Westridge Resources Inc.

Consolidated Interim Financial Statements

Three and Six Months Ended January 31, 2012 and 2011

Expressed in Canadian Dollars

NOTICE TO READER

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

The accompanying unaudited interim consolidated financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has 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 interim financial statements by an entity's auditor.

Westridge Resources Inc.
Consolidated Statement of Financial Position
(Expressed in Canadian dollars – unaudited)

	Notes	January 31, 2012	July 31, 2011 (Note 12)	August 1, 2010 (Note 12)
ASSETS				
Current assets				
Cash and cash equivalents	4	$ 453,124	$ 582,252	$ 975,340
Receivables	5	108,209	28,207	47,648
Prepaid expenses		62,141	-	3,900
		623,474	610,459	1,026,888
Non-current assets				
Restricted Cash		3,500	3,500	-
Exploration and evaluation assets	6	1,071,186	476,397	242,078
		1,074,686	479,897	242,078
TOTAL ASSETS		**$ 1,698,160**	**$ 1,090,356**	**$ 1,268,966**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	7, 9	$ 77,699	$ 61,380	$ 8,983
TOTAL LIABILIITES		**77,699**	**61,380**	**8,983**
SHAREHOLDERS' EQUITY				
Share capital	8	2,640,178	1,649,957	1,551,982
Contributed surplus	8	351,780	351,780	173,071
Deficit		(1,371,497)	(972,761)	(465,070)
TOTAL EQUITY		**1,620,461**	**1,028,976**	**1,259,983**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 1,698,160**	**$ 1,090,356**	**$ 1,268,966**

On behalf of the Board:

"Peter Schulhof", Director   *"Anthony Jackson"*, Director

Westridge Resources Inc.
Consolidated Statement of Comprehensive Loss
(Expressed in Canadian dollars – unaudited)

	Notes	Three month periods ended January 31, 2012	Three month periods ended January 31, 2011 (Note 11)	Six month periods ended January 31, 2012	Six month periods ended January 31, 2011 (Note 11)
Expenses					
Advertising and promotion		$ 48,820	$ -	$ 49,890	$ 2,519
Bank charges		594	43	2,469	155
Office and general		6,430	7,560	24,343	16,267
Investor relations		65,446	15,073	111,131	30,961
Management fees	9	76,725	21,463	129,966	37,912
Professional fees		8,118	10,184	68,066	36,137
Registration and filing fees		10,625	3,505	15,762	3,505
Gain on conversion of foreign currencies		(7,420)	-	(7,420)	-
Stock-based compensation		-	2,246	-	4,492
Transfer agent fees		4,983	962	6,399	2,166
		(214,321)	(61,036)	(400,606)	(134,114)
Other items					
Interest income		1,152	3,630	1,871	7,434
Net and comprehensive loss for the period		**(213,169)**	**(57,406)**	**(398,735)**	**(126,680)**
Loss per share – basic and diluted	8	**$ (0.01)**	**$ (0.01)**	**$ (0.02)**	**$ (0.02)**

Westridge Resources Inc.
Consolidated Statement of Change in Shareholder's Equity
(Expressed in Canadian dollars – unaudited)

		Share Capital				
	Notes	Number of shares	Amount	Contributed Surplus	Deficit	Total
Balance at July 31, 2010		**12,790,994**	**$ 1,551,982**	**$ 173,071**	**$ (465,070)**	**$ 1,259,983**
Comprehensive loss for the period		-	-	-	(69,274)	(69,274)
Stock-based compensation		-	-	4,492	-	4,492
Transactions with owners, in their capacity as owners, and other transfers:						
Shares issued for cash – option exercise		75,000	29,250	-	-	29,250
Balance at January 31, 2011		**12,865,994**	**$ 1,581,232**	**$ 177,563**	**$ (534,344)**	**$ 1,224,451**
Balance at July 31, 2011		**13,225,994**	**$1,649,957**	**$ 351,780**	**$ (972,761)**	**$ 1,028,976**
Comprehensive loss for the period		-	-	-	(398,735)	(398,735)
Transactions with owners, in their capacity as owners, and other transfers:						
Shares issued for cash		1,540,568	1,001,368	-	-	1,001,368
Shares issued		523,076		-	-	
Option exercise		225,000	56,250	-	-	56,250
Shares to be issued		-	10,060	-	-	10,060
Share issue costs		-	(77,458)	-	-	(77,458)
Total transactions with owners and other transfers		2.288,644	990,220	-	-	990,220
Balance at January 31, 2012		**15,514,638**	**$2,640,117**	**$ 351,780**	**$ (1,371,496)**	**$ 1,620,461**

