ROCKLAND MINERALS CORP.

(An Exploration Stage Company)

Financial Statements – unaudited
March 31, 2011

(Expressed in Canadian dollars)

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the three months ended March 31, 2011.

ROCKLAND MINERALS CORP.

Balance sheets (Unaudited)
(Expressed in Canadian dollars)

	March 31, 2011 (Unaudited) $	December 31, 2010 (Audited) $
Assets		
Current Assets		
Cash	224,693	390,198
Amounts receivable	62,177	105,829
Prepaid Expenses	5,117	21,250
	291,987	517,277
Mineral property costs (Note 4)	407,686	407,686
	699,673	924,963
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	26,578	59,540
Due to related parties (Note 5)	2,874	9,753
	29,452	69,293
Shareholders' Equity		
Share capital (Note 6)	1,976,432	1,976,432
Contributed surplus (Note 7)	313,836	313,836
Deficit	(1,620,047)	(1,434,598)
	670,221	855,670
	699,673	924,963

Nature of operations and continuance of business (Notes 1 and 3)
Commitment (Note 10)
Subsequent events (Note 16)

Approved on behalf of the Board:

/s/ "Ravinder Mlait"
Ravinder Mlait, Director

/s/ "Bryan Loree"
Bryan Loree, Director

(The accompanying notes are an integral part of these financial statements)

ROCKLAND MINERALS CORP.
Statements of operations, comprehensive loss and deficit (Unaudited)
(Expressed in Canadian dollars)

	Three months ended March 31, 2011 $	Three months ended March 31, 2010 $
Revenue	–	–
Expenses		
Investor Relations	20,974	500
Mineral exploration costs (Note 4)	123,758	–
Office and miscellaneous	4,087	1,612
Professional fees	2,073	13,924
Salaries and benefits (Note 5)	24,072	–
Stock-based compensation (Notes 8 and 9)	–	–
Transfer agent and filing fees	5,213	15,765
Travel	5,272	–
	185,449	31,801
Net loss and comprehensive loss for the period	(185,449)	(31,801)
Deficit, beginning of period	(1,434,598)	(190,327)
Deficit, end of period	(1,620,048)	(222,128)
Loss per share, basic and diluted	(0.01)	(0.01)
Weighted average shares outstanding	18,452,142	6,625,000

(The accompanying notes are an integral part of these financial statements)

ROCKLAND MINERALS CORP.
Statements of cash flows (Unaudited)
(Expressed in Canadian dollars)

	Three months ended March 31, 2011 $	Three months ended March 31, 2010 $
Operating activities		
Net loss for the period	(185,449)	(31,801)
Items not involving cash:		
Stock-based compensation	–	–
Changes in non-cash operating working capital:		
Amounts receivable	43,652	631
Prepaid expenses	16,133	–
Accounts payable and accrued liabilities	(39,841)	14,155
Due to related parties	–	–
	(165,505)	(17,015)
Investing activities		
Mineral property acquisition & maintenance costs	–	–
	–	–
Financing activities		
Proceeds from shares issued	–	–
Deferred financing costs	–	–
	–	–
Increase (decrease) in cash	(165,505)	(17,015)
Cash, beginning of period	390,198	19,699
Cash, end of period	224,693	2,684
Non-cash investing and financing activities:	–	–
Supplemental disclosures:		
Interest paid	–	–
Income taxes paid	–	–

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations

The Company was incorporated on June 12, 2008 under the Business Corporations Act (BC). The Company is an exploration stage company currently focused on the exploration of mineral property projects in Quebec, Canada. It has not yet been determined whether the properties contain mineral reserves that are economically recoverable. The operations of the Company will require various licences and permits from various governmental authorities which are or may granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able comply with such conditions and obtain or retain all necessary licences and permits that may be required to carry out exploration, development, and mining operations at its projects. Failure to comply with these conditions may render the licences liable to forfeiture.

