NORTHROCK RESOURCES INC.

FINANCIAL STATEMENTS

AND AUDITORS' REPORT

JUNE 30, 2011 AND 2010

Northrock Resources Inc.

June 30, 2011 and 2010

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charlton & company
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Northrock Resources Inc.

We have audited the balance sheets of Northrock Resources Inc. (the "Company') as at June 30, 2011 and 2010 and the statements of operations, comprehensive loss and deficit and cash flows for the years then ended and the related notes including a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2011 and 2010 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Emphasis of Matters
Without qualifying our opinion, we draw attention to Note 1 in the financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters as set forth in Note 1, indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

"Charlton & Company"
CHARTERED ACCOUNTANTS

Vancouver, British Columbia
October 27, 2011

NORTHROCK RESOURCES INC.
(An Exploration Stage Company)
Balance Sheets
As at June 30

		2011		2010
ASSETS				
Current assets				
Cash and cash equivalents	$	**631,524**	$	9,021
Taxes receivable		**28,260**		6,608
Prepaid expenses		**187,399**		48,080
		847,183		63,709
Mineral Properties (Note 3)		**163,500**		163,500
Reclamation bonds		**150,000**		150,000
	$	**1,160,683**	$	377,209
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	$	**16,214**	$	17,824
Due to related parties (Note 4)		**312,850**		129,664
Due to Rockgate Capital Corp. (Note 11)		**-**		100,000
Site restoration obligation (Notes 2 and 3)		**20,000**		20,000
		349,064		267,488
Shareholders' equity				
Share capital (Notes 5)		**6,289,668**		5,060,893
Contributed surplus (Note 5)		**530,064**		403,801
Deficit		**(6,008,113)**		(5,354,973)
		811,619		109,741
	$	**1,160,683**	$	377,209

Nature of operations (Note 1)
Subsequent events (Note 3 and 12)

Approved by the Directors:

Signed: ***"Karl Kottmeier"***
Director

Signed: ***"Douglas E. Ford"***
Director

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

NORTHROCK RESOURCES INC.
(An Exploration Stage Company)
Statements of Operations, Comprehensive Loss and Deficit
For the Years Ended June 30

		2011		2010
Expenses				
Exploration and drilling (Note 4)	$	**72,082**	$	641,434
Management services (Note 4)		**360,000**		360,000
Office, telephone and rent (Note 4)		**35,402**		32,268
Insurance		**13,817**		14,451
Professional fees		**21,528**		43,067
Reclamation costs (Notes 2 and 3)		**-**		20,000
Stock based compensation – (Note 5(d))		**126,263**		-
Transfer Agent		**25,023**		25,837
		654,115		1,137,057
Loss before other items		**(654,115)**		(1,137,057)
Other items				
Interest income		**975**		3,148
Net loss and comprehensive loss for the Year		**(653,140)**		(1,133,909)
Deficit, beginning of year		**(5,354,973)**		(4,221,064)
Deficit, end of year	$	**(6,008,113)**	$	(5,354,973)
Loss per share – basic and diluted	$	**(0.08)**	$	(0.19)
Weighted average number of common shares outstanding		**8,223,449**		5,852,259

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

NORTHROCK RESOURCES INC.
(An Exploration Stage Company)
Statements of Cash Flows
For the Years Ended June 30

		2011		2010
Operating activities				
Net loss for the year	$	**(653,140)**	$	(1,133,909)
Item not affecting cash:				
Stock based compensation		**126,263**		-
Reclamation costs		**-**		20,000
		(526,877)		(1,113,909)
Net changes in non-cash working capital items:				
Taxes receivable		**(21,652)**		131,174
Prepaid expenses		**(139,319)**		(47,574)
Accounts payable and accrued liabilities		**(1,610)**		(56,285)
Due to related parties		**83,186**		129,664
		(606,272)		(956,930)
Financing activities				
Decrease in subscription receivable		**-**		817,198
Issuance of common shares		**1,250,000**		-
Share issuance costs		**(21,225)**		-
		1,228,745		817,198
Net change in cash		**622,503**		(139,732)
Cash and cash equivalents, beginning of year		**9,021**		148,753
Cash and cash equivalents, end of year	$	**631,524**	$	9,021
Cash and cash equivalents is comprised of:				
Cash	$	**31,524**	$	9,021
Short-term deposits		**600,000**		-
	$	**631,524**	$	9,021
Supplementary disclosure of cash flow information:				
Cash paid for:				
Interest	$	**-**	$	-
Income taxes	$	**-**	$	-

Supplemental non-cash transactions for investing and financing activities (Note 9)

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

1. Nature of Operations

Northrock Resources Inc. (the “Company) was incorporated in the Province of British Columbia on March 14, 2008 under the Business Corporations Act of British Columbia.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties and related deferred exploration costs is dependent upon the existence of economically recoverable reserves.

