GEONOVUS MINERALS CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION (OCTOBER 11, 2011) TO NOVEMBER 30, 2011
(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED - PREPARED BY MANAGEMENT)
These financial statements have not been reviewed by the Company's auditor.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed interim financial statements of GeoNovus Minerals Corp. for the period from incorporation to November 30, 2011 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors. 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 an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the interim financial statements by an entity's auditor.

GEONOVUS MINERALS CORP.
UNAUDITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
AS AT

		November 30, 2011
ASSETS		
Current		
Cash	$	1
Accounts receivable		200
	$	201
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current		
Accounts payable and accrued liabilities	$	4,385
Shareholder's equity		
Capital stock (Note 7)		1
Deficit		(4,185)
		(4,184)
	$	201

Nature and continuance of operations (Note 1)
Subsequent events (Note 8)

On behalf of the Board:

"Mike England", Director   " Marvin Mitchell", Director

See accompanying notes to the unaudited condensed interim financial statements.

GEONOVUS MINERALS CORP.
UNAUDITED CONDENSED INTERIM STATEMENT OF LOSS
(EXPRESSED IN CANADIAN DOLLARS)

		Period from incorporation (October 11, 2011) to November 30, 2011
EXPENSES		
Office, rent, and miscellaneous	$	219
Professional fees		88
Shareholder communications and promotion		3,878
Net loss and other comprehensive loss for the period	$	4,185
Basic and diluted net loss per common share	$	418.5
		0
Weighted average number of common shares outstanding		10

See accompanying notes to the unaudited condensed interim financial statements.

GEONOVUS MINERALS CORP.
UNAUDITED CONDENSED INTERIM STATEMENT OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)

	Period from incorporation (October 11, 2011) to November 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss for the period	$ (4,185)
Change in non-cash working capital items:	
(Increase)/Decrease in receivables	(200)
Increase/(Decrease) in accounts payable and accrued liabilities	4,385
Net cash flows from operating activities	-
CASH FLOWS FROM FINANCING ACTIVITIES	
Issuance of common shares	1
Net cash flows from financing activities	1
Increase in cash	1
Cash, beginning of period	-
Cash, end of period	$ 1
Cash paid for taxes during the period	-

See accompanying notes to the unaudited condensed interim financial statements.

GEONOVUS MINERALS CORP.
UNAUDITED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
(EXPRESSED IN CANADIAN DOLLARS)
FOR THE PERIOD FROM INCORPORATION (OCTOBER 11, 2011) TO NOVEMBER 30, 2011

	Number of Shares	Capital Stock	Deficit	Total
Issued pursuant to incorporation	10	$ 1	$ -	$ 1
Net loss and comprehensive loss for the period	-	-	(4,185)	(4,185)
Balance, November 30, 2011	10	$ 1	$ (4,185)	$ (4,184)

See accompanying notes to the unaudited condensed interim financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

GeoNovus Minerals Corp. (hereafter the "Company" or "GeoNovus") was incorporated on October 11, 2011 under the laws of the Business Corporation Act (BC) as a wholly owned subsidiary of Geo Minerals Ltd. ("Geo"). The Company's principal business will be the acquisition and exploration of mineral properties.

The Company's head office is located at 789 West Pender Street, Suite 1220, Vancouver, BC, V6C 1H2.

The financial statements were approved by the Board of Directors on January 18, 2012.

These financial statements have been prepared with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, complete a public equity financing, or generate profitable operations in the future. Management believes it will be successful in raising the necessary funding to continue operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all.

On October 17, 2011, New Gold Inc. ("New Gold") and Geo announced an agreement whereby New Gold would acquire, through a Plan of Arrangement ("Arrangement"), all the outstanding common shares of Geo. Under the terms of the Arrangement, each Geo shareholder would receive $0.16 for each Geo share held. Upon completion of the Arrangement, New Gold would retain Geo's interest in the West Blackwater properties and cash and the remainder of Geo's portfolio of exploration properties would be transferred to GeoNovus. The transfer of properties to GeoNovus would occur at book value and would be made in consideration for the issuance of shares which would be distributed to Geo shareholders on the basis of one share of GeoNovus for every 15 Geo common shares held.

Also as part of the Arrangement, New Gold would complete a $250,000 private placement in GeoNovus that would result in New Gold holding a 13% interest in GeoNovus upon closing.

The Arrangement was approved by the boards of New Gold and Geo and Geo's security holders.

On December 21, 2011, the Arrangement was completed and GeoNovus became a reporting issuer. The Company completed a non brokered private placement on December 28, 2011 and began trading on the TSX Venture Exchange under the symbol "GNM" in January 2012. (See Note 8)

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and its interpretations. Accordingly, these condensed interim financial statements do not include all of the information and footnotes required by International Financial Reporting Standards ("IFRS") for complete financial statements for year-end reporting purposes.