Basis of Preparation

January 1, 2011 is the date that International Financial Reporting Standards ("IFRS") replaced Canadian generally accepted accounting principles ("Canadian GAAP") as the financial reporting framework for publicly accountable enterprises.

These condensed interim financial statements are unaudited and have been prepared in Canadian Dollars, in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with the IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee (IFRIC"). They are the Company's first IFRS condensed interim financial statements for part of the period covered by the first IFRS annual financial statements and IFRS 1 *First-time adoption of International Financial Reporting Standards* has been applied. They do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2010.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement of results in accordance with IFRS have been included.

An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 15.

2. Significant Accounting Policies

(a) Basis of Presentation

The financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles.

(b) Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires the Company's management to make estimates and assumptions that affect the amounts reported in the financial statements and the related notes to the financial statements. Significant financial statement items which involve the use of estimates include the recoverability of mineral property costs, stock-based compensation, and future income tax asset valuation allowances. Actual results could differ from those estimates.

(c) 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.

2. Significant Accounting Policies (continued)

(d) Mineral Property Costs

The Company records its interests in mineral properties and areas of geological interest at cost. All direct and indirect costs related to the acquisition of these interests are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate are placed into production, sold or management has determined there to be an impairment in value. These costs will be depleted using the unit-of-production method based on the estimated proven and probable reserves available on the related property following commencement of production.

The amounts shown for mineral properties represent costs, net of write-offs, option proceeds and recoveries, and do not necessarily reflect present or future value. Recoverability of these amounts will depend upon the existence of economically recoverable reserves, the ability of the Company to obtain financing necessary to complete development, and future profitable production. The Company reviews the carrying values of mineral properties when there are any events or change in circumstances that may indicate impairment. Where estimates of future cash flows are available, an impairment charge is recorded if the estimated undiscounted future net cash flows expected to be generated by the property is less than the carrying amount. An impairment charge is recognized by the amount by which the carrying amount of the property exceeds the fair value of the property.

(e) Mineral Exploration and Development Costs

Exploration costs are charged to operations as incurred. When it has been established that a mineral deposit is commercially mineable and a decision has been made to formulate a mining plan (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs subsequently incurred to develop the mine on the property prior to the start of the mining operations are capitalized.

(f) Asset Retirement Obligations

The Company follows CICA Handbook Section 3110, “Asset Retirement Obligations”, which established standards for asset retirement obligations and the associated retirement costs related to site reclamation and abandonment. The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. As at the end of the current period, the Company has not incurred any asset retirement obligations related to the exploration and development of its mineral properties.

(g) Government Assistance

The Company follows CICA Handbook Section 3805, “Investment Tax Credits”. According to this standard, investment tax credits are accounted for using the cost reduction approach. This approach requires investment tax credits received or receivable to be deducted from capitalized resource expenditures. Investment tax credits are accrued when the Company has made the qualifying expenditures, provided there is reasonable assurance that the credits will be realized. Realization is assessed based on collection history.

(h) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Future income taxes assets and liabilities are recognized for the estimated future tax consequences attributable to difference between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases (“temporary differences”) and loss carry forwards. When necessary, a valuation allowance is recorded to reduce income tax assets to an amount

2. Significant Accounting Policies (continued)

(h) Income Taxes (continued)

where realization is more likely than not. Future income tax assets and liabilities are measured using enacted or substantively enacted tax laws and rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in rates is recognized in the period that included the date of enactment or substantive enactment.

(i) Financial Instruments

The Company classifies all financial instruments as either held-for-trading, available-for-sale, held-to-maturity, loans and receivables or other financial liabilities. Financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial instruments classification. Held-for-trading instruments are measured at fair value with unrealized gains and losses recognized in results of operations. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments held-to-maturity, loans and receivables and other financial liabilities are measured at amortized cost.

The Company has classified its cash as held-for-trading. Receivables are classified as loans and receivables. Accounts payable and accrued liabilities and amounts due to related parties are classified as other financial liabilities.