The ability of the Company to continue to operate as a going concern is dependent on its ability to ultimately operate its business at a profit. To date, the Company has not generated any revenues from operations and will require additional funds to meet its obligations and the costs of its operations. As a result, further losses are anticipated prior to the generation of any profits. As at June 30, 2011, the Company has accumulated a deficit of $6,008,113 (2010 - $5,354,973) since inception.

The Company’s future capital requirements will depend on many factors, including the costs of exploring its mineral properties, operating costs, competitive environment and global market conditions. The Company’s anticipated operating losses and increasing working capital requirements will require that it obtain additional capital to continue operations.

The Company will depend almost exclusively on outside capital. Such outside capital will include the sale of additional shares. There can be no assurance that capital will be available as necessary to meet these continuing exploration and development costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuances of additional equity securities by the Company may result in significant dilution to the equity interests of its current shareholders. Obtaining commercial loans, assuming those loans would be available, will increase the Company’s liabilities and future cash commitments. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected. The financial statements do not reflect adjustments to the carrying values of assets, liabilities or reported results should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

Basis of Presentation

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. On October 15, 2010 the Company’s shareholders approved a resolution consolidating all of the 29,463,898 issued common shares into 5,892,779 issued common shares, on the basis that every five (5) common shares be consolidated into one (1) common share. All references to common shares, stock options and warrants in these financial statements reflect the share consolidation unless otherwise noted.

Estimates, Assumptions and Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future years could be significant. Significant areas requiring the use of management estimates relate to the determination of future income tax assets and liabilities and assumptions used in valuing options in stock-based compensation calculations.

2. **Significant Accounting Policies** (continued)

Loss per Share
The loss per share figures is calculated using the weighted average number of shares outstanding during the respective fiscal years. The calculation of loss per share figures using the Treasury Stock Method considers the potential exercise of outstanding share purchase options and warrants or other contingent issuances to the extent each option, warrant or contingent issuance was dilutive. For all years presented, diluted loss per share is equal to basic loss per share as the potential effects of options, warrants and conversions are anti-dilutive.

Cash and Cash Equivalents
The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

Income Taxes
The Company accounts for income taxes using the asset and liability method, whereby future tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the carrying values of the asset and liabilities and their respective income tax bases. Future income tax assets and liabilities are measured using the enacted or substantively enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on future income taxes and liabilities of a change in rates is included in operations in the period that includes the substantive enactment date. Where the probability of a realization of a future income tax asset is more likely than not, a valuation allowance is recorded.

Stock-Based Compensation
The Company applies the fair value method of valuing all grants of stock options. The estimated fair value of the stock options is recorded as compensation expense over the vesting period or at the date of grant if the options vest immediately, with the offset recorded in contributed surplus. The fair value of options granted is estimated at the date of grant using the Black-Scholes option pricing model incorporating assumptions regarding risk-free interest rates, dividend yield, volatility factor of the expected market price of the Company's stock, and a weighted average expected life of the options. Any consideration paid on the exercise of stock options is credited to share capital.

Share Issuance Costs
Share issuance costs incurred directly on the issue of the Company's shares are charged directly to share capital.

Mineral Properties
The Company defers the cost of acquiring and maintaining its interest in mineral properties until such time as the properties are placed into production, abandoned, sold or considered to be impaired in value. Exploration and development expenditures are expensed as incurred until such time as mineral reserves can be established, after which such costs will be accounted for in the same manner as acquisition costs. Costs of producing properties will be amortized on a unit of production basis and costs of abandoned properties are written off. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in operations. Write-downs due to impairment in value are charged to operations.

The Company is in the process of exploring and developing its mineral properties and has not yet determined the amount of reserves available. Management reviews the carrying value of mineral properties on a periodic basis and will recognize impairment in value based upon the current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

2. **Significant Accounting Policies** (continued)

Site Restoration Obligation
The Company records a liability for its site restoration obligation in the period in which it is identified and when a reliable estimate of the fair value of the liability can be made. Furthermore, a corresponding asset retirement cost is recognized by increasing the carrying amount of the related long-lived asset. The initial fair value of the liability is accreted, by charges to operations, over the remaining life of the asset.