See accompanying notes to the consolidated financial statements

Westridge Resources Inc.
Consolidated Statement of Cash Flow
(Expressed in Canadian dollars – unaudited)

	Three month periods ended		Six month periods ended	
	January 31, 2012	January 31, 2011	January 31, 2012	January 31, 2011
Operating activities				
Loss for the period	$ (213,169)	$ (57,406)	$ (398,735)	$ (126,680)
Adjustments for non-cash items:				
Stock-based Compensation	-	2,246	-	4,492
Changes in non-cash working capital items:				
Receivables	(43,622)	(6,640)	(80,003)	20,477
Prepaid expenses	(62,141)	(63,415)	-	(1,160)
Accounts payable and accrued liabilities	(6,852)	26,703	(45,821)	(11,383)
Net cash flows used in operating activities	(325,784)	(98,512)	(524,559)	(114,254)
Investing activities				
Expenditures on exploration and evaluation assets	(102,341)	(15,000)	(14,789)	(22,887)
Net cash flows from (used in) investing activities	(102,341)	(15,000)	(14,789)	(22,887)
Financing activities				
Proceeds on issuance of capital stock	933,971	-	990,220	-
Net cash flows from financing activities	933,971	-	990,220	-
Increase (decrease) in cash and cash equivalents	505,846	(113,512)	450,872	(137,141)
Cash and cash equivalents, beginning	(52,722)	951,711	2,252	975,340
Cash and cash equivalents, ending	**$ 453,124**	**$ 838,199**	**$ 453,124**	**$ 838,199**

See accompanying notes to the consolidated financial statements

1. Nature and continuance of operations

Westridge Resources Inc. (the "Company") is an exploration stage company incorporated under the laws of the Province of British Columbia on April 30, 2007. The Company is focused on the acquisition, evaluation and exploration of mineral resource properties. To date, the Company has focused its exploration activities on the Mount Sicker property in the southeastern area of Vancouver Island, B.C. The Company also acquired an option to acquire certain concessions in the United Mexican States known as the Charay Project.

The Company trades on the TSX Venture Exchange under the stock symbol WST.

The head office, principal and registered address and records office of the Company are located at 1030 West Georgia Street, Suite 717, Vancouver, B.C. V6E 2Y3

These unaudited condensed consolidated interim financial statements have been prepared on the assumption that the Company and its subsidiaries (the "Group") will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at January 31, 2011 the Company had not advanced its property to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares.

2. Significant accounting policies and basis of preparation

The financial statements were authorized for issue on March 30, 2012 by the directors of the Company.

Statement of compliance and conversion to International Financial Reporting Standards

The consolidated interim financial statements of the Group 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"). Therefore, these financial statements comply with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended July 31 2011. However, this interim financial report, being the first IFRS financial report, provides selected significant disclosures that are required in the annual financial statements under IFRS. The disclosures concerning the transition from Canadian Generally Accepted Accounting Principles ("Canadian GAAP") to IFRS are provided in Note 12.

2. Significant accounting policies and basis of preparation (cont'd)

Basis of preparation

The consolidated financial statements of the Group have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

		Percentage owned*	
	Country of incorporation	**January 31, 2012**	**January 31, 2011**
Westridge Resources Inc.	Canada	100%	100%
Minera Westridge S.A. de C.V.	Mexico	100%	N/A

*Percentage of voting power is in proportion to ownership.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the determination of the useful lives of property, plant and equipment, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and stock-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

Foreign currency translation

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Canadian dollars which is the parent company's functional and presentation currency. The functional currency of the subsidiaries of the Group has also been determined to be the Canadian dollar.

Transactions and balances:

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

2. Significant accounting policies and basis of preparation (cont'd)

***Foreign currency translation** (cont'd)*

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive income in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Group has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Share-based payments

The Group operates an employee stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

2. Significant accounting policies and basis of preparation (cont'd)

Financial instruments

The Group classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the group commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Group does not have any derivative financial assets and liabilities.

2. **Significant accounting policies and basis of preparation** (cont'd)

Impairment of assets

The carrying amount of the Group's assets (which include property, plant and equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of income and comprehensive income.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

2. Significant accounting policies and basis of preparation (cont'd)

Income taxes *(cont'd)*

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Restoration and environmental obligations

The Group recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Group's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Group's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Group's estimates of reclamation costs, are charged to profit and loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Group's accounting policy for exploration and evaluation assets.

