BEARCLAW CAPITAL CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

Six Months Ended June 30, 2011

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL REPORT

The accompanying unaudited interim financial report of the Company has been prepared by and is the responsibility of the Company's management. The Company's independent auditor has not performed a review of this financial report in accordance with securities legislation and the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

BEARCLAW CAPITAL CORP.
CONDENSED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)

	Note	June 30, 2011	December 31, 2010	January1, 2010
ASSETS				
Current assets				
Cash and cash equivalents	4	$ 579,620	$ 682,518	$ 451,702
Marketable securities	5	329,500	248,000	498,850
Receivables	6	214,638	235,076	426,369
Prepaid expenses		1,966	5,636	5,029
		1,125,724	1,171,230	1,381,950
Non-current assets				
Exploration and evaluation assets	7	527,885	504,134	1,415,113
Total assets		$ 1,653,609	$ 1,675,364	$ 2,797,063
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	8	$ 15,391	$ 37,314	$ 29,238
Total liabilities		15,391	37,314	29,238
Equity				
Share capital	9	7,711,780	7,711,780	7,695,780
Share-based payments reserve		292,284	280,150	237,368
Accumulated other comprehensive income		247,916	166,416	314,006
Deficit		(6,613,762)	(6,520,296)	(5,479,329)
Total equity		1,638,218	1,638,050	2,767,825
Total liabilities and equity		$ 1,653,609	$ 1,675,364	$ 2,797,063

The financial statements were authorised for issue by the board of directors on August 22, 2011 and were signed on its behalf by:

"Scott Ross" Director
Chief Executive Officer

"Arthur Lilly" Director
Chief Financial Officer

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

BEARCLAW CAPITAL CORP.
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited – Prepared by Management)

	Note	Three Months Ended June 30, 2011	Three Months Ended June 30, 2010	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010
EXPENSES					
Accounting and audit		$ 7,400	$ 4,443	$ 13,700	$ 8,443
Consulting	11	8,886	22,055	11,886	32,901
Filing and transfer agent fees		5,870	5,266	12,293	11,107
Insurance		2,694	1,997	5,277	3,994
Management fees	11	12,000	12,000	24,000	16,000
Legal fees		4,158	12,358	4,838	17,755
Office and miscellaneous		1,844	