Management has estimated that the amount of its site restoration obligation for the Bathurst property as at June 30, 2011 totals $20,000. A site reclamation obligation of this amount has been recognized as a liability. As the mineral property to which the costs relate has been written off in previous years, the reclamation costs are recorded in the statement of operations, comprehensive loss and deficit.

Environmental Risk
The Company is engaged in resource exploration and development and is accordingly exposed to environmental risks associated with such activity. The properties the Company holds interest in are currently in the initial exploration stages and it has not determined whether significant site reclamation costs will be required. The Company would only record liabilities for site reclamation when reasonably determinable and when such costs can be reliably quantified. Management is of the opinion that the Company addresses environmental risk and compliance in accordance with industry standards and specific project environmental requirements.

Long-Lived Assets and Impairment
The carrying values of long-lived assets with fixed or determinable lives are reviewed for impairment whenever events or changes in circumstances indicate the recoverable value may be less than the carrying amount. Recoverable value determinations are based on management's estimates of undiscounted future net cash flows expected to be recovered from specific assets or groups of assets through use or future disposition. Impairment charges are recorded in the period in which determination of impairment is made by management.

Assets with indefinite or indeterminable lives are not amortized and are reviewed for impairment on a reporting period basis using fair value determinations through management's estimate of recoverable value.

Agent warrants and warrants
Warrants issued to agents in connection with a financing are recorded at fair value and charged to share issue costs associated with the offering with an offsetting credit to contributed surplus in shareholders' equity.

Warrants included in units offered to subscribers in connection with financings are valued using the residual value method whereby proceeds are first allocated to the fair value of the shares and the excess if any, allocated to the warrants.

Flow-through Shares
Upon renunciation to shareholders for all flow-through shares issued by the Company, the Company will reduce share capital and recognize a temporary future income tax liability for the amount of tax reduction renounced to the shareholders. In instances where the Company has sufficient available tax loss carry forwards or other deductible temporary differences available to offset the renounced tax deduction and is more likely-than-not able to utilize these tax losses before expiring, the realization of the deductible temporary differences will be credited to income in the period of renunciation.

2. **Significant Accounting Policies** (continued)

Future Accounting Pronouncements

(i) **International financial reporting standards**

In February 2008, The CICA Accounting Standards Board ("AcSB") confirmed the changeover to International Financial Reporting Standards ("IFRS") from Canadian GAAP will be required for publicly accountable enterprises effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company will adopt IFRS effective July 1, 2011 and will be required to restate, for comparative purposes, amounts reported by the Company for its year ended June 30, 2011. The Company has been assessing the adoption of IFRS for 2011 and does anticipate a significant increase in disclosure resulting from the adoption of IFRS as well as certain presentation differences.

(ii) **Business combinations, consolidated financial statements and non-controlling interest**

The CICA issued three new accounting standards in January 2009: Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests. These new standards will be effective for fiscal years beginning on or after January 1, 2011.

Section 1582 replaces sections 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to International Financial Reporting Standards IFRS 3 – Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601, establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of International Financial Reporting Standards IAS 27 – Consolidated and Separate Financial Statements and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

The Company is currently assessing the impact of these new accounting standards on its financial statements.

3. Mineral Properties

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing.

	Bathurst Inlet Property	Turner Lake Property	Total
	$	$	$
2011			
Mineral properties, beginning of the period	-	163,500	163,500
Acquisition costs capitalized during the period	-	-	-
Mineral properties, end of the year	-	163,500	163,500
2010			
Mineral properties, beginning of the year	-	95,500	95,500
Acquisition costs capitalized during the year	-	68,000	68,000
Mineral properties, end of the year	-	163,500	163,500