Leases

Leases of property, plant and equipment where substantially all the risks and benefits incidental to the ownership of the asset are transferred to entities in the Group are classified as finance leases.

Finance leases are capitalized by recording an asset and a liability at the lower of the fair value of the leased property, plant and equipment or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognized as a liability and amortized on a straight-line basis over the life of the lease term.

2. Significant accounting policies and basis of preparation (cont'd)

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of income and comprehensive income during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

Property and equipment are recorded at cost less accumulated amortization. Half year rule is applied to the first year of acquisition. Amortization is provided on a straight line basis over the estimated useful lives of the assets.

3. Accounting standards issued by not yet effective

Amendments to IFRS 7 "Financial Instruments: Disclosures"

This amendment increases the disclosure required regarding the transfer of financial assets, especially if there is a disproportionate amount of transfer transactions that take place around the end of a reporting period. This amendment is effective for annual periods beginning on or after July 1, 2011

New standard IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". This new standard is effective for annual periods beginning on or after January 1, 2013.

The Group has not early adopted these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

New standard IFRS 10 "Consolidated Financial Statements"

IFRS 10, Consolidated Financial Statements ("IFRS 10") was issued by the IASB on May 12, 2011 and will replace IAS 27, Consolidated and Separate Financial Statements ("IAS 27"), and SIC-12, Consolidation – Special Purpose Entities ("SIC-12"). Concurrent with IFRS 10, the IASB issued IFRS 11, Joint Ventures; IFRS 12, Disclosures of Involvement with Other Entities; IAS 27, Separate Financial Statements, which has been amended for the issuance of IFRS 10 but retains the current guidance for separate financial statements; IAS 28, Investments in Associates and Joint Ventures, which has been amended for conforming changes based on the issuance of IFRS 10 and IFRS 11.

IFRS 10 uses control as the single basis for consolidation, irrespective of the nature of the investee, eliminating the risks and rewards approach included in SIC-12, and requires continuous assessment of control over an investee. The above consolidation standards are effective for annual periods beginning on or after January 1, 2013. The Company does not expect these pronouncements to have a significant impact on its results and financial position.

3. Accounting standards issued by not yet effective (cont'd)

New standard IFRS 13 "Fair Value Measurement"

IFRS 13, Fair Value Measurement ("IFRS 13") was issued by the IASB on May 16, 2011. This standard defines fair value, sets out a single IFRS framework for measuring fair value and outlines disclosure requirements about fair value measurements. IFRS 13 defines fair value as 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. Fair value is a market-based measurement, not an entity-specific measurement so assumptions that market participants would use should be applied in measuring fair value. The new standard is effective for annual periods on or after January 1, 2013, with earlier application permitted. The Company is currently assessing the impact of this standard on its financial statements.

Amendment to IAS 1 "Presentation of Financial Statements"

The IASB issued amendments to IAS 1, *Presentation of Financial Statements* ("IAS 1") to require companies preparing financial statements under IFRS to group items within Other Comprehensive Income ("OCI") that may be reclassified to the profit or loss. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statements or two consecutive statements. The amendments to IAS 1 are effective for fiscal years beginning on or after July 1, 2012. The Company is currently assessing the impact of these amendments on its financial statements.

New IFRIC 20 "Stripping costs in the Production Phase of a Surface Mine"

January 24, 2011. The IASB has issued IFRIC Interpretation 20 clarifying when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

	January 31, 2012	July 31, 2011
Cash at bank	$ 453,124	$ 2,252
Guaranteed investment certificate	-	580,000
	$ 453,124	$ 582,252

5. Accounts receivable

Receivables consist of interest, sales taxes, value-added taxes and other tax credits receivable.

6. Exploration and evaluation assets

	Total for six month period ended January 31, 2012	Total for year ended July 31, 2011
Exploration and evaluation costs		
Balance, beginning of period	$ 476,397	$ 242,078
Costs incurred during period:		
Acquisition costs	302,315	147,037
Mining rights and taxes	-	7,887
Consulting	213,005	21,968
Drilling sampling and assay	79,469	65,314
Refundable tax credits	-	(7,887)
	594,789	234,319
Balance, end of period	$ 1,071,186	$ 476,397
Total	$ 1,071,186	$ 476,397

Mt. Sicker Property, Duncan, British Columbia, Canada

During November 2007, the Company entered into an option agreement with 747080 BC Ltd. to acquire a 100% interest in the Mt. Sicker Mineral Property located near Duncan, British Columbia. The option agreement calls for the issuance of 400,000 common shares (400,000 issued) and cash payments totaling $150,000 ($95,000 paid) over four years. The property is subject to a 2% net smelter return held by the vendor payable upon commencement of commercial production that is reducible to 1% by paying the vendor $1,000,000. Within 30 days of the commencement of commercial production the Company will issue 400,000 common shares to 747080 BC Ltd.