IFRS replaced current Canadian generally accepted accounting principles ("Canadian GAAP") for publically accountable enterprises, effective for the fiscal years beginning on or after January 1, 2011. Since the Company began operations on October 11, 2011, the Company has applied IFRS since inception.

3. BASIS OF PRESENTATION

These financial statements have been prepared on a historical cost basis. In addition these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company is the Canadian dollar.

3. BASIS OF PRESENTATION (Continued)

In the preparation of these financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied to the period presented in these financial statements.

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with original maturities of 90 days or less which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and are available on demand by the Company. As at November 30, 2011, the Company did not have any cash equivalents.

Financial instruments

Financial assets and financial liabilities that are purchased and incurred with the intention of generating profits in the near term are classified as held-for-trading. These instruments are measured at fair value with subsequent changes in fair value recognized in the statement of loss and comprehensive loss. Currently, the Company has no financial assets classified as held-for-trading.

Financial assets that have a fixed maturity date and fixed or determinable payments, where the Company intends and has the ability to hold the financial asset to maturity are classified as held-to-maturity and are measured at amortized cost using the effective interest rate method. Any gains and losses arising from the sale of held to maturity financial assets are recognized in the statement of loss and comprehensive loss. Currently, the Company has no held-to-maturity financial assets.

Items classified as loans and receivables are measured at amortized cost using the effective interest method. Any gains or losses on the realization of loans and receivables are recognized in the statement of loss and comprehensive loss. The Company’s cash balance and accounts receivable are classified as loans and receivables. The estimated fair values of these financial instruments approximate their carrying values because of the limited terms of these instruments.

Available-for-sale assets are those financial assets that are not classified as held-for-trading, held-to-maturity or loans or receivables, and are carried at fair value. Any gains or losses arising from the change in fair value are recorded as other comprehensive income. Available-for-sale investments are written down to fair value through operations whenever it is necessary to reflect other than temporary impairment. Cumulative gains and losses arising upon the sale of the instrument are included in operations. Regular way purchases and sales of financial assets are accounted for at the trade date. Currently, the Company has no available-for-sale assets.

Financial liabilities that are not classified as held-to-maturity are classified as other financial liabilities, and are carried at amortized cost using the effective interest method. Any gains or losses arising from the realization of other financial liabilities are recognized in the statement of loss and comprehensive loss. The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). There were no financial instruments measured at fair value using the fair value hierarchy as of November 30, 2011.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 the estimated future cash flows of the assets have been negatively impacted. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced by the amount of the impairment and the loss is recognized in the statement of loss and comprehensive loss.

If in a subsequent period, the amount of 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 to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in the statement of loss and comprehensive loss.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in the statement of loss and comprehensive loss.

Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its non-financial assets to determine whether there is an indication that those assets have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of the fair value less costs to sell and the value in use. If the recoverable amount is less than the carrying amount of the asset, the carrying amount is reduced to the recoverable amount and the impairment loss is recognized in the statement of loss and comprehensive loss.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

A provision for onerous contacts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions at November 30, 2011.

Share-based payment transactions

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

The fair value of stock options granted to employees is recognized as an expense over the vesting period with a corresponding increase in the equity settled share-based payments reserve account. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Unexercised expired stock options and warrants are transferred to deficit.

Income taxes
Income tax on the profit or loss for the period presented comprises current and deferred tax. 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 provided using the balance sheet 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 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 financial position reporting 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. Deferred tax assets are reviewed at each reporting date and 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.

Loss per share
The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the period. At November 30, 2011, there were no outstanding stock options or warrants.

Comprehensive loss
Other comprehensive loss represents the change in net equity for the period that arises from unrealized gains and losses on available-for-sale financial instruments. Amounts included in other comprehensive loss are shown net of tax. Cumulative changes in other comprehensive loss are presented separately in the condensed statement of changes in Equity. The Company has no financial assets classified as available for sale, and accordingly, net loss is equivalent to comprehensive loss.

Use of estimates
The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of the assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. The impact of these estimates is pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of estimates (Continued)
Estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant estimates made by the Company include factors accrued liabilities and deferred tax assets and liabilities. Actual results could differ from those estimates.

Future accounting changes
Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after September 1, 2011 or later periods.

IFRS 9 Financial Instruments: Classification and Measurement ("IFRS 9"), effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's financial statements for the period beginning September 1, 2013, and has not yet considered the potential impact of the adoption of IFRS 9.

