

Josephine Mining Corp.

Condensed Interim Financial Statements
(Expressed in United States Dollars)

For the three and nine month periods ended September 30, 2010 and 2009

Notice of No Auditor Review

The accompanying unaudited interim financial statements have been prepared by management.

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

Josephine Mining Corp.

Unaudited Condensed Interim Financial Statements

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Josephine Mining Corp.
INTERIM BALANCE SHEETS
(Stated in United States dollars)

	September 30, 2010	December 31, 2009
	(unaudited)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 15,564	\$ 37,040
Prepaid expenses	17,444	11,217
Total Current Assets	33,008	48,257
NON-CURRENT ASSETS		
Property purchase option (Note 4)	829,647	703,778
Deposits	17,500	17,500
Total Non-Current Assets	847,147	721,278
TOTAL ASSETS	\$ 880,155	\$ 769,535
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 40,381	\$ 43,997
Accrued liabilities - related parties	203,732	71,185
Total Current Liabilities	244,113	115,182
STOCKHOLDER'S EQUITY		
Share capital (Note 7)	210,010	210,010
Contributed surplus (Note 7)	1,353,080	916,331
Warrants (Note 7)	44,625	44,625
Accumulated deficit	(971,673)	(516,613)
Total Stockholder's Equity	636,042	654,353
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 880,155	\$ 769,535

GOING CONCERN (Note 2)

COMMITMENTS (Note 6)

SUBSEQUENT EVENTS (Note 11)

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

Josephine Mining Corp.
INTERIM STATEMENTS OF NET LOSS
(Stated in United States dollars)

	For the three months ended September 30, 2010 (unaudited)	For the three months ended September 30, 2009 (unaudited)	For the nine months ended September 30, 2010 (unaudited)	For the nine months ended September 30, 2009 (unaudited)
REVENUES	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES				
General and administrative	69,317	27,683	205,824	27,759
Exploration	(23,048)	13,312	249,235	18,312
TOTAL EXPENSES	<u>46,269</u>	<u>40,995</u>	<u>455,059</u>	<u>46,071</u>
NET LOSS	<u>\$ (46,269)</u>	<u>\$ (40,995)</u>	<u>\$ (455,059)</u>	<u>\$ (46,071)</u>
NET LOSS PER COMMON SHARE, BASIC AND DILUTED	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>	<u>\$ (0.04)</u>	<u>\$ (0.00)</u>
WEIGHTED AVERAGE COMMON STOCK SHARES OUTSTANDING, BASIC AND DILUTED	<u>10,500,010</u>	<u>10,500,010</u>	<u>10,500,010</u>	<u>10,500,010</u>

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

Josephine Mining Corp.
INTERIM STATEMENTS OF CASH FLOWS
(Stated in United States dollars)

	Nine month period ended September 30, 2010 (unaudited)	Nine month period ended September 30, 2009 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (455,059)	\$ (46,071)
<i>Changes in assets and liabilities:</i>		
Increase in prepaid expenses	(6,227)	-
Increase (decrease) in accounts payable	(3,617)	95,654
Increase in accrued liabilities - related parties	132,547	-
Net cash provided by operating activities	<u>\$ (332,356)</u>	<u>\$ 49,583</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in property purchase option	(125,869)	(281,187)
Change in deposits	-	(15,000)
Net cash used by investing activities	<u>(125,869)</u>	<u>(296,187)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Equity financing	436,749	300,000
Net cash provided by financing activities	<u>436,749</u>	<u>300,000</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(21,476)	53,396
Cash, beginning of period	37,040	-
Cash, end of period	<u>\$ 15,564</u>	<u>\$ 53,396</u>

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

Josephine Mining Corp.
INTERIM STATEMENT OF CHANGES IN EQUITY
(Stated in United States dollars)

	Common Shares			Warrants	Contributed Surplus	Deficit	Total
	Shares	Value					
Opening balance, June 18, 2009	10	\$ 10	\$	-	\$ -	\$ -	\$ 10
Capital contributed	10,500,000	210,000		44,625	916,331	-	1,170,956
Loss for period	-	-		-	-	(516,613)	(516,613)
Balance, December 31, 2009	10,500,010	210,010		44,625	916,331	(516,613)	654,353
Additional capital contributed	-	-		-	436,749	-	436,749
Loss for period	-	-		-	-	(455,059)	(455,059)
Balance, September 30, 2010	10,500,010	\$ 210,010	\$	44,625	\$ 1,353,080	\$ (971,673)	\$ 636,042

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

Josephine Mining Corp.