Turner Lake Property

On May 1, 2008 the Company entered into an Assignment Agreement with its then parent company, Rockgate Capital Corp. (“Rockgate”), whereby Rockgate assigned all of its’ right and title to an Option Agreement dated November 8, 2007 between Rockgate and Trade Winds Ventures Inc. (“Trade Winds”) regarding the Turner Lake Property. Under the Trade Winds Option the Company can earn up to a 75% interest in the Turner Lake Gold property located near Bathurst Inlet, Nunavut; an initial 65% interest in the project can be earned by spending $1,000,000 in exploration expenditures by March 19, 2009 (incurred) and by Rockgate’s issuance of 150,000 common shares of Rockgate (issued); an additional 10% interest could be earned by spending an additional $500,000 (incurred) on exploration prior to March 19, 2010 and by Rockgate’s issuance of an additional 250,000 shares (issued); and by the Company’s issuance of 16,667 shares (issued) to Trade Winds. In consideration of the assignment the Company issued to Rockgate 34,200 units of the Company’s capital stock valued at $2.50 per unit; wherein, each unit was composed of one common share and one warrant to purchase an additional common share at $3.75 until expiry on September 30, 2010.

Effective March 19, 2009 the Company exercised its option to acquire a 75% interest in the Turner Lake Gold property.

3. **Mineral Properties** – (continued)

During the year ended June 30, 2010, the Company executed and completed an agreement with joint venture partner Trade Winds to acquire the remaining 25% interest in the Turner Lake property. As consideration for the purchase, the Company issued 170,000 common shares of the Company valued at $68,000 and granted a 1% Net Smelter Royalty to Trade Winds. The Company can acquire Trade Winds' NSR for $1.25 million. One of the four claims [Jam 1] comprising the Turner Lake property is subject to an additional 1% NSR held by a third party.

Bathurst Inlet Property

On May 1, 2008 the Company entered into an Assignment Agreement with Rockgate, whereby Rockgate assigned all of its' right and title to an Option and Agreement of Purchase and Sale dated May 3, 2007 between Rockgate and Bathurst Inlet Developments (1984) Ltd. regarding the Bathurst Inlet Property. In consideration of the Assignment Agreement the Company issued to Rockgate 600,000 units of the Company's capital stock valued at $2.50 per unit; wherein, each unit was composed of one common share and one warrant to purchase an additional common share at $3.75 per share until expiry on September 30, 2010. Subsequent to the assignment transaction closing, the Company exercised the purchase option under the underlying May 2007 agreement. To conclude the purchase the Company issued a limited recourse promissory note in the amount of $1,460,000. Pursuant to the note, the balance of the payments due to the vendors was to be paid over a six-year period and the vendor's recourse in the event of a default under the note was limited to the recovery of the Bathurst Inlet claims. Periodic payments under the note were made by the Company from its working capital.

Based upon the results from the 2008 exploration season, in May 2009, the Company decided to discontinue its ownership of the Bathurst Inlet property. Under the terms of the promissory note the mineral rights to the property were allowed to revert to Bathurst Inlet Developments (1984) Ltd.

As a result of the above, in a previous period the Company recorded an impairment of its Bathurst Inlet property of $1,807,730 reducing the carrying value of the property to $nil. Reclamation costs of $20,000 were recognized in a prior period for this property.

Reclamation costs

Subsequent to year-end, reclamation work was performed on the Bathurst Inlet Property and Turner Lake Property and the reclamation bonds totalling $150,000 were released ($75,000 for each property).

3. **Mineral Properties** – (continued)

Exploration and Development expenditures for the year ended June 30, 2011 are as follows:

	Bathurst Inlet Property $	Turner Lake Property $	Total $
Assays	-	1,050	1,050
Camp supplies and field costs	-	-	-
Drilling	-	-	-
Geological	-	70,870	70,870
Office and administration	-	162	162
Transportation	-	-	-
Travel	-	-	-
June 30, 2011	**$ -**	**$ 72,082**	**$ 72,082**

	Bathurst Inlet Property	Turner Lake Property	Total
Assays	-	8,551	8,551
Camp supplies and field costs	-	743	743
Drilling	-	166,382	166,382
Geological	-	144,480	144,480
Office and administration	-	1,987	1,987
Transportation	-	315,709	315,709
Travel	-	3,582	3,582
June 30, 2010	$ -	$ 641,434	$ 641,434

4. **Related Party Transactions**

Due to related parties as at June 30, 2011 is $312,850 (2010: $129,664) owing to directors of the Company or companies affiliated with directors for the recovery of expenses paid on behalf of the Company. This amount is unsecured, non-interest bearing and due on demand.

For the year ended June 30, 2011, the Company paid $30,000 (2010: $30,000) for rent and office services to a private company controlled by an officer of the Company and in which a second officer and director is a significant shareholder; under a services agreement, the Company has arranged for office premises and administrative services on an annual basis for $30,000 per year. The services agreement can be terminated by either party with six months notice.