During the year ended July 31, 2011, the Company issued the last instalment of 75,000 (2010 – 75,000) common shares valued at $29,250 (2010 - $4,500) and made a cash payment of $15,000 (2010 - $45,000) towards the option agreement. The Company has negotiated an extension to January, 2012 on the remaining $55,000 of option payments due.

Charay Project, Mexico

On August 11, 2011, the Company entered into an option agreement (the "Option Agreement") with Musgrove Minerals C orp. ("Musgrove", TSX-V: MGS), an arm's length company, whereby the Company has been granted an option to acquire up to a 100% interest in and to certain concessions in the United Mexican States known as the Charay Project (the "Charay Project").

Under the terms of the Option Agreement, Company has the exclusive right and option (the "Option") to earn an initial 80% interest in the Charay Project by paying to Musgrove, an aggregate of

6. Exploration and evaluation assets (cont'd)

$550,000, with not less than $225,000 payable on the first anniversary date from the date of approval of the Option Agreement by the TSX Venture Exchange (the "Effective Date") and not less than an additional $225,000 payable on the second anniversary date from the Effective Date. The Company has also agreed, during the term of the Option Agreement, to assume payments to certain underlying owners of the Charay Project and will pay an aggregate of $2,367,500 over a two year period commencing on the Effective Date. In addition, the Company will issue to Musgrove an aggregate of 1,200,000 common shares in the capital of the Company, with 400,000 common shares issuable on the Effective Date, an additional 400,000 common shares issuable on the first anniversary date from the Effective Date and an additional 400,000 common shares issuable on the second anniversary date from the Effective Date.

The Company has also agreed to fund a work program of not less than $500,000 on or before February 28, 2012 and assume Musgrove's indebtedness to a vendor in the principal amount of $258,000 plus interest at a rate of $1,720 per month. This indebtedness is due on demand by the vendor and remains binding on the Company if the option agreement is terminated. If the option agreement is terminated before the work program of $500,000 is fully funded, the Company shall pay the vendor the dollar amount equal to the unfunded balance. After earning an 80% interest in the Charay Project, Musgrove's 20% interest will be carried to the earlier of commercial production or the exercise by the Company of an option to acquire the remaining 20% interest. The Company will have the right at any time up to 60 months from the Effective Date, to purchase the remaining 20% interest from Musgrove for a single $5,000,000 lump sum payment.

The Charay Project is subject to a 2% net smelter return royalty payable upon commencement of commercial production. At all times during the term of the Option, the Company will be the operator for all exploration and development activities on the Charay Project.

Prior to the Company entering into an option agreement, the Company incurred certain acquisition and other due diligence costs which are capitalized to the Charay project.

On January 27th, 2012, the Company has announced that it has received final approval from the TSX Venture Exchange (the "Exchange") of the option agreement (the "Option Agreement") entered into by its wholly-owned subsidiary, Minera Westridge S.A. de C.V. ("Minera").

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 is in good standing.
The Company has one operating segment, mineral exploration, and all assets of the Company are located in Canada expect for its mineral property interest in Mexico, described above. The Company operates in two geographical segments; Canada and Mexico and corporate administrative activities are conducted in Canada.

7. Accounts payable and accrued liabilities

		January 31, 2012		July 31, 2011
Accounts payable	$	58,659	$	61,380
Amounts due to related parties (Note 9)		19,040		-
	$	77,699	$	61,380

8. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

On December 23rd, 2011, the first tranche of the private placement consisted of the issuance of 1,540,568 units (the "Units") at a price of $0.65 per Unit for gross proceeds of $1,001,369 (the "First Tranche"). In connection with the First Tranche, the Company paid certain finders a cash commission totalling $77,457.53 and issued to the finders 119,164 unit purchase warrants (the "Finder's Warrants"). Each Finder's Warrant entitles the holder to purchase one unit (the "Finder's Unit") at a price of $0.65 until December 23, 2012.

