

CADMAN RESOURCES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2011

(Unaudited)

CADMAN RESOURCES INC.**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION****(Unaudited)**

	March 31, 2011	December 31, 2010 (Note 11)	January 1, 2010 (Note 11)
ASSETS			
CURRENT ASSETS			
Cash	\$ 459,806	\$ 6,831	\$ 114,840
HST recoverable	21,976	19,167	11,725
Other receivable	-	1,475	-
Due from related party (Note 7)	-	-	22,520
Prepaid expenses	6,275	5,775	5,000
Loans receivable	-	-	35,000
	<hr/> 488,057	33,248	189,085
DEFERRED FINANCING COSTS	-	-	28,161
DEFERRED ACQUISITION COSTS (Note 4)	25,000	-	25,000
	<hr/> \$ 513,057	\$ 33,248	\$ 242,246
<hr/>			
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	\$ 6,348	\$ 59,084	\$ 7,123
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SHAREHOLDERS' EQUITY			
Share capital (Note 5)	1,104,085	537,085	219,414
Subscriptions	-	-	255,000
Other Equity Reserve (Note 6)	99,098	99,098	33,698
Deficit	(696,474)	(662,019)	(272,989)
	<hr/> 506,709	(25,836)	235,123
	<hr/> \$ 513,057	\$ 33,248	\$ 242,246
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NATURE OF BUSINESS AND CONTINUED OPERATIONS (Note 1)
SUBSEQUENT EVENT (Note 10)

APPROVED ON BEHALF OF THE BOARD:

"Derek Bartlett"
Derek Bartlett, Director

"Alex Johnston"
Alex Johnston, Director

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

CADMAN RESOURCES INC.**CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS****(Unaudited)**

	Three months ended March 31, 2011	Three months ended March 31, 2010 (Note 11)
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EXPENSES		
Office and miscellaneous	\$ 13,885	\$ -
Professional fees	14,142	22,618
Rent (Note 7)	2,206	5,929
Transfer agent and filing fees	4,222	7,190
	<hr/> 34,455	<hr/> 35,737
NET LOSS AND COMPREHENSIVE LOSS	<hr/> (34,455)	<hr/> (35,737)
LOSS PER SHARE – BASIC AND DILUTED	<hr/> \$ (0.00)	<hr/> \$ (0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	<hr/> 9,542,944	<hr/> 9,214,500

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

CADMAN RESOURCES INC.**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY****(Unaudited)**

	Number of Shares	Share Capital	Subscriptions Received	Other Equity Reserve	Deficit (Note 11)	Total Shareholders' Equity (Deficiency) (Note 11)
		\$	\$	\$	\$	\$
Balance, January 1, 2010	4,800,000	219,414	255,000	33,698	(272,989)	235,123
Shares issued for cash, net of issue costs	4,414,500	383,071	(255,000)	-	-	128,071
Less shares issued unpaid	-	(12,500)	-	-	-	(12,500)
Comprehensive loss	-	-	-	-	(35,737)	(35,737)
Balance, March 31, 2010	9,214,500	589,985	-	33,698	(308,726)	314,957
Share proceeds received	-	12,500	-	-	-	12,500
Shares cancelled	(1,000,000)	(65,400)	-	65,400	-	-
Comprehensive loss	-	-	-	-	(353,293)	(353,293)
Balance, December 31, 2010	8,214,500	537,085	-	99,098	(662,019)	(25,836)
Shares issued for cash, net of issue costs	4,270,000	582,000	-	-	-	582,000
Less shares issued unpaid	-	(15,000)	-	-	-	(15,000)
Comprehensive loss	-	-	-	-	(34,455)	(34,455)
Balance, March 31, 2011	12,484,500	1,104,085	-	99,098	(696,474)	506,709