For the year ended June 30, 2011, the Company paid or accrued a total of $360,000 (2010: $360,000) to a related party for management services.

Included in Exploration and Drilling expense is $70,000 (2010: $120,000) paid or accrued to a private company controlled by a director of the Company for geological services.

During year ended June 30, 2011, the Company reimbursed $17,760 (2010: $17,359) to directors, or companies affiliated with directors, for expenses paid on behalf of the Company.

The above transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

5. **Share Capital and Contributed Surplus**

a) Authorized:
Unlimited common shares without par value

b) Issued common shares:

		Number	Share Capital	Contributed Surplus
Balance June 30, 2009		5,772,780	$ 4,992,893	$ 403,801
Issuance for Turner Lake option (Note 3)		170,000	68,000	
Balance June 30, 2010		5,892,779	5,060,893	403,801
Issued for cash:				
Flow-through private placement	- at $0.20	1,250,000	250,000	-
Private placement	- at $0.18	5,555,555	1,000,000	-
Share issuance costs		-	(21,225)	-
Stock based compensation		-	-	126,263
Balance, June 30, 2011		12,698,334	$ 6,289,668	530,064

On October 15, 2010 the Company's shareholders approved a resolution consolidating all of the 29,463,898 issued common shares into 5,892,779 issued common shares, on the basis that every five (5) common shares be consolidated into one (1) common share. All references to common shares, stock options and warrants in these financial statements reflect the share consolidation unless otherwise noted.

During the year ended June 30, 2011, the Company:

i) Issued 1,250,000 flow-through units at $0.20 per unit for proceeds of $250,000, where each flow through unit was comprised of one flow-through common share plus one common share purchase warrant. Each warrant is exercisable into one non flow-through common share with an exercise price of $0.24 per share until expiry on February 25, 2012.

ii) Issued 5,555,555 units at $0.18 per unit for proceeds of $1,000,000, where each unit was comprised of one common share plus one common share purchase warrant. Each warrant is exercisable into one common share with an exercise price of $0.24 per share until expiry on February 25, 2012.

The company incurred share issuance costs of $21,225 relating to the private placement.

c) Warrants:

Warrant transactions are summarized as follows:

	Warrants	Weighted Average Exercise Price
Balance June 30, 2010 and 2009	5,706,113	$2.10
Expired	(5,706,113)	(2.10)
Issued	6,805,555	0.24
Balance June 30, 2011	6,805,555	$0.24

5. **Share Capital and Contributed Surplus** – (continued)

c) Warrants: (continued)

All outstanding warrants at June 30, 2011 are exercisable on a 1:1 basis and are summarized as follows:

Warrants	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life (in years)
6,805,555	$0.24	February 25, 2012	0.66

d) Options:

During the year ended June 30, 2009, the Company adopted a Stock Option Plan (the "Plan"). The purpose of the Plan is to give to eligible persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to five years, as determined by the board of directors of the Company, to buy shares of the Company at a price equal to the Market Price prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of the Exchange and approved by the Board. The maximum number of Shares which may be issuable pursuant to options granted under the Plan shall be that number equal to 10% of the Company's issued share capital from time to time.

	Options	Weighted Average Exercise Price
Balance June 30, 2010 and 2009	0	-
Granted	580,000	0.24
Balance June 30, 2011	580,000	$0.24

During the year ended June 30, 2011 the Company made its first stock option grant. As at June 30, 2011, the following stock options were outstanding and exercisable:

Number	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life (in years)
580,000	$0.24	January 17, 2016	4.55

These options entitle the holder thereof the right to acquire one common share for each option held.

The fair value of each option is estimated on the grant date using the Black-Scholes option valuation model assuming no expected dividends. The weighted-average assumptions used in calculating fair value are as follows:

	2011
Risk free interest rate	2.56%
Expected life (in years)	5
Expected volatility	147.5%
Expected dividend yield	0%

For the year ended June 30, 2011, the Company recognized $126,263 (2010: $nil) in compensation expense which was charged to operations.