Notes to the condensed interim financial statements

Three and nine month periods ended September 30, 2010 and 2009 (unaudited)

Presented in United States dollars

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

Josephine Mining Corp. (“Josephine” or “the Company”) was incorporated on June 18, 2009 under the laws of British Columbia, Canada. The Company is registered to do business in the State of Oregon, USA, for the purpose of exploring and mining in Josephine County, Oregon. To date the Company has received no revenues and is currently focusing its efforts on the development and exploration of its mineral properties, as such it is classified as an exploration stage company.

On March 24, 2011, the Company was acquired by Josephine Mining Corp. (“JMC”) (formerly known as Green Park Capital Corp.), then a Capital Pool Company with shares listed on the TSX Venture Exchange (“TSXV”). The acquisition constituted JMC’s Qualifying Transaction (the “Qualifying Transaction”) within the meaning ascribed by TSXV’s Policy 2.4. The purpose of these condensed interim financial statements is to supplement the Filing Statement of JMC dated October 8, 2010 relating to the Qualifying Transaction. See Note 6 regarding Commitments and Note 11 for subsequent events for additional disclosures concerning this transaction.

The presentation and functional currency of the Company is the U.S. Dollar. Any reference to the Canadian Dollar is represented with CDN\$.

The Company has adopted a year end of December 31.

NOTE 2 - GOING CONCERN

These financial statements have been prepared on the basis of Canadian generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and discharge of liabilities in the normal course of business. As shown in the accompanying financial statements, the Company has had no revenues, incurred an accumulated loss of \$971,673 through September 30, 2010 and had negative working capital of \$211,105 at September 30, 2010.

These factors raise doubt about the Company’s ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent upon the ability to obtain necessary financing to complete development and fund operations and future production and the discovery of economically recoverable mineral reserves or continued financing from the parent company. Management is actively targeting sources of additional financing and while the Company has been successful in raising funds in the past, there can be no assurance that it will be able to do so in the future.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Company is presented to assist in understanding the Company’s financial statements, which have prepared by management in accordance with accounting principles generally accepted in Canada.

Cash equivalents

The Company considers cash, certificates of deposit, and debt instruments with a maturity of three months or less when purchased to be cash equivalents.

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Three and nine month periods ended September 30, 2010 and 2009 (unaudited)

Presented in United States dollars

Property purchase option and exploration expenditures

The Company records its interests in properties at cost. Exploration expenditures relating to these interests are capitalized until the properties to which they relate are placed into production, sold or abandoned. These expenditures will be amortized over the estimated useful life of the related property using the unit-of-production basis following commencement of production, or written-off if the mineral properties are sold or abandoned. General exploration expenditures are expensed as incurred.

The amounts shown for mineral properties represent costs to date, and do not necessarily represent future values as they are entirely dependent upon the economic recovery future reserves.

The Company reviews capitalized costs on its properties on a periodic basis and will recognize impairment in value based upon current exploration or production results, if any, and upon management's assessment of the future probability of profitable revenues from the property or from sale of the property. Management's assessment of the property's estimated current fair market value is also based upon management's review of other property transactions that have occurred in the same geographic area as its properties.

The Company does not accrue the estimated future costs of maintaining its properties in good standing.

