EXPLOREX CAPITAL LTD.

INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

SEPTEMBER 30, 2011

(Unaudited - Prepared by Management)

EXPLOREX CAPITAL LTD.

STATEMENTS OF FINANCIAL POSITION (UNAUDITED)
EXPRESSED IN CANADIAN DOLLARS
AS AT SEPTEMBER 30, 2011

		September 30, 2011		March 31, 2011
ASSETS				
Current				
Cash	$	397,076	$	165,678
Amounts receivable		3,967		-
Prepaid expense		1,519		1,519
		402,561		167,197
Non-current				
Deferred financing costs (Note 8)		36,883		36,883
	$	439,444	$	204,080
LIABILITES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	-	$	4,947
Due to related parties (Note 7)		4,726		4,726
		4,726		9,673
Shareholders' equity				
Share capital (Note 4)		481,000		212,500
Deficit		(46,282)		(18,093)
		434,718		194,407
	$	439,444	$	204,080

Nature of operations (Note 2)

Subsequent events (Note 10)

Approved and authorized by the Board on June 29, 2011:

"William E.A. Wishart"	*"Paul M. Zdebiak"*
William E.A. Wishart, CEO & Director	Paul M. Zdebiak, Director

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

EXPLOREX CAPITAL LTD.

STATEMENT OF COMPREHENSIVE LOSS (UNAUDITED)

EXPRESSED IN CANADIAN DOLLARS

FOR THE PERIOD ENDED SEPTEMBER 30, 2011

	Three months ended September 30, 2011	Six months ended September 30, 2011
EXPENSES		
Bank charges	32	79
General office expenses	1,106	1,226
Professional fees	5,942	8,002
Rent	3,000	3,000
Transfer agent and filing fees	10,419	11,615
Travel	4,266	4,266
Loss and comprehensive loss for the period	(24,764)	(28,189)
Basic and diluted loss per common share	(0.01)	(0.00)
Weighted average number of common shares outstanding	4,250,000	7,450,000

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

EXPLOREX CAPITAL LTD.

STATEMENT OF CASH FLOWS (Unaudited)

EXPRESSED IN CANADIAN DOLLARS

FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2011

	Three months ended September 30, 2011	Six months ended September 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (24,764)	$ (28,189)
Changes in non-cash working capital items		
Increase in receivables	(3,572)	(3,967)
Decrease in accounts payables	-	(4,947)
Increase in prepaid expense	(1,519)	-
	(29,855)	(37,102)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares for cash	258,500	268,500
Change in cash for the period	228,645	231,398
Cash position, begining of period	168,431	167,197
Cash, end of period	$ 397,076	$ 398,595
Cash paid during the period for interest	-	-
Cash paid during the period for income taxes	-	-

Supplemental disclosure with respect to cash flows (Note 8)

EXPLOREX CAPITAL LTD.

STATEMENTS OF CHANGES IN EQUITY

EXPRESSED IN CANADIAN DOLLARS

FOR THE PERIOD OF INCORPORATION ON JANUARY 6 TO SEPTEMBER 30, 2011

	Number of Shares	Share capital	Equity reserve	Deficit	Total
Balance at March 31, 2011	4,250,000	$ 212,500	$ -	$ (18,093)	$ 194,407
Shares issued for cash	3,200,000	310,000	-	-	310,000
Share issuance costs	-	(41,500)	-	-	(41,500)
Comprehensive loss for the period	-	-	-	(28,189)	(28,189)
Balance at September 30, 2011	7,450,000	481,000	-	(46,282)	434,718

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

1. INCORPORATION

The Company was incorporated under the Business Corporations Act (British Columbia) on January 6, 2011 and is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition of or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The head office of the Company is located at 214 – 1118 Homer Street, Vancouver, British Columbia, V6B 6L5. The registered office of the Company is located at Suite 300 – 576 Seymour Street, Vancouver, British Columbia, V6B 3K1. The Company does not have any subsidiaries.

2. NATURE OF OPERATIONS

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

These financial statements have been prepared in accordance with IFRS which include International Accounting Standards (IAS 34) and Interpretations ("IFRIC") adopted by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

b) Use of estimates

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. Significant areas requiring the use of management estimates relate to the valuation of deferred income tax amounts.

c) Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued.

d) Stock-based compensation

The Company uses the fair value based method for measuring compensation costs.

e) Comprehensive income/loss

Comprehensive income/loss is the change in the Company's shareholders' equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings, such as unrealized gains and losses on available-for-sale investments. Certain gains and losses are presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings.

f) Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

g) Financial instruments

Financial assets

Financial assets are classified into one of four categories:

a) Fair value through profit or loss ("FVTPL");

b) Held-to-Maturity ("HTM");

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

g) Financial instruments (cont'd…)

c) Loans and receivables; and

d) Available for sale ("AFS").

Financial assets at fair value through profit or loss ("FVTPL")

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's risk management strategy. Attributable transaction costs are recognized in profit or loss when incurred. FVTPL are measured at fair value, and changes are recognized in profit or loss.

Held to maturity ("HTM")

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized costs using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in the statement of operations and comprehensive loss.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Such assets are initially recognized at fair value plus any direct attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Available for sale ("AFS")

Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized in the statement of comprehensive loss.

The Company has classified its financial assets as follows:

a) Cash is classified as FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

g) Financial instruments (cont'd…)

Financial liabilities

Financial liabilities are classified into one of two categories:

a) Fair value through profit or loss; and

b) Other financial liabilities

Fair value through profit or loss

This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive loss.