(j) Foreign Currency Translation

Monetary assets and liabilities expressed in foreign currencies are translated to Canadian dollars at exchange rates in effect at the balance sheet date. Other assets and liabilities have been translated at exchange rates in effect at the transaction date. Revenues and expenses are translated at the average exchange rate for the period. Foreign exchange gains and losses are included in the statement of operations.

(k) Flow-through Shares

The Company follows the recommendations of Emerging Issues Committee Abstract No. 146, “Flow-through Shares” which is effective for all flow-through share transactions. Canadian tax legislation permits a company to issue securities referred to as flow-through shares whereby the Company assigns the tax deductions arising from the related resource expenditures to the shareholders. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, a future income tax liability is recognized and share capital is reduced.

If the Company has sufficient unused tax losses carried forward or other future income tax assets to offset all or part of this future income tax liability and no future income tax assets have been previously recognized for these items, a portion of such unrecognized losses is recorded as income up to the amount of the future income tax liability that was previously recognized on the renounced expenditures.

(l) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share. Stock options, share purchase warrants, and other equity instruments are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options, warrants and other equity instruments. As the Company has recorded a loss in each of the periods presented, basic and diluted loss per share are the same since the exercise of warrants or options would reduce the loss per share.

2. Significant Accounting Policies (continued)

(m) Comprehensive Loss

Section 1530 establishes standards for the reporting and display of comprehensive income. The Company does not have any items representing comprehensive income/loss.

(n) Stock-based Compensation

The Company recognizes stock-based compensation expense in accordance with CICA Handbook Section 3870, "Stock-Based Compensation and Other Stock-Based Payments". When stock or stock options are issued to employees, compensation expense is recognized based on the fair value of the stock or stock options issued on the date of grant, over the vesting period of the stock or stock options. Stock-based payments to non-employees are measured at the fair value of the consideration received, or the fair value of the equity instruments issued, or liabilities incurred, whichever is more reliably measurable. The fair value of stock-based payments to non-employees is periodically re-measured until counterparty performance is complete, and any change therein is recognized over the period and in the same manner as if the Company had paid cash instead of paying with or using equity instruments. The cost of stock-based payments to non-employees that are fully vested and non-forfeitable at the grant date is measured and recognized at that date. On the exercise of stock options, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus.

3. Going Concern

These statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2011, the Company has not generated any revenues from operations and has an accumulated deficit of $1,620,048. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is pursuing equity financing. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

ROCKLAND MINERALS CORP.
Notes to the financial statements (Unaudited)
March 31, 2011
(Expressed in Canadian dollars)

4. Mineral Property Costs

Mineral property acquisition costs:

	Retty Lake $	Ashuanipi $	Schefferville $	Total $
Balance, December 31, 2008	209,690	–	–	209,690
Expenditures incurred	6,070	44,837	–	50,907
Balance, December 31, 2009	215,760	44,837	–	260,597
Expenditures incurred	3,025	82,064	62,000	147,089
Balance, December 31, 2010 and March 31, 2011	218,785	126,901	62,000	407,686

Mineral exploration costs:

Three months ended March 31, 2011

	Retty Lake $	Ashuanipi $	Schefferville $	Total $
Assays	–	–	195	195
Claims maintenance fees	5,479	–	100	5,579
Drilling	50,000	–	17,325	67,325
Equipment rental, field supplies, and other	45,265	–	4,866	50,131
Geophysics	–	–	–	–
Transportation and accommodations	–	–	528	528
	100,744	–	23,014	123,758

Year ended December 31, 2010:

	Retty Lake $	Ashuanipi $	Schefferville $	Total $
Assays	–	807	10,921	11,728
Claims maintenance fees	36,105	3,424	6,959	46,488
Drilling	–	–	522,290	522,290
Equipment rental, field supplies, and other	–	696	3,849	4,545
Geophysics	180,129	14,700	6,250	201,079
Transportation and accommodations	–	8,699	26	8,725
Mining duties refund	(7,632)	–	–	(7,632)
	208,602	28,326	550,295	787,223

Year ended December 31, 2009:

	Retty Lake $	Ashuanipi $	Schefferville $	Total $
Claims maintenance fees	13,228	–	–	13,228
Geological	5,000	–	–	5,000
	18,228	–	–	18,228

4. Mineral Property Costs (Continued)

Retty Lake Property

On June 30, 2008 (amended on May 5, 2009, September 29, 2009, and January 14, 2010), the Company entered into option agreement to acquire a 100% interest in the Retty Lake Property located in Quebec, Canada.