Stock-based compensation

The Company follows the recommendations of the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3870 for stock based compensation. The fair value of each stock option granted is estimated on grant dates using the Black Scholes option pricing model. The associated compensation expense is charged to income (loss) with a corresponding increase in contributed surplus, over the vesting period of the grant. As the options are exercised, the consideration paid, together with the amount previously recognized in contributed surplus, is recorded as an increase in share capital. In the event that vested options expire, previously recognized compensation expense associated with such stock options is not reversed. In the event that unvested options are cancelled, previously recognized compensation expense associated with such stock options is reversed.

Provision for Taxes

Income taxes are provided based upon the assets and liability method of accounting. Under this method, future income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end and are measured using substantively enacted rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is recorded against future tax assets if management does not believe it is more likely than not that future benefits will ultimately be realized.

Comprehensive income (loss)

Comprehensive income (loss) includes all changes in equity of the Company, except those resulting from investments by owners and distributions to owners. Comprehensive income (loss) is the total of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) comprises revenues, expenses, gains and losses that in accordance with generally accepted accounting principles, require recognition, but are excluded from net income (loss). The Company does not have any items giving rise to other comprehensive income, nor is there any accumulated balance of other comprehensive income. All gains and losses, including those arising from measurement of all financial instruments have

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Presented in United States dollars

been recognized in net loss for the period. Net loss for the period is equivalent to comprehensive loss for the period.

Loss per Share

Basic loss per share is calculated based on the weighted average number of common shares outstanding. Diluted loss per share assumes exercise of stock warrants, provided the effect is not antidilutive. As the financial statements reflect net losses, all of our warrants have an anti-dilutive effect on per common share amounts. The treasury stock method is used to determine the dilutive effect of warrants and options, whereby any proceeds from the exercise of warrants or other dilutive instruments are assumed to purchase common shares at the average market price during the period.

Financial Instruments

Section 3855 of the CICA Handbook requires the initial measurement of all financial instruments at fair value with classification into one of five categories; loans and receivables; assets held to maturity; assets available for sale; other financial liabilities; and held for trading.

Financial instruments that are classified as held-for-trading or available-for-sale are remeasured each reporting period at fair value with the resulting gain or loss recognized immediately as net income and other comprehensive income, respectively. All other financial instruments are initially accounted for at fair value and subsequently measured at amortized cost using the effective interest rate method with foreign exchange gain and losses recognized immediately as net income.

Section 3862, Financial Instruments – Disclosures, requires that all financial instruments measured at fair value be categorized into one of three hierarchy levels (Note 9).

The Company has no derivatives or embedded derivatives in other financial instruments as of September 30, 2010 or December 31, 2009.

Fair Value of Financial Instruments

The Company's financial instruments include cash, accounts payable and accrued expenses. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at September 30, 2010 and December 31, 2009.

Capital Disclosure

The Company follows CICA Handbook section 1535, "Capital Disclosures". This section requires the Company to provide disclosures to enable users to evaluate the Company's objectives, policies and processes for managing capital (Note 10).

Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in Canada require the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates include the determination of impairment of the property purchase option and valuation of warrants. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company's financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions and could have a

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Presented in United States dollars

material effect on the reported amounts of the Company's financial position and results of operations. As adjustments become necessary, they are reported in earnings in the period in which they become known.

Recent Accounting Pronouncements

In January 2006, the CICA adopted a strategic plan for the direction of accounting standards in Canada. Accounting standards for public companies in Canada are to converge with International Financial Reporting Standards ("IFRS") by 2011. On April 7, 2008, the Accounting Standards Board issued its exposure draft proposing to incorporate IFRS for interim and annual financial statements for fiscal years beginning on or after January 1, 2011 with earlier adoption permitted.

In 2009 the CICA also issued exposure drafts ("EDs") to incorporate proposed changes to the existing International Accounting Standards ("IAS") or to conform existing CICA Handbook sections to IAS. These include EDs on Section 1000 "Financial Statements Concepts" and Section 3500 "Earnings per Share" as well as an ED to adopt the new consolidation standard, the final IAS standard on the derecognition of financial assets and financial liabilities and a new standard on fair value measurement proposed by the IASB.