At January, 2012 there were 15,514,638 issued and fully paid common shares (July 31, 2011 – 13,225,994).

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the six month period ended January 31, 2012 was based on the loss attributable to common shareholders of $389,735 (January 2010 - $69,274) and the weighted average number of common shares outstanding of 15,514,638 (January 2010 – 12,790,994).

Diluted loss per share did not include the effect of 965,000 stock options and 1,150,283 warrants as the effect would be anti-dilutive.

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers, directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 5 years with vesting determined by the board of directors.

On November 18th, 2011 the Company granted 150,000 options at an exercise price of $0.60 for a period of five years to a consultant.

On December 13th, 2011 the Company granted 140,000 options at an exercise price of $0.65 for a period of five years to a consultant

8. Share capital (cont'd)

The changes in options during the six month period ended January 31, 2012 and the year ended July 31, 2011 are as follows:

	January 31, 2012			July 31, 2011		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Options outstanding, beginning of period	1,050,000	$	0.35	650,000	$	0.27
Options exercised	225,000		-	-		-
Options granted	290,000		0.51	700,000		0.46
Options expired	(150,000)		0.53	(150,000)		0.35
Options outstanding, end of period	965,000	$	0.47	1,200,000	$	0.37
Options exercisable, end of period	965,000	$	0.47	1,050,000	$	0.35

The following table summarizes the options outstanding at January 31, 2012:

Number	Exercise price	Expiry date
125,000	0.25	May 4, 2015
400,000	0.40	February 22, 2016
150,000	0.53	July 13, 2016
150,000	0.60	November 18, 2016
140,000	0.65	December13, 2016
965,000		

Warrants

The changes in warrants during the six month period ended January, 2012 and the year ended July 31, 2011 are as follows:

	January, 2012			July 31, 2011		
	Number of warrants		Weighted average exercise price	Number of warrants		Weighted average exercise price
Warrants outstanding, beginning of period	380,000	$	0.25	560,000	$	0.25
Warrants granted	889,447	$	0.85	-		-
Warrants exercised	-		-	(180,000)		0.25
Warrants outstanding, end of period	1,269,447	$	0.65	380,000	$	0.25
Warrants exercisable, end of period	1,269,447	$	0.65	380,000	$	0.25

8. Share capital (cont'd)

The following table summarizes the warrants outstanding at January 31, 2012:

Number of warrants	Exercise price	Expiry date
380,000	$ 0.25	May 4, 2012
770,283	$ 0.85	Dec 23, 2013
119,164	$ 0.85	Dec 23, 2013
1,269,447		

9. Related party transactions

Related party balances

The following amounts due to related parties are included in accounts payable and accrued liabilities:

	January 31, 2012	January 31, 2011
Companies controlled by directors of the Company	$ 19,040	$ -
	$ 19,040	$ -

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The Group incurred the following transactions with companies that are controlled by directors of the Company.

	Three month periods ended	
	January 31, 2012	January 31, 2011
Short-term employee benefits – management fees	$ 59,000	$ 9,000

10. Financial risk management

The Group is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and Mexico. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its other receivables. This risk is minimal as receivables consist primarily of refundable government goods and services taxes.

10. Financial risk management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group has a planning and budgeting process in place to help determine the funds required to support the Group's normal operating requirements on an ongoing basis. The Group ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Group's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Group's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

As at January 31, 2012, the entire Group's non-derivative financial liabilities are due within one year.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Group's Mexican subsidiary is exposed to currency risk as it incurs expenditures that are denominated in Mexican Pesos while its functional currency is the Canadian dollar. The Group does not hedge its exposure to fluctuations in foreign exchange rates.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three months or less and are therefore exposed to interest rate fluctuations on renewal.

Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Group consists of equity, comprising share capital, net of accumulated deficit.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to any externally imposed capital requirements.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	January 31, 2012	July 31, 2011
Cash and cash equivalents	$ 453,124	$ 582,252
Loans and receivables:		
Receivables	108,209	28,207
	$ 561,333	$ 610,459

10. Financial risk management (cont'd)

Financial liabilities included in the statement of financial position are as follows:

	January 31, 2012	July 31, 2011
Non-derivative financial liabilities:		
Accounts payable	$ 77,699	$ 61,380
	77,699	61,380

Fair value

The fair value of the Group's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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.

Cash and cash equivalents are classified as level 1.