To earn this interest, the Company issued 2,000,000 common shares (recorded at a fair value of $200,000) and must incur exploration expenditures on the property totalling $1,850,000. The Company incurred $5,000 pursuant to the May 5, 2009 amendment.

Exploration expenditures to be incurred:

- $270,000 by December 30, 2010 (completed);
- an additional $745,000 by December 30, 2011; and
- an additional $835,000 by December 30, 2012;

The optionor retains a 3% Net Smelter Royalty ("NSR") which the Company has first right to purchase for $3,000,000 after the Company exercises the option to acquire the 100% interest in the property.

Ashuanipi Property

On August 8, 2009 (amended on January 14, 2010 and July 18, 2010), the Company entered into an option agreement to acquire a 100% interest in the Ashuanipi Property located in Quebec, Canada.

To earn this interest, the Company must issue a total of 500,000 common shares, issue 600,000 share purchase warrants exercisable at $0.05 per share for a period of two years (issued and recorded at a fair value of $44,837), and incur exploration expenditures on the property totalling $1,300,000 as follows:

Shares to be issued:

- 500,000 common shares to be issued prior to the first anniversary (issued).

Exploration expenditures to be incurred:

- $30,000 by December 31, 2010, which has been completed;
- an additional $270,000 by December 31, 2011;
- an additional $300,000 by December 31, 2012;
- an additional $300,000 by December 31, 2013; and
- an additional $400,000 by December 31, 2014.

The optionor retains a 3% NSR which the Company has first right to purchase for $3,000,000 after the Company exercises the option to acquire the 100% interest in the property.

Schefferville Property

On September 29, 2010, the Company entered into an option agreement to acquire an undivided 55% interest in the Schefferville Property located in Quebec, Canada.

To earn this interest, the Company must make cash payments totaling $60,000, issue a total of 600,000 common shares, and incur exploration expenditures on the property totaling $800,000 as follows:

Cash to be paid:

- $20,000 upon execution of the agreement (paid);
- $10,000 on or before September 29, 2011;
- $15,000 on or before September 29, 2012; and
- $15,000 on or before September 29, 2013;

(Expressed in Canadian dollars)

4. Mineral Property Costs (Continued)

Schefferville Property (continued)

Shares to be issued:

- 200,000 common shares upon execution of the agreement (issued);
- 100,000 common shares on or before September 29, 2011;
- 150,000 common shares on or before September 29, 2012; and
- 150,000 common shares on or before September 29, 2013;

Exploration expenditures to be incurred:

- $200,000 on or before September 29, 2011;
- $250,000 on or before September 29, 2012; and
- $350,000 on or before September 29, 2013.

The optionor retains a minimum 2% NSR on the property of which 1% can be purchased for $1,000,000 by the Company at any time.

5. Related Party Transactions

(a) During the three month period ended March 31, 2011, the amount of $15,400 (2010 – $nil) was paid to a director for geological work performed on the mineral properties.

(b) During the three month period ended March 31, 2011, the Company paid $15,000 (2010 - $nil) in salary to the President of the Company.

(c) During the three month period ended March 31, 2011, the Company paid $7,500 (2009 - $nil) in salary to the Chief Financial Officer of the Company.

All of the above transactions have been in the normal course of operations and have been recorded at their exchange amounts, which are the amounts agreed upon by the transacting parties.