IFRS 10 Consolidated Financial Statements (“IFRS 10”) provides a single model to be applied in the control analysis for all investees, including entities that currently are special purpose entities in the scope of SIC 12. In addition, the consolidation procedures are carried forward substantially unmodified from IAS 27 Consolidated and Separate Financial Statements. The Company intends to adopt IFRS 10 in its financial statements for the annual period beginning on September 1, 2013. The Company has not yet determined the impact of the amendments to IFRS 10 on its financial statements.

IFRS 11 Joint Arrangements (“IFRS 11”) replaces the guidance in IAS 31 *Interests in Joint Ventures*. Under IFRS 11, joint arrangements are classified as either joint operations or joint ventures. IFRS 11 essentially carves out of previous jointly controlled entities, those arrangements which although structured through a separate vehicle, such separation is ineffective and the parties to the arrangement have rights to the assets and obligations for the liabilities and are accounted for as joint operations in a fashion consistent with jointly controlled assets/operations under IAS 31. In addition, under IFRS 11 joint ventures are stripped of the free choice of equity accounting or proportionate consolidation; these entities must now use the equity method.

Upon application of IFRS 11, entities which had previously accounted for joint ventures using proportionate consolidation shall collapse the proportionately consolidated net asset value (including any allocation of goodwill) into a single investment balance at the beginning of the earliest period presented. The investment’s opening balance is tested for impairment in accordance with IAS 28 *Investments in Associates* and IAS 36 *Impairment of Assets*. Any impairment losses are recognized as an adjustment to opening retained earnings at the beginning of the earliest period presented. The Company intends to adopt IFRS 11 in its financial statements for the annual period beginning on September 1, 2013. The Company has not yet determined the impact of the amendments to IFRS 11 on its financial statements.

IFRS 13 Fair Value Measurement ("IFRS 13") converges IFRS and US GAAP on how to measure fair value and the related fair value disclosures. The new standard creates a single source of guidance for fair value measurements, where fair value is required or permitted under IFRS, by not changing how fair value is used but how it is measured. The focus will be on an exit price. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. The Company has not yet determined the impact of the amendments to IFRS 13 on its financial statements.

In December 2010, the IASB issued an amendment to IAS 12 – Income taxes (“IAS 12) that provides a practical solution to determining the recovery of investment properties as it relates to the accounting for deferred income taxes. This amendment is effective for annual periods beginning on or after July 1, 2011, with earlier adoption permitted. The Company has chosen not to early adopt and does not anticipate this amendment to have a significant impact on its financial statements.

5. CAPITAL MANAGEMENT

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

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

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

There were no changes in the Company's approach to capital management during the period ended November 30, 2011. The Company is not subject to externally imposed capital requirements.

6. FINANCIAL RISK FACTORS

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

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

Liquidity risk
The Company's approach to managing liquidity risk is to ensure it has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from private placements to meet its operating requirements, after taking into account existing cash and expected exercise of share purchase warrants.

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

7. SHARE CAPITAL

The Company has authorized an unlimited number of common shares without par value.

During the period October 11, 2011 to November 30, 2011, the Company issued on incorporation, 10 shares for aggregate consideration of $1 to Geo Minerals Ltd.

8. SUBSEQUENT EVENTS

On December 21, 2011, New Gold Inc. acquired through a Plan of Arrangement, all the outstanding common shares of Geo for $0.16 per share. New Gold retained Geo's interest in the West Blackwater properties and cash and the remainder of Geo's portfolio of exploration properties were transferred to GeoNovus at book value in consideration for the issuance of 9,067,633 GeoNovus shares which were distributed to Geo shareholders on the basis of one share of GeoNovus for every 15 Geo common shares held.

8. SUBSEQUENT EVENTS (Continued)

On December 23, 2011, as part of the Arrangement, the Company completed a non brokered private placement with New Gold in which the Company issued 1,354,933 shares for gross proceeds of $250,000.

On December 28, 2011, the Company completed a non brokered private placement in which it issued 5,135,000 units at a price of $0.15 per unit for gross proceeds of $770,250. Each unit consisted of one common share and one half share purchase warrant. Each whole warrant is exercisable at $0.20 for a period of two years. Finders' fees of $30,600 were paid. Certain Officers and Directors of the Company subscribed for 420,000 units of the private placement for gross proceeds of $63,000.

On December 23, 2011, Geo made a capital contribution of $107,500 to GeoNovus. The funds were to be used to pay withholding taxes which were triggered by the transfer of US properties from Geo to GeoNovus.

GeoNovus became a reporting issuer on December 21, 2011 and began trading on the TSX Venture Exchange on January 5, 2012 under the symbol GNM.

On January 10, 2012, the Company granted 1,250,000 options to Directors and consultants exercisable at $0.10 for a period of 5 years.