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

CADMAN RESOURCES INC.**CONDENSED INTERIM STATEMENTS OF CASH FLOWS****(Unaudited)**

	Three months ended March 31, 2011	Three months ended March 31, 2010
OPERATING ACTIVITIES		
Net loss for the period	\$ (34,455)	\$ (35,737)
Changes in non-cash working capital items:		
HST recoverable	(2,809)	9,013
Other receivable	1,475	-
Due from related party	-	(2,280)
Prepaid expenses	(500)	(11,575)
Accounts payable and accrued liabilities	(52,736)	14,155
	<u>(89,025)</u>	<u>(26,424)</u>
INVESTING ACTIVITY		
Loan receivable	-	(4,265)
Deferred acquisition costs	(25,000)	(15,303)
	<u>(25,000)</u>	<u>(19,568)</u>
FINANCING ACTIVITY		
Deferred financing cost	-	13,161
Common shares issued, net of issue costs	567,000	115,571
	<u>567,000</u>	<u>128,732</u>
INCREASE IN CASH	452,975	82,740
CASH, BEGINNING OF PERIOD	6,831	114,840
CASH, END OF PERIOD	\$ 459,806	\$ 197,580
SUPPLEMENTAL INFORMATION		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

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

CADMAN RESOURCES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

(Unaudited)

1. NATURE OF BUSINESS AND CONTINUED OPERATIONS

Cadman Resources Inc. ("the Company") was incorporated pursuant to the British Columbia Business Corporation Act on November 13, 2007. The Company is a "Capital Pool Company" ("CPC"), as defined in the policies of the TSX Venture Exchange (the "Exchange"). The Company's registered office is Suite 9, 336 Queen Street South, Mississauga, Ontario, L5M 1M2. The Company's shares were listed on the Exchange effective July 10, 2008.

On December 23, 2010, the Company terminated an agreement entered into on August 5, 2009 and amended on December 9, 2009 with SamLorne Limited ("SamLorne") to purchase all the outstanding shares of SamLorne. SamLorne had an option agreement to acquire a 70% interest in the Fangelewan Silver-Lead property in Henan Province, Peoples Republic of China and the exploration and mining rights associated with that property. The completion of the acquisition would have constituted the Company's Qualifying Transaction. As the Company failed to complete a Qualifying Transaction within the prescribed time frame under the Exchange's policy, the Company cancelled 1,000,000 seed common shares subscribed by directors of the Company and transferred the listing of the Company's shares to the NEX Board.

As at March 31, 2011, the Company had no business operations. As a CPC, the Company's principal business is the identification and evaluation of assets, properties or businesses with a view to acquisition or participation therein subject, in certain cases, to shareholders' approval and acceptance by the Exchange. Where an acquisition or participation in a Qualifying Transaction is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing.

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

a) Statement of compliance

The condensed interim financial statements, including comparative figures, have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting and IFRS 1, First-Time Adoption of International Financial Reporting Standards. The disclosures concerning the transition from Canadian Generally Accepted Accounting Principles ("GAAP") to IFRS and certain transition elections are included in Note 11. Subject to the transition elections, the Company has consistently applied the same accounting policies in the opening IFRS balance sheet as at January 1, 2010 and throughout all periods presented, as if these policies had always been in effect. Previously, the Company prepared its annual and interim financial statement in accordance with GAAP.

The condensed interim financial statements were authorized for issue by the Board of Directors on June 27, 2011.

CADMAN RESOURCES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

(Unaudited)

2. BASIS OF PREPARATION (continued)

b) Basis of measurement

The condensed interim financial statements have been prepared on a going concern basis, under the historical cost convention except for financial instruments carried at fair value where changes are recorded through profit or loss.

c) Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

d) Use of estimates and judgements

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Actual results may differ from these estimates. The condensed interim financial statements do not include all of the information required for full annual financial statements.

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 and in any future periods affected. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim financial statements include impairment of assets, share-based payments and recovery of deferred tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these condensed interim financial statements and in preparing the opening IFRS statement of financial position at January 1, 2010 for the purposes of the transition to IFRSs, unless otherwise indicated.

a) Share issuance costs

Professional, consulting and regulatory fees as well as other costs directly attributable to financing transactions are reported as deferred financing costs until the transactions are completed, if the completion of the transaction is considered to be more likely than not. Share issue costs are charged to share capital when the related shares are issued. Costs relating to financing transactions that are not completed, or for which successful completion is considered unlikely, are charged to operations.