As of the date these financial statements, management completed an assessment of the impacts of the transition from Canadian Generally Accepted Accounting Principles to IFRS. Based on this assessment, the following potentially high impact areas were identified:

- IAS-12: Income Taxes
- IAS-21: The Effects of Changes in Foreign Exchange Rates
- IAS-36: Impairment of Assets
- IFRS-1: First Time Adoption of IFRS
- IFRS-2: Share Based Payment
- IFRS-6: Exploration for and Evaluation of Mineral Resources

There were no revisions to the historical financial statements required as a result of the transition to IFRS.

NOTE 4- PROPERTY PURCHASE OPTION

On June 26, 2009 the Company entered into an "Option to Purchase Agreement" for land, patented and unpatented mining claims in Josephine County, Oregon, USA. The agreement gives the Company the exclusive option to purchase the property for a period of eighteen (18) months. The Company made an initial payment of \$100,000. The Company may extend the Option term for an additional twelve months by making an additional payment of \$300,000 on December 26, 2010 increasing the option term to thirty (30) months. The total purchase price of the property is \$2 million dollars, and all payments made on the Option terms apply to the final purchase price. In the event the Company extends the option, the remaining \$1,600,000 is due in full upon the earlier of: December 26, 2011, or upon the Company obtaining all permits and/or approvals necessary to commence mining operations plus three months from the date of the execution of the permit (Note 11).

If the Company does not exercise the Option and purchase the Property, all amounts paid by the Company are forfeited.

At September 30, 2010 and December 31, 2009 Property Purchase Option was comprised of the following:

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Presented in United States dollars

	September 30, 2010	December 31, 2009
Initial deposit on property	\$100,000	\$100,000
Shares and warrants issued pursuant to finder's agreement (Note 5)	254,625	254,625
Capitalized site specific costs	475,022	349,153
	\$829,647	\$703,778

NOTE 5 - RELATED PARTY TRANSACTIONSFinder's Agreement

On June 22, 2009 the Company entered into a Finder's Agreement with its parent company, Russell Mining and Minerals, Inc. ("RMMI") for the mining claims located in Josephine County, Oregon known as the Turner Gold property.

Under this agreement, RMMI will advance the Company funds and provide the technical support to complete a reserve study on the claims. The Company will pay RMMI the following:

- 10,500,000 Common Shares; issued during the period ended December 31, 2009.
- 5,250,000 Common Stock purchase warrants with a 5 year term and an exercise price of \$1.50; issued during the period ended December 31, 2009;
- 5,250,000 Common Stock purchase warrants with a 5 year term and an exercise price of \$2.00; issued during the period ended December 31, 2009;
- A fee of \$1,500,000 USD due in 4 equal installments beginning when production begins on the property.

The agreement also contemplates RMMI and the Company entering into a management agreement for RMMI to provide technical and administrative services to the Company.

Consulting Agreement

The Company, through its parent (RMMI), is party to a consulting agreement dated April 15, 2009, between RMMI and Russell Associates Engineering and Technology, LLC ("RA"), a company related to RMMI. Terms of the agreement include, among others, additional compensation to RA of 3.0% of all equity raised by RMMI and its subsidiaries. Consulting services, included in exploration expenses, and shared office services, included in general and administrative expenses, were obtained from RA during the nine month period ended September 30, 2010 and are included in related party accrued liabilities of \$203,732 at September 30, 2010. Limited amounts (less than \$1,000) were charged by RMMI to JMC during the nine months ended September 30, 2009, due to continued and mutually agreed upon negotiations between RMMI and RA regarding charges under the consulting agreement.

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Salary Allocation

The Company utilizes the services of the employees of RMMI. During the nine month periods ended September 30, 2010 and 2009, the Company was allocated \$141,749 and \$386,331 respectively of salaries paid to its employees by RMMI. This amount was included as exploration expense on the statement of operations with corresponding amounts allocated to contributed surplus.