6. Share Capital

Authorized: Unlimited common shares without par value
Unlimited preferred shares without par value

	Number of common shares	$
Balance, December 31, 2008	6,220,000	313,500
Issued pursuant to private placement	405,000	60,750
Balance, December 31, 2009	6,625,000	374,250
Issued pursuant to Initial Public Offering	6,670,000	1,000,500
Issued as finder's fee	100,000	15,000
Issued pursuant to private placements - flow-through	4,357,142	770,000
Share issuance costs	–	(300,318)
Issued pursuant to mineral property option agreements	700,000	117,000
Balance, December 31, 2010 and March 31, 2011	18,452,142	1,976,432

There were no share issuances during the three month period ended March 31, 2011.

Share issuances for the year ended December 31, 2010:

(a) On June 28, 2010, the Company completed its Initial Public Offering ("IPO") and issued 6,670,000 units at $0.15 per unit for gross proceeds of $1,000,500. Each unit consisted of one

(Expressed in Canadian dollars)

6. Share Capital (continued)

common share and one share purchase warrant. Each share purchase warrant entitles the holder to acquire one additional common share at an exercise price of $0.25 per share expiring on June 28, 2012. In connection with the IPO, the Company incurred $113,050 to the agent and an additional $22,918 in share issuance costs. The Company also issued 100,000 common shares with a fair value of $15,000 and 667,000 share purchase warrants with a fair value of $62,839 to the agent. Refer to Note 7.

(b) On September 8, 2010, the Company issued 2,857,142 flow-through units at $0.175 per unit for proceeds of $500,000. Each unit consisted of one flow-through common share and one-half share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one additional common share at an exercise price of $0.27 per share for the first year and $0.35 per share for the second year expiring on September 7, 2012. In connection with this private placement, the Company paid finder's fees of $41,950 and granted 285,714 options with a fair value of $25,661. Refer to Note 8.

(c) On October 27, 2010, the Company issued 500,000 common shares with a fair value of $75,000 pursuant to the Ashuanipi Property mineral option agreement and 200,000 common shares with a fair value of $42,000 pursuant to the Schefferville Property mineral option agreement. Refer to Note 3.

(d) On December 2, 2010, the Company issued 1,500,000 flow-through units at $0.18 per unit for gross proceeds of $270,000. Each unit consisted of one flow-though common share and one half share purchase warrant. Each full share purchase warrant entitles the holder to acquire one additional common share at an exercise price of $0.28 per share for the first year and $0.36 for the second year, expiring December 2, 2012. In connection with this private placement the Company incurred $18,900 in share issuance costs.

Share issuances for the year ended December 31, 2009:

(e) On May 22, 2009, the Company issued 405,000 units at $0.15 per unit for proceeds of $60,750. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to acquire one additional common share at an exercise price of $0.25 per share expiring on May 22, 2011.

Escrow Shares

Pursuant to an escrow agreement, 3,550,000 of the common shares issued and outstanding were held in escrow prior the Company listing on the TSX Venture Exchange. On July 2, 2010, 355,000 common shares were released and 15% is to be released every six months thereafter.

7. Contributed Surplus

	$
Balance, December 31, 2008	–
Fair value of share purchase warrants issued to a consultant	22,338
Fair value of share purchase warrants issued pursuant to a mineral property option agreement	44,837
Balance, December 31, 2009	67,175
Fair value of stock options vested	158,161
Fair value of finder's options	25,661
Fair value of share purchase warrants issued as a finder's fee	62,839
Balance, December 31, 2010 and March 31, 2011	313,836

(Expressed in Canadian dollars)

8. Share Purchase Warrants

On July 23, 2009, the Company issued 500,000 share purchase warrants exercisable at $0.25 per common share expiring on July 23, 2011 to a consultant. The fair value of $22,338 was calculated using the Black-Scholes option pricing model with the following assumptions: expected volatility of 125%, expected life of 2 years, risk-free rate of 1.29%, and no expected dividends.