CADMAN RESOURCES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Financial instruments

Non-derivative financial assets

Non-derivative financial assets are initially recognized at fair value and are classified into one of four categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables or available-for-sale financial assets.

i) Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets at fair value through profit or loss are measured at fair value, and changes are recognized in operations. Upon initial recognition transaction costs are recognized in operations as incurred.

ii) Held-to-maturity financial assets

Financial assets are classified as held-to-maturity if the Company has the positive intent and ability to hold them to maturity. These financial assets are recognized initially at fair value together with directly attributable costs, and are subsequently measured at amortized cost using the effective interest method less any impairment losses. Any sale or reclassification of a more than significant amount of these assets not close to their maturity would result in the reclassification of all held-to-maturity financial assets as available-for-sale, and would prevent the Company classifying investment securities as held-to-maturity for the current and following two financial years.

iii) Loans and receivables

These assets are financial assets with fixed or determinable payments that are not quoted in an active market. These assets are recognized initially at fair value plus any directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method less any impairment losses.

iv) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. Subsequent to initial recognition, they are measured at fair value and any changes, other than impairment losses and foreign currency differences on available-for-sale equity instruments, are recognized in other comprehensive income and presented within equity. When an available-for-sale financial asset is derecognized, the cumulative gain or loss in other comprehensive income is reclassified through operations.

CADMAN RESOURCES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Financial instruments (continued)

Non-derivative financial liabilities

Non-derivative financial liabilities are initially recognized at fair value and are classified into one of two categories: financial liabilities at fair value through profit or loss or other financial liabilities.

v) Financial liabilities at fair value through profit or loss

These financial liabilities are acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are measured at fair value, and changes therein are recognized in operations.

vi) Other financial liabilities

These financial liabilities are recognized initially at fair value plus any directly attributable transaction costs, and are subsequently measured at amortized cost using effective interest method.

c) Share-based payments

The Company accounts for share-based payments awards granted to employees and consultants using the fair value method. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in equity. The fair value is measured at grant date and each tranche is recognized on a graded-vesting basis over the period during which the options vest, using the Black-Scholes option pricing model. The amount recognized as expense is adjusted to reflect the number of share options expected to vest at each reporting period.

d) Income taxes

Income tax expense comprises current and deferred tax and is recognized in operations except to the extent that it relates to business combinations, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for temporary differences in assets and liabilities arising in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, transactions relating to investments in jointly controlled entities to the extent that they will not reverse in the foreseeable future, and transactions arising on the initial recognition of goodwill. Deferred tax is recognized at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred tax assets is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

CADMAN RESOURCES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Loss per share

Basic loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. The Company applies the treasury stock method in calculating diluted loss per share. Diluted loss per share excludes all dilutive potential common shares if their effect is anti-dilutive.

f) Impairment

At each reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication of impairment. If any indication exists, then the asset's recoverable amount is estimated to determine the extent of the impairment, if any. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

An impairment loss is recognized in operations if the carrying amount of an asset exceeds its recoverable amount. For an asset that does not generate independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs. 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 or amortization, if no impairment loss had been recognized. An impairment loss in respect of goodwill is not reversed.

g) New standards and interpretations not yet adopted

The following new standards and amendments to standards and interpretations have been published that are not effective for the year ended December 31, 2011 and have not been applied in preparing these condensed interim financial statements. The extent of impact of adoption of these standards and interpretations on the condensed interim financial statements has not been determined.

International Accounting Standards

Effective Date

IAS 12 – Income taxes

In December 2010, IAS 12 Income Taxes was amended to introduce an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes – recovery of revalued non-depreciable assets', will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is withdrawn.

January 1, 2012

IFRS 7 – Financial Instruments: Disclosures

In October 2010, IFRS 7 Financial Instruments: Disclosures was amended to provide additional disclosure on the transfer of financial assets including the possible effects of any residual risks that the transferring entity retains.

July 1, 2011

CADMAN RESOURCES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) New standards and interpretations not yet adopted (continued)

International Accounting Standards		Effective Date
IFRS 9 – Financial Instruments	In November 2009, as part of the International Accounting Standards (IASB) project to replace International Accounting Standard (IAS) 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities.	January 1, 2013
IFRS 11 – Joint Arrangements	IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31, <i>Interests in Joint Ventures</i> , and SIC 13, <i>Jointly Controlled Entities – Non-monetary Contributions</i> .	January 1, 2013
IFRS 12 – Disclosure of Interests in Other Entities	IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.	January 1, 2013
IFRS 13 – Fair Value Measurement	IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.	January 1, 2013
IAS 27 – Separate Financial Statements	As a result of the issue of the new consolidation suite of standards, IAS 27 Separate Financial Statements has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	January 1, 2013

