the "Transition Date."

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**BONAPARTE RESOURCES INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
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An explanation of how the transition from GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following summary.

The guidance for the first time adoption of IFRS is set out in IFRS 1. IFRS 1 provides for certain mandatory exceptions and optional exemptions for first-time adopters of IFRS. The Company has elected to apply the following optional exceptions.

Estimates - In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is evidence that those estimates were in error. The Company's IFRS estimates as of September 1, 2010 are consistent with its Canadian GAAP estimates for the same date. The Company's Canadian GAAP statements of operations, comprehensive loss and deficit, statement of financial position and statement of cash flows for the three months ended November 30, 2010 and the year ended August 31, 2011 have been reconciled to IFRS, with no resulting differences.

Accounts payable, accrued liabilities and provisions - provisions, in accordance with IFRS, are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. The Company's Canadian GAAP statement of operations, comprehensive loss and deficit, statement of financial position and statement of cash flows for the three months ended November 30, 2010 and the year ended August 31, 2011 have been reconciled to IFRS, with no resulting differences identified.

Impairment - If an indication of impairment is identified, the asset's carrying value is compared to the assets discounted cash flows under IFRS. If the discounted cash flows are less than the carrying value, the asset is impaired by an amount equal to the difference between the discounted cash flows and the carrying value. The Company conducted an impairment review for its assets at September 1, 2010, August 31, 2011 and November 30, 2011 and concluded that the assets were not impaired in accordance with IFRS.

Presentation - the presentation of the cash flow statement in accordance with IFRS differs from the presentation of the cash flow statement in accordance with Canadian GAAP. The transition from previous GAAP has had no effect upon the reported cash flows generated by the Company. The reconciling items between the previous GAAP presentation and the IFRS presentation have no net impact on the cash flows generated.



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**BONAPARTE RESOURCES INC.****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**(Unaudited - Prepared by Management)**  
**(Expressed in Canadian Dollars)****THREE MONTHS PERIODS ENDED NOVEMBER 30, 2011 AND 2010**

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**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 not to apply IFRS 2 to share-based payments granted after November 7, 2002. The Company has elected this exemption and will apply IFRS 2 to stock-based payments as at September 1, 2010, the transition date.

The Company has also adopted the accounting policy for the treatment of expired vested stock options. Under IFRS, the amount recorded for expired unexercised vested stock options will be transferred to deficit on the date of expiry.

There is no impact on the financial statements due to these elections.

**Business Combinations**

IFRS 1 allows that a first-time adopter may elect not to apply IFRS 3 Business Combinations (IFRS 3) retrospectively to business combinations prior to the date of transition thereby avoiding the requirement to restate prior business combinations. The Company has elected to apply IFRS 3 to business combinations that occur on or after September 1, 2010. There is no impact on the financial statements due to this election.

**Fair Value as Deemed Cost**

The Company may elect among two options when measuring the value of its assets under IFRS. It may elect, on an asset by asset basis, to use either historical cost as measured under retrospective application of IFRS or fair value of an asset at the opening balance sheet. The Company has elected to use historical cost for its assets. There is no impact on the financial statements due to this election.

**11. SUBSEQUENT EVENTS**

Subsequent to the period end:

- ( a ) The remaining 1,500,000 share purchase warrants expired;
- ( b ) Paid the \$150,000 property payment for the Hopper property and the \$15,000 payment for the Hooch property that were due on or before December 31, 2011, and;
- ( c ) The Company incurred a further \$270,502 in exploration expenditures on the Hopper and Hooch properties, bringing the total expenditures for the period from September 1, to December 31, 2011 to \$815,338.