On August 8, 2009, the Company issued 600,000 share purchase warrants exercisable at $0.05 per common share expiring on August 8, 2011 pursuant to the Ashuanipi Property option agreement. See Note 3. The fair value of $44,837 was calculated using the Black-Scholes option pricing model with the following assumptions: expected volatility of 125%, expected life of 2 years, risk-free rate of 1.29%, and no expected dividends.

On June 28, 2010, the Company issued 667,000 share purchase warrants exercisable at $0.15 per common share expiring on June 28, 2012 to the IPO agent. The fair value of $62,839 was calculated using the Black-Scholes option pricing model with the following assumptions: expected volatility of 125%, expected life of 2 years, risk-free rate of 1.56%, and no expected dividends.

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price $
Balance, December 31, 2008	–	–
Issued	1,505,000	0.17
Balance, December 31, 2009	1,505,000	0.17
Issued	9,515,571	0.25
Balance, December 31, 2010 and March 31, 2011	11,020,571	0.25

As at March 31, 2011, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
405,000	0.25	May 22, 2011
500,000	0.25	July 23, 2011
600,000	0.05	August 8, 2011
6,670,000	0.25	June 28, 2012
667,000	0.15	June 28, 2012
1,428,571	0.27/0.35	September 7, 2012
750,000	0.28/0.36	December 2, 2012
11,020,571		

(Expressed in Canadian dollars)

9. Stock Options

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price $
Outstanding, December 31, 2008	–	–
Granted	600,000	0.15
Outstanding, December 31, 2009	600,000	0.15
Granted	1,095,000	0.15
Outstanding, December 31, 2010 and March 31, 2011	1,695,000	0.15

Additional information regarding stock options outstanding as at March 31, 2011 is as follows:

	Outstanding			Exercisable	
Range of exercise prices $	Number of shares	Weighted average remaining contractual life (years)	Weighted average exercise price $	Number of shares	Weighted average exercise price $
0.15 to 0.155	1,695,000	4.9	0.15	1,507,500	0.15

The fair value of stock options granted during the year ended December 31, 2010 was $101,470 (2009 - $56,691). Of this amount, the Company recognized $120,505 for the vested portion which was recorded as contributed surplus and charged to operations. The Company also recognized $56,691 for the vested portion of stock options granted in 2009 for a total of $158,161 recognized as stock-based compensation expense for the year ended December 31, 2010.

The fair values for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends and the following weighted average assumptions:

	2010	2009
Risk-free interest rate	1.76%	1.29%
Expected life (in years)	3	10
Expected volatility	125%	125%

The weighted average fair value of stock options granted during the year ended December 31, 2010 was $0.11 (2009 - $0.09) per stock option.

Agent's Options

	Number of agents' options	Weighted average exercise price $
Outstanding, December 31, 2008 and 2009	–	–
Granted	285,714	0.175
Outstanding, December 31, 2010 and March 31, 2011	285,714	0.175

(Expressed in Canadian dollars)

9. Stock Options (continued)

As at March 31, 2011, 285,714 agents' options exercisable at $0.175 per unit were outstanding. Each unit consisted of one common share and one-half share purchase warrant. Each whole share purchase warrant is exercisable at a price of $0.27 per common share for the first year and $0.35 per common share for the second year, expiring on September 7, 2012.

The fair value of $25,661 recorded as share issuance costs was calculated using the Black-Scholes option pricing model with the following assumptions: expected volatility of 125%, expected life of 2 years, risk-free rate of 1.27%, and no expected dividends.

The weighted average fair value of agents' options granted during the year ended December 31, 2010 was $0.09 per option.

10. Commitments

(a) On November 10, 2009, the Company entered into an agreement with a director of the Company who is to provide geological consulting services at $500 per day to a maximum of $60,000 per year, starting on the later of the date on which the Company completes its IPO and the director receives the necessary permit to work in Canada, for a period of one year. The agreement can be terminated by either party at any time by giving at least ten days' advance notice in writing to the other party.

(b) On July 1, 2010, the Company entered into an employment agreement with the Chief Financial Officer of the Company at a salary of $6,000 per month. The employment agreement was amended on May 1, 2011.