CADMAN RESOURCES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) New standards and interpretations not yet adopted (continued)

International Accounting Standards		Effective Date
IAS 28 – Investments in Associates and Joint Ventures	As a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended and will provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee.	January 1, 2013

4. DEFERRED ACQUISITION COSTS

Pursuant to a non-binding letter of intent for a property option agreement, the Company paid a refundable deposit of \$25,000 to acquire a 55% undivided interest in 2 blocks of mining claims, leases and patents, known as the Golden Star Block and the Baseline/Nugget Block, that are located in Northwestern Ontario. Subject to a final definitive agreement with the vendor, the Company agreed to pay \$275,000, issue 1,000,000 common shares of the Company and incur exploration expenditures of \$600,000 on the properties as follows:

	Cash Payments	Number of Common Shares	Exploration Expenditures
(i) On the closing date of the agreement	\$ 125,000	1,000,000	\$ –
(ii) Within 12 months after the closing date	150,000	–	250,000
(iii) Within 24 months after the closing date	–	–	350,000
	<u>\$ 275,000</u>	<u>1,000,000</u>	<u>\$ 600,000</u>

The final agreement is conditional on completion of satisfactory due diligence by the Company and receipt of all other necessary corporate, regulatory and securities law approvals.

5. SHARE CAPITAL

Authorized:
An unlimited number of common shares without par value.

Issued and outstanding:

	Shares	Amount
Balance, January 1, 2010	4,800,000	\$ 219,414
Issued for cash at \$0.10 per share, net of issue costs	4,414,500	383,071
Shares cancelled	(1,000,000)	(65,400)
Balance, December 31, 2010	8,214,500	537,085
Issued at \$0.15 per share	4,270,000	640,500
Share issue costs	–	(58,500)
Less shares issued unpaid	–	(15,000)
Balance, March 31, 2011	<u>12,484,500</u>	<u>\$ 1,104,085</u>

CADMAN RESOURCES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Unaudited)

5 SHARE CAPITAL (continued)

On March 3, 2011, pursuant to a non-brokered private placement, the Company issued 4,000,000 common shares at a price of \$0.15 per share for gross proceeds of \$600,000. The Company paid \$18,000 and issued 270,000 common shares at a fair value of \$40,500 as finder fees. At March 31, 2011, a total of \$15,000 of the proceeds had not been received (see Note 10).

Escrowed Shares:

At March 31, 2011, 1,400,000 common shares issued and outstanding were held in escrow with 10% to be released on the completion of a Qualifying Transaction, and 15% to be released every six months thereafter. All of these shares continue to remain in escrow.

Stock Options:

The Company has an incentive share option plan for granting options to directors, employees and consultants, under which the total outstanding options are limited to 10% of the outstanding common shares of the Company at any one time. Under the plan, the exercise price of an option shall not be less than the discounted market price at the time of granting, or as permitted by the policies of the Exchange, subject to a minimum of \$0.10 per common share. Options granted are non-transferable and may not exceed a term of five years from the grant date. Vesting is as determined by the directors at the time of grant.

A summary of the Company's stock option activity for the period ended March 31, 2011 is presented below:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2010 and March 31, 2011	280,000	\$0.10

At March 31, 2011, 280,000 options with a weighted average remaining contractual life of 1.8 years were outstanding and exercisable, entitling the holders thereof the right to purchase one common share for each option held as follows:

Options	Exercise Price	Expiry Date
280,000	\$0.10	January 8, 2013

6. CONTRIBUTED SURPLUS

A summary of the changes in the Company's contributed surplus for the three months ended March 3

Balance, December 31, 2010 and March 31, 2011	\$	99,098
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CADMAN RESOURCES INC.
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(Unaudited)

7. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2010, the Company incurred \$4,357 rent expense to a company controlled by an individual related to a director of the Company. The transactions were measured at exchange amounts, which were the amounts agreed upon by the transacting parties and are on terms and conditions similar to non-related entities. At January 31, 2010, the amount due from this company of \$22,520 (March 31, 2010 - \$24,800) was non-interest bearing and unsecured.