6. Income Taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2011	2010
Loss for the year	$ (653,140)	$ (1,133,909)
Computed income taxes recovery at statutory rate of 27.5% (2010: 30%)	(179,614)	(283,477)
Net adjustments for deductible and non-deductible items	49,851	157,728
Change in statutory rates	(48,137)	63,699
Change in valuation allowance	177,900	62,050
Future income tax recovery	$ -	$ -

The significant components of the Company's future income tax assets are as follows:

	2011	2010
Future income tax assets:		
Resource expenditures	$ 537,175	$ 478,855
Non-capital losses	357,165	239,199
Share issue costs	9,505	7,891
	903,845	725,945
Less: Valuation allowance	(903,845)	(725,945)
Net future income tax assets	$ -	$ -

As at June 30, 2011, the Company had approximately $2,148,000 (2010 - $2,079,000) of exploration costs which are available for deduction against future income for tax purposes. In addition, the Company had approximately $1,428,000 (2010: $957,000) in available non-capital losses to be utilized. These losses, if not utilized, will start to expire in 2020. The tax effect of these losses has not been recorded in the financial statements. At June 30, 2011, management considers that it is not “more likely than not” that these losses will be utilized and accordingly a full valuation allowance has been recognized against these losses.

7. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

8. Financial Instruments and Risk

(a) Financial Instruments

As at June 30, 2011, the Company’s financial instruments consist of cash and cash equivalents, taxes receivable, prepaid expenses, accounts payable and accrued liabilities and site restoration obligations.

(b) Fair Value Measurements

CICA 3862, *Financial Instruments – Disclosures*, requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. CICA 3862 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument’s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. CICA 3862 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The fair value of cash and cash equivalents are determined based on “Level 1” inputs which consist of quoted prices in active markets for identical assets. As at June 30, 2011, the Company believes that the carrying values of taxes receivable, prepaid expenses, accounts payable and accrued liabilities and site restoration obligation approximate their fair values because of their nature and relatively short maturity dates or durations.

(c) Financial Risks

Credit Risk

The Company's credit risk is primarily attributable to receivables. The Company has no significant concentration of credit risk arising from operations. Receivables include harmonized sales tax due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to its receivables is remote.

8. **Financial Instruments and Risk** - (continued)

(c) Financial risks (continued)

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2011, the Company had working capital of $498,119 (June 30, 2010 year end: deficit of $203,779). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company has adequate working capital to discharge its existing financial obligations.

Market Risk

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt therefore, interest rate risk is minimal.

b) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars: therefore, foreign currency risk is minimal.

(c) 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.

9. **Non-Cash Transactions**

No non-cash transactions were recorded in the year ended June 30, 2011. During the year ended June 30, 2010 the Company issued common shares in lieu of cash as follows:

(a) 170,000 shares with a fair value of $68,000 were issued for mineral property costs (Note 3).

10. **Segmented Information**

The Company operates in one segment – the acquisition, exploration and development of mineral properties. As at June 30, 2011, all of the Company's operations and assets were in Canada.

11. **Due to Rockgate Capital Corp.**

As at June 30, 2011 $nil (2010: $100,000) was due to Rockgate the former parent company, the amount is non-interest bearing and has no specific terms of repayment

12. Subsequent Events

The Company entered into an arm's length Assignment Agreement with Appleton Exploration Inc. ("Appleton") pursuant to which Appleton has agreed to assign to the Company all of its right, title and interest in an option agreement dated February 20, 2009 (the "Delta Option Agreement") made between Appleton and Delta Exploration Inc. ("Delta"). Delta is a wholly-owned subsidiary of Rockgate Capital Corp. ("Rockgate"), a Toronto Stock Exchange listed company which has directors in common with Northrock. Pursuant to the Delta Option Agreement, the option holder has the right to earn a 100% interest in the Manalo gold project, located in the Republic of Mali, Africa, subject to the retention of a 2% net smelter return ("NSR") royalty by Delta. In consideration for the assignment of its interests in the Delta Option Agreement, Northrock has agreed to pay the sum of $250,000 and issue 1,000,000 common shares to Appleton.

The Company has arranged a non-brokered private placement of up to 8,000,000 units (the "Units") at a price of $0.125 per unit for aggregate proceeds of up to $1,000,000. Each Unit consists of one common share of the Company and one non-transferable share purchase warrant, each full warrant entitling the purchaser to purchase an additional common share at a price of $0.165 per share for a period of twelve months following the closing of the offering.

The Company has granted 690,000 stock options to directors, officers, and certain employees at an exercise price of $0.17. These stock options expire on September 27, 2016, and are subject to the terms and conditions of the company's stock option plan.