(c) On July 21, 2010, the Company entered into an employment agreement with the President and CEO of the Company at a salary of $6,000 per month. The employment agreement was amended on May 1, 2011.

11. Contingent Liability

During the year ended December 31, 2010, the Company received a notice of claim for $21,465 from Pacific Bay Minerals Ltd. ("Pacific"). When the President of the Company was employed by Pacific, Pacific paid for the completion of an MBA program. The President subsequently left Pacific and Pacific claims that the Company has been unjustly enriched by the MBA program completed by the Company's President and is seeking reimbursement. The matter is scheduled for BC small claims court for November 23, 2011. Damages claimed in small claims court cases in BC are capped up to $25,000. In the Company's opinion the claim is without merit. No amount has been accrued in these financial statements in relation to this claim.

12. Financial Instruments and Risks

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's balance sheet as at March 31, 2011 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, March 31, 2011 $
Cash	224,693	–	–	224,693

12. Financial Instruments and Risks (continued)

The fair values of other financial instruments, which include amounts receivable, accounts payable and accrued liabilities, and due to related party approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure. Amounts receivable consists of GST/HST/QST receivables which are due from the Government of Canada and the province of Quebec.

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

13. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, contributed surplus and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the period ended December 31, 2009.

14. Segmented Information

The Company operates in one industry and geographic segment, the mineral resource industry with all current exploration activities conducted in Canada.

15. Conversion to IFRS

January 1, 2011 is the date that IFRS replaced Canadian GAAP as the financial reporting framework for the Company. These condensed interim financial statements are the Company's first set of financial statements prepared in accordance with IAS 34, using accounting policies consistent with IFRS.

15. Conversion to IFRS (continued)

(a) First-time adoption of IFRS

The adoption of IFRS requires the application of IFRS 1, which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment. The Company has elected to apply the following optional exemptions in its preparation of an opening IFRS statement of financial position as at January 1, 2010, the Company's "Transition Date". IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company's opening IFRS statement of financial position as at the Transition Date are consistent with those that were made under Canadian GAAP.

(b) Changes to accounting policies

The Company has changed certain accounting policies to be consistent with IFRS. The changes to its accounting policies have not resulted in any changes to the recognition and measurement of assets, liabilities, equity and expenses within its financial statements. The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

(i) Impairment of non-financial assets

IFRS requires a write down of non-financial assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows or other applicable measures. Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value. The Company has a policy of reviewing its non-financial assets (including as at January 1, 2010 and December 31, 2010), to determine whether there are any indications of impairment. Where there are such indications of impairment, the non-financial assets are written down as appropriate. The Company did not have any non-financial assets to write down.

(ii) Decommissioning liabilities (Asset Retirement Obligations ("AROs"))

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions. While the Company does not currently have any AROs, the Company's accounting policy related to decommissioning liabilities has been changed to reflect these changes.

With the conversion to IFRS there has been no impact on the condensed interim Balance Sheet, the condensed interim statement of comprehensive loss or on the condensed interim statements of cash flows as a result of this adjustment.

16. Subsequent Event

On April 29, 2011, the Company completed a brokered private placement for gross proceeds of $1,197,699 through the sale of 1,848,333 units at a price of 15 cents per unit and the sale of 5,414,411 flow-through units at a price of 17 cents per flow-through unit. Each unit consists of one common share in the capital of the company and one-half of one share purchase warrant.

16. Subsequent Event (continued)

Each unit warrant entitles the holder thereof to purchase one additional share at a price of 26 cents per share for a period of 18 months from the date of the issuance of such unit warrant. Each flow-through unit consists of one share issued on a flow-through basis under the Income Tax Act (Canada) and one-half of one share purchase warrant. Each flow-through unit warrant entitles the holder thereof to purchase one additional share at a price of 28 cents per share for a period of 18 months from the date of the issuance of such flow-through unit warrant. All securities issued pursuant to the private placement are subject to a four-month hold period.