At March 31, 2010, the Company advanced a loan of \$10,000 to a company with two common directors. The loan was interest bearing at a rate of 5% per annum, unsecured with due date of December 31, 2010. The loan was made pursuant to an agreement to acquire a mineral property from the company. At December 31, 2010, the loan was impaired and charged to operations as the acquisition was terminated and the repayment of the loan was considered unlikely.

8. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to complete a qualifying transaction and to safeguard the Company's ability to continue as a going concern (see Note 1). The Company does not have any externally imposed capital requirements to which it is subject.

The Company seeks to manage capital to provide adequate funding for its projects while minimizing dilution for its existing shareholders. As the Company, as an early stage venture issuer, has no practicable ability presently to raise money by long term or any kind of debt, for practical purposes all of its capital management is directed towards management of its issues of equity including warrants. There is thus very limited flexibility in its capital management.

9. FINANCIAL INSTRUMENTS AND RISK

Fair value

As at March 31, 2011, the Company's financial instruments consist of cash and accounts payable. The fair values of these financial instruments approximate their carrying values because of their current nature.

The Company classifies its cash as held-for-trading and its accounts payable as other financial liabilities.

The Company classifies its fair value measurements in accordance with the three levels fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and

Level 3 – Inputs that are not based on observable market data

CADMAN RESOURCES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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9. FINANCIAL INSTRUMENTS AND RISK (continued)

Fair value (continued)

The Company's financial instruments measured at fair value on a recurring basis at March 31, 2011 is as follows:

	Level 1	Level 2	Level 3	Total
Cash	\$ 459,806	\$ -	\$ -	\$ 459,806

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk on cash the Company places the instrument with a high credit quality financial institution.

Liquidity Risk

The Company ensures its holding of cash is sufficient to meet its short-term general and administrative expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or less or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed Commercial Paper or similar instruments.

Foreign Exchange Risk

The Company does not have any foreign exchange risk as all of its transactions are in Canadian dollars.

Interest Rate Risk

The Company manages its interest rate risk by obtaining the best commercial deposit interest rates available in the market by the major Canadian financial institutions. At March 31, 2011, the Company did not have any investments in interest bearing instruments.

10. SUBSEQUENT EVENT

Subsequent to March 31, 2011, shares issued unpaid of \$15,000 was received.

CADMAN RESOURCES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

(Unaudited)

11. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING

The Company's financial statements for the year ending December 31, 2011 will be the first annual financial statements prepared in accordance with IFRS. The Company has prepared its January 1, 2010 opening statement of financial position by applying existing IFRS standards in effect at the time of the release of these condensed interim financial statements. However, the opening IFRS statement of financial position and the December 31, 2010 comparative statement of financial position presented in the financial statements for the year ending December 31, 2011 may differ from those presented at this time if there are changes to IFRS standards that require retroactive adjustments.

As stated in Note 2, these are the Company's condensed interim 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 period ended March 31, 2011, the comparative statement of the financial position as at December 31, 2010, the comparative interim period ended March 31, 2010, and the opening IFRS statement of financial position at January 1, 2010.

IFRS 1 *First-time Adoption of International Financial Reporting Standards* sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional statement of financial position date with all adjustment to assets and liabilities taken to retained earnings unless certain exemptions are applied. The Company has applied the following exemptions to its opening statement of financial position dated January 1, 2010:

a) Share-based payment transactions

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 Share Based Payment to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to January 1, 2010.

IFRS 1 also outlines specific guidelines that a first-time adopter must adhere to under certain circumstances. The Company has applied the following guidelines to its opening statement of financial position dated January 1, 2010:

b) 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 objective evidence that those estimates were in error. The Company's IFRS estimates as of January 1, 2010 are consistent with its Canadian GAAP estimates for that date.

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. While the first time adoption of IFRS did not have an impact on the total operating, investing or financing cash flows, it has resulted in changes to the Company's reported financial position and results of operations. In order to allow the users of the financial statements to better understand these changes, the Company's Canadian GAAP statements of operations and comprehensive loss, for the three months ended March 31, 2010 and the year ended December 31, 2010 have been reconciled to IFRS, with no resulting differences. In addition, the statements of financial position as at March 31, 2010 and January 1, 2010 have been reconciled with no resulting differences.