At December 31, 2009, the Company had an account payable to RMMI totaling \$7,185 for expenses RMMI had paid on the Company's behalf. The accrued liabilities regarding shared office and consultant costs of \$203,732 and \$71,185 were owed to RA as of September 30, 2010 and December 31, 2009, respectively.

The above transactions were conducted in the normal course of operations and measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties and which is similar to those negotiated with third parties.

NOTE 6- COMMITMENTS

On November 25, 2009 the Company entered into an agreement with Haywood Securities Inc. ("Haywood"), to have Haywood act as exclusive financial advisor to the Company in connection with a merger, sale, reverse take-over, or joint venture of the Company's Turner Gold project. In addition, Haywood will act as an exclusive financial advisor with respect to any investment by a strategic investor or an investment by financial investors. Under the agreement there is a monthly work fee of CDN\$10,000 plus fees due upon the completion of certain investment, merger, or joint venture transactions. These fees range from 2% to 8% of the transaction value. Additionally, in the event the Company receives any fees related to a failed transaction, Haywood will receive 33% of such fees. This agreement and any modifications and addendums to this agreement substantially terminated in August 2010 and any obligation under these agreements were fulfilled under the issuances of payments and securities under the Green Park Qualifying Transaction ("QT") (Note 11).

On March 25, 2010 the Company entered into an agreement with a Canadian Capital Pool Company ("CPC") as defined in Policy 2.4 of the Exchange, Green Park Capital Corp. ("Green Park"), where Green Park was to acquire all of the issued and outstanding shares of the Company through a share exchange. Upon completion of the share exchange, the Company would own approximately 90% of the issued and outstanding shares of Green Park prior to a concurrent funding of 14,000,000 units at \$0.50, which was to raise approximately CDN\$7,000,000 for future operations. This agreement expired July 15, 2010 but was extended by mutual consent of both parties. The transaction was finalized in March 2011 (Note 11). All of Josephine's issued and outstanding shares were exchanged for 10,500,010 shares in Green Park. Josephine's shares are held in Bellus Finance, Inc. as of December 31, 2010.

In conjunction with the QT, the Company entered into an agreement with Union Securities Ltd., ("Union") in August 2010, under which Union would act as lead underwriter for Josephine in the proposed private placement. This was in conjunction with the QT and would generate up to CDN\$7,000,000 for the private placement of 14,000,000 units of common stock and warrants. This agreement was terminated on January 28, 2011. Any obligations under this agreement were fulfilled as part of the distribution of cash and securities as part of the QT with Green Park in March 2011.

Subsequent to the Company's year end, Josephine reached an agreement with Canaccord Genuity corp. to assist in the anticipated private placement (Note 11).

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Notes to the condensed interim financial statements

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Presented in United States dollars

NOTE 7 - STOCKHOLDER'S EQUITYCommon Shares*Authorized:*

Unlimited number of common shares without par value.

Issued:

	<u># of Shares</u>	<u>Amount</u>
Initial capitalization – June 18, 2009	10	\$ 10
Issued for finders agreement	10,500,000	210,000
Balance at December 31, 2009	10,500,010	\$ 210,010
Balance at September 30, 2010	10,500,010	\$ 210,010

Warrants

The Company issued 10,500,000 warrants allowing the warrant holder to purchase one share of common stock for each warrant held (see Note 5). Warrants to purchase 5,250,000 common shares have an exercise price of \$1.50 and a term of 5 years. The remaining 5,250,000 warrants have an exercise price of \$2.00 and a term of 5 years. The fair value of the warrants was determined using the Black-Scholes valuation method to be \$44,625, which has been capitalized to the property purchase option.

The fair value of warrants granted was estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free interest rate	5%
Expected volatility	111%
Expected life (years)	5
Expected dividend yield	0%

The Company estimates volatility using historical information of a sample of mining companies with similar market capitalization. The risk-free interest rate is based on the minimum rate, estimated by management, at which similar companies with high credit ratings could borrow money. The rate was higher than U.S. Treasury rates at the grant date because management believed those rates were unusually low. The expected life of the warrants represents the estimated period of time until exercise and is based on experience of similar awards, giving consideration to the contractual terms and vesting schedules. The Company has not paid dividends on common shares since inception, and no assumption of dividend payment is made in the model.