11. Segmented information

Operating segments

The Group operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

Geographic segments

The Group's non-current assets are located in the following countries:

	As at January 31, 2012		
	US/Canada	Mexico	Total
Exploration and evaluation assets	286,331	784,855.	1,071,186
	$ 286,331	$ 784,855	$ 1,071,186

	As at July 31, 2011		
	US/Canada	Mexico	Total
Exploration and evaluation assets	286,331	190,066	476,397
	$ 286,331	$ 190,066	$ 476,397

12. Transition to IFRS

As result of the Accounting Standards Board of Canada's decision to adopt IFRS for publicly accountable entities for financial reporting periods beginning on or after January 1, 2011, the Group has adopted IFRS in these financial statements, making them the first interim financial statements of the Group under IFRS. The Group previously applied the available standards under previous Canadian GAAP that were issued by the Accounting Standards Board of Canada.

As required by IFRS 1 "First-time Adoption of International Financial Reporting Standards", August 1, 2010 has been considered to be the date of transition to IFRS by the Group. Therefore, the comparative figures that were previously reported under previous Canadian GAAP have been restated in accordance with IFRS.

Exemptions applied

The Group has applied the following optional transition exemptions to full retrospective application of IFRS:

- IFRS 3 "Business Combinations" has not been applied to acquisitions of subsidiaries or of interests in associates and joint ventures that occurred before January 1, 2010.
- IAS 21 "The Effects of Changes in Foreign Exchange Rates" has not been applied to cumulative translation differences that existed at the date of transition to IFRS. The Group has eliminated the cumulative translation difference and adjusted retained earnings by the same amount at the date of transition to IFRS. If, subsequent to adoption, a foreign operation is disposed of, the translation differences that arose before the date of transition to IFRS will not affect the gain or loss on disposal.
- IFRS 2 "Share-based Payment" has not been applied 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 Group has elected not to apply IFRS 2 to awards that vested prior to January 1, 2010, which have been accounted for in accordance with Canadian GAAP.

Reconciliation of equity

	Notes	July 31, 2011	October 31, 2010	August 1, 2010
Equity previously reported under Canadian GAAP		**$ 1,028,976**	**$ 1,192,955**	**$ 1,259,983**
Adjustments upon adoption of IFRS:		-	-	-
Equity reported under IFRS		**$ 1,028,976**	**$ 1,192,955**	**$ 1,259,983**

Reconciliation of comprehensive loss

	Notes	Three months ended October 31, 2010	Year ended July 31, 2011
Comprehensive loss previously reported under Canadian GAAP		**$ (69,274)**	**$ (507,691)**
Adjustments upon adoption of IFRS:		-	-
Comprehensive loss reported under IFRS		**$ (69,274)**	**$ (507,691)**

13. Subsequent Events

a) On February 17th, 2012 the Company has announced that a private placement of 255,554 units (the "Units") at a price of $0.65 per Unit for gross proceeds of $166,110 (the "Offering") has been arranged. Although the Offering is on the same terms and conditions as the private placement which closed on December 23, 2011, due to the requirements of the TSX Venture Exchange (the "Exchange") this Offering is considered a new private placement. The total funds to be raised under this Offering and the private placement that closed on December 23, 2011 will be $1,167,479. The completion of the Offering is subject to final approval from the Exchange.

b) The Company also announces that it has granted incentive stock options (the "Options") to certain directors and officers of the Company to purchase up to 725,000 common shares of the Company at a price of $0.65 per common share. The Options are exercisable for a period of five years ending on February 24, 2017 and have been granted in accordance with the terms of the Company's current stock option plan.

c) The Company has announced that the final approval from the TSX Venture Exchange has been received with respect to the issuance of a convertible debenture pursuant to a convertible loan agreement (the "Loan Agreement") between the Company and Fibre-Crown Manufacturing Inc. ("Fibre-Crown").

Under the terms of the Loan Agreement, the Company has issued a convertible debenture (the "Convertible Debenture") in the principal amount of $258,000 bearing interest at a rate of 8% per annum, calculated and payable monthly. Pursuant to the Loan Agreement, Fibre-Crown may convert the Convertible Debenture into common shares of the Company at a price of $0.65 per common share until February 1, 2013 (the "Maturity Date"). Westridge may, at its option, extend the Maturity Date for an additional 12 months by payment of 3% of the principal amount then outstanding.

d) In February 2012, the Board determined that it is in the best interest of the Company to drop the Mt. Sicker Property and focus its resources on the Charay Project.