Other financial liabilities

This category includes accounts payable and accrued liabilities, all of which are recognized at amortized cost. The Company classified its financial liabilities which consisted of accounts payable and accrued liabilities and due to related parties as other financial liabilities.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

a) significant financial difficulty of the issuer or counterparty; or

b) default or delinquency in interest or principal payments; or

c) it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

g) Financial instruments (cont'd…)

Impairment of financial assets (cont'd…)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

h) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

i) Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective. The Company does not expect the impact of such changes on the financial statements to be material.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

i) Standards issued but not yet effective (cont'd…)

IFRS 7 Financial instruments: disclosures

IFRS 7 has been amended to require additional disclosures with regards to 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 standard is effective for annual periods beginning on or after July 1, 2011.

IFRS 9 Financial instruments: classification and measurement

This standard is the first part of a new standard on classification and measurement of financial assets that will partially replace International Accounting Standard ("IAS") 39 Financial instruments: recognition and measurement. This standard is effective for years beginning on or after January 1, 2013.

The Company expects no impact from the adoption of the amendments on its financial position or performance.

4. SHARE CAPITAL

a) Authorized share capital:

As at September 30, 2011, the authorized share capital of the Company was an unlimited number of common shares without par value. All issued shares are fully paid.

b) Issued share capital:

The Company issued 4,450,000 seed common shares at a price of $0.05 per share for total proceeds of $222,500. The 4,450,000 common shares will be held in escrow and released pro-rata to the shareholders as to 10% of the escrow shares upon issuance of a Final Exchange Bulletin by the TSX-V and as to the remainder in six equal tranches of 15% every six months thereafter for a period of 36 months. These escrow shares may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities. If a Final Exchange Bulletin is not issued the shares will not be released from escrow and if the Company is delisted, the shares will be cancelled.

On August 8, 2011, the Company issued 3,000,000 common shares from its initial public offering at $0.10 per share for gross proceeds of $300,000. In connection with the Offering, the Corporation granted to Canaccord Genuity Corp., the agent of the Offering, an option to acquire an aggregate of 300,000 Common Shares (Agent's Options) at an exercise price of $0.10 per share. The Agent's Option will expire 24 months from the date the Corporation's Common Shares are listed on the TSX Venture Exchange Inc. In consideration for acting as agent for the Offering, the Agent also received an administration fee and a cash commission equal to 10% of the gross proceeds of the Offering.

EXPRESSED IN CANADIAN DOLLARS

4. SHARE CAPITAL (cont'd…)

Stock option plan

The Company has a stock option plan (the "Stock Option Plan") under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares.

Any common shares acquired pursuant to the exercise of options prior to the completion of the qualifying transaction must be deposited in escrow and will be subject to escrow until the final exchange bulletin is issued. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of five years and vest as determined by the board of directors.

As at and during the period ended September 30, 2011, the following options were granted or outstanding.

	Number of Options	Weighted Average Exercise Price
Outstanding, March 31, 2011	-	-
Granted	550,000	0.10
Cancelled	-	-
Expired	-	-
Exercised	-	-
Outstanding, September 30, 2011	550,000	$ 0.10
Options Exercisable, September 30, 2011	550,000	$ 0.10

Number of options	Exercise Price	Number of Options Exercisable	Expiry Date
300,000	$ 0.10	300,000	August 8, 2014
250,000	$ 0.10	250,000	August 8, 2016

5. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at September 30, 2011, the Company's shareholders' equity was $434,718. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient to identify and evaluate a limited number of assets and businesses for the process of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction.

6. FINANCIAL INSTRUMENTS AND RISK

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.

The fair value of cash is based on level 1 inputs of the fair value hierarchy.

The Company is exposed to varying degrees to a variety of financial instrument related risks.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

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 September 30, 2011, the Company had a cash balance of $397,076 to settle current liabilities of $4,726.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

6. FINANCIAL INSTRUMENTS AND RISK (cont'd…)

Market risk (cont'd…)

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt. As of September 30, 2011, the Company has no interest bearing term deposits.

(b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency.

(c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

7. RELATED PARTY TRANSACTIONS

As at September 30, 2011, $2,019 was payable to a company controlled by a director of the Company and $2,707 was due to a director of the Company. These amounts represent expense reimbursements to related parties and these transactions were in the normal course of operations.

Management did not receive any compensation during the period from incorporation on January 6, 2011 to September 30, 2011.

During the quarter, the Company paid or accrued rent of $3,000 to a company controlled by a director.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The Company's significant non-cash transaction during the period from July 1, 2011 to September 30, 2011 is as follows:

a) Included in deferred financing costs is $4,947 which relates to accounts payable and accrued liabilities.

9. INCOME TAXES

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

Loss for the period	$	(18,093)
Expected income tax-recovery	$	(5,066)
Unrecognized benefit of non-capital losses		5,066
Total income tax recovery	$	-

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

Deferred income tax assets:		
Non-capital loss carry forwards	$	5,000
Valuation allowance		(5,000)
Net deferred income tax assets	$	-

The Company has available for deduction against future taxable income non-capital losses of approximately $18,000. These losses, if not utilized, will expire in 2031. Future tax benefits which may arise as a result of these non-capital losses have not been recognized in these financial statements and have been offset by a valuation allowance due to the uncertainty of their realization.

10. SUBSEQUENT EVENTS

No significant events occurred subsequent to the quarter.