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Presented in United States dollars

Contributed surplus

	September 30, 2010	December 31, 2009
Balance, beginning of period	\$916,331	-
Cash contributed	295,000	530,000
Salary allocation (Note 5)	141,749	386,331
Balance, end of period	<u>\$1,353,080</u>	<u>\$916,331</u>

NOTE 8 - INCOME TAXES

The income tax provision differs from income taxes, which would result from applying the expected tax rate to net loss before income taxes. The differences between the "expected" income tax expense and the actual income tax recovery are summarized as follows:

	September 30, 2010	December 31, 2009
Loss before income taxes	455,059	531,488
Expected income tax recovery at 30%	136,518	159,446
Non-deductible items and other tax rate differences	-	(58)
Tax rate differences	(20,440)	(26,565)
Change in valuation allowance	(116,078)	(117,948)
Income tax recovery	<u>-</u>	<u>14,875</u>

The components of the net future income tax assets are as follows:

	September 30, 2010	December 31, 2009
Property purchase option	(14,875)	(14,875)
Non-capital losses available for future periods	246,072	132,823
Valuation allowance	(231,197)	(117,948)
Future income tax asset	<u>-</u>	<u>-</u>

The realization of the income tax benefits related to these future potential tax deductions is uncertain and cannot be viewed as more-likely-than-not. Accordingly no future income tax asset has been recognized at September 30, 2010 or December 31, 2009.

The Company has non-capital losses for income tax purposes of approximately \$990,000 for which the related benefit has not been recorded in these financial statements. Unless sufficient taxable income is earned in future periods, these non-capital losses will expire as follows:

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2029	582,000
2030	408,000
	<u>990,000</u>

NOTE 9 - FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and equivalents, prepaid expenses, accounts payable, accrued expenses and due to a related party.

The fair value hierarchy established by CICA Handbook Section 3862 – Financial Instruments – Disclosures establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and lowest priority to Level 3 inputs. Cash and cash equivalents are measured at Level 1.

	September 30, 2010		December 31, 2009	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Held for trading				
Cash and equivalents	\$15,564	\$15,564	\$37,040	\$37,040
Financial Liabilities				
Other financial liabilities				
Accounts payable	40,380	40,380	43,997	43,997
Accrued liabilities - related parties	203,732	203,732	71,185	71,185

Financial risk management

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, and price risk.

i. Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company maintains its cash and cash equivalents in financial institutions located in the United States of America and which are insured by the FDIC up to certain limits. At September 30, 2010 and December 31, 2009, the Company's account balances were fully insured.

ii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk through the management of its capital structure (Note 10).

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iii. Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. There is minimal price risk at the present time as the Company is not yet in the production phase.

NOTE 10 – CAPITAL DISCLOSURE

Capital management is the key to achieving the Company's growth plans, maintaining a strong capital base to ensure financial flexibility, and providing returns to shareholders. The Company's capital was comprised of net shareholders' equity in the amount of \$636,042 at September 30, 2010 and \$654,353 at December 31, 2009.

Management of capital risk

The Company's capital management objectives are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which maintains the costs of capital at an acceptable level.

The Company adjusts the capital structure in light of changes in economic conditions and the risk characteristics of underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire or dispose of assets. In order to maximize ongoing development efforts, the Company does not pay dividends. The Company's investment policy is to invest in highly liquid short-term interest-bearing investments. The Company is not subject to externally imposed capital requirements.

NOTE 11 – SUBSEQUENT EVENTS

Qualifying Transaction with Green Park Capital Corp.

Subsequent to year end, as contemplated under the share exchange agreement with Green Park (Note 6), Josephine was acquired by Josephine Mining Corp. ("JMC") (formerly Green Park Capital Corp.). JMC was formerly a Capital Pool Company within the meaning ascribed by the TSX Venture Exchange's Policy 2.4 ("Policy 2.4"). This transaction constituted JMC's Qualifying Transaction ("QT") as defined in Policy 2.4.