CADMAN RESOURCES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

(Unaudited)

11. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING (continued)

The January 1, 2010 Canadian GAAP statement of financial position has been reconciled to IFRS without differences as follows:

	January 1, 2010		
	Canadian GAAP Balance	IFRS adjustments	IFRS Balance
	\$	\$	\$
CURRENT ASSETS			
Cash	114,840	-	114,840
GST recoverable	11,725	-	11,725
Prepaid expenses	5,000	-	5,000
Due from related party	22,520	-	22,520
Loans receivable	35,000	-	35,000
	189,085	-	189,085
DEFERRED FINANCING COSTS	28,161	-	28,161
DEFERRED ACQUISITION COSTS	25,000	-	25,000
	242,246	-	242,246
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	7,123	-	7,123
SHAREHOLDERS' EQUITY			
Share capital	219,414	-	219,414
Subscriptions received	255,000	-	255,000
Contributed surplus	33,698	-	33,698
Deficit	(272,989)	-	(272,989)
	235,123	-	235,123
	242,246	-	242,246

CADMAN RESOURCES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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(Unaudited)

11. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING (continued)

The Canadian GAAP statement of financial position at March 31, 2010 has been reconciled to IFRS without differences as follows:

	March 31, 2010		
	Canadian GAAP Balance	IFRS adjustments	IFRS Balance
	\$	\$	\$
CURRENT ASSETS			
Cash	197,580	-	197,580
GST recoverable	2,712	-	2,712
Prepaid expenses	16,575	-	16,575
Due from related party	24,800	-	24,800
Loan receivable	39,265	-	39,265
	280,932	-	280,932
DEFERRED FINANCING COSTS	15,000	-	15,000
DEFERRED ACQUISITION COSTS	40,303	-	40,303
	336,235	-	336,235
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	21,278	-	21,278
SHAREHOLDERS' EQUITY			
Share capital	589,985	-	589,985
Contributed surplus	33,698	-	33,698
Deficit	(308,726)	-	(308,726)
	314,957	-	314,957
	336,235	-	336,235

The Canadian GAAP statement of operations for the three months ended March 31, 2010 has been reconciled to the March 31, 2010 statement of comprehensive loss under IFRS without differences as follows:

	Three Months Ended March 31, 2010		
	Canadian GAAP balance	IFRS adjustments	IFRS Balance
	\$	\$	\$
Expenses			
Professional fees	22,618	-	22,618
Rent	5,929	-	5,929
Transfer agent and filing fees	7,190	-	7,190
	35,737	-	35,737
Net loss and comprehensive loss	(35,737)	-	(35,737)

CADMAN RESOURCES INC.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

(Unaudited)

11. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING (continued)

The Canadian GAAP statement of financial position at December 31, 2010 has been reconciled to IFRS without differences as follows:

	December 31, 2010		
	Canadian GAAP Balance	IFRS adjustments	IFRS Balance
	\$	\$	\$
CURRENT ASSETS			
Cash	6,831	-	6,831
HST recoverable	19,167	-	19,167
Other receivable	1,475	-	1,475
Prepaid expenses	5,775	-	5,775
	33,248	-	33,248
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	59,084	-	59,084
SHAREHOLDERS' EQUITY			
Share capital	537,085	-	537,085
Contributed surplus	99,098	-	99,098
Deficit	(662,019)	-	(662,019)
	(25,836)	-	(25,836)
	33,248	-	33,248

The Canadian GAAP statement of operations for the year ended December 31, 2010 has been reconciled to the December 31, 2010 statement of comprehensive loss under IFRS without differences as follows:

	Year Ended December 31, 2010		
	Canadian GAAP Balance	IFRS Adjustments	IFRS Balance
	\$	\$	\$
Expenses			
Office and miscellaneous	10,162	-	10,162
Professional fees	119,842	-	119,842
Rent	19,975	-	19,975
Transfer agent and filing fees	19,669	-	19,669
Travel and promotion	3,629	-	3,629
	173,277	-	173,277
Other expenses (income)			
Impairment of loans and interest receivable	36,595	-	36,595
Impairment of deferred acquisition costs	117,464	-	117,464
Financing costs	63,589	-	63,589
Interest and other income	(1,895)	-	(1,895)
Net loss and comprehensive loss	(389,030)	-	(389,030)