In connection with the QT, Josephine's name was changed to 0854742 B.C. Ltd. ("0854742") and was amalgamated with 0890810 B.C. Ltd. ("0890810"), a wholly owned subsidiary of JMC.

Prior to the completion of the QT, Josephine completed a private placement of 14,000,000 units, each consisting of one common share and one half of one share purchase warrant. Each whole warrant granted the holder the right to acquire one common share at an exercise price of CDN\$0.75 prior to March 24, 2013. The purchase price for each unit was \$0.50 and therefore the Company raised gross proceeds of CDN\$7,000,000. In connection with this private placement, 0854742 agreed to pay Canaccord Genuity Corp. (the "Agent") a cash fee of 7% of the gross proceeds raised and Agent's warrant's equal to 7% of the Units sold under the offering, except for the proceeds raised with respect to the subscription by a certain institutional investor (the "Investor"), in which case the commission will be reduced to 3.5% of the proceeds raised from such Investor. Each Agent's warrant is exercisable at CDN\$0.50 to acquire one Unit for a period of 24 months. The Agent's warrants were exchanged for warrants of JMC on a one for one basis upon completion of the Qualifying Transaction. Upon closing, 0854742 paid the agent a fee of 75,000 units, to be exchanged for units of the Company, each consisting of one common share and one half of one warrant to acquire one common share with an exercise price of

Josephine Mining Corp.

Notes to the condensed interim financial statements

Three and nine month periods ended September 30, 2010 and 2009 (unaudited)

Presented in United States dollars

CDN\$0.75 and an expiration date of March 24, 2013.

Immediately prior to the closing of the QT the Company had 24,500,010 shares and 17,500,000 warrants issued and outstanding.

The consideration for the QT consisted of:

- 10,500,010 JMC common shares to acquire the 10,500,010 issued and outstanding shares of Josephine;
- 7,000,000 warrants with an exercise price of CDN\$0.75 exercisable before March 24, 2013 to acquire the 7,000,000 warrants issued in conjunction with the unit offering;
- 5,250,000 warrants with an exercise price of CDN\$1.50 and an expiration date of March 24, 2016 to replace the 5,250,000 \$1.50 finder's warrants;
- 5,250,000 warrants with an exercise price of CDN\$2.00 and an expiration date of March 24, 2016 to replace the 5,250,000 \$2.00 finder's warrants.

In conjunction with the Qualifying Transaction and related financing JMC granted agent's options to acquire 735,000 common shares at an exercise price of CDN\$0.50 per share before March 24, 2013.

Incentive Stock Option Plan

On March 25, 2011 JMC granted a total of 1,850,000 options to officers, employees, directors and consultants pursuant to its incentive stock option plan, exercisable at CDN\$0.50 per share for a term of five years. These options vest over two years.

On April 26, 2011 JMC issued 7,000 common shares pursuant to the exercise of warrants.

Other Agreements

On February 16, 2011, to assist with the private placement of the 14,000,000 shares, Josephine engaged Canaccord Genuity Corp. ("Canaccord") as its agent. Canaccord's commission was limited to the 7% of the gross proceeds payable in cash and the 7% of the agent warrants under the agreement. Furthermore, to the extent that prior agency agreements were still enforced, then the appropriate payments were directed to those agents (Note 6).

All issuances and payments anticipated under this agreement were completed as part of the March 2011 qualifying transaction.

New Operating Subsidiary

In April 2011, Josephine incorporated a new subsidiary, Gold Coast Mining, Inc., to act as the main operating subsidiary of the combined companies.

Property Purchase Option

On December 14, 2010, the option agreement was amended to extend the payment date on the remaining \$300,000 due on December 26, 2010. Pursuant to the amendment, the Company paid \$15,000 in December 2010 and the balance of \$285,000 was paid in January 2011. These two payments increased the option term to thirty months from the effective date of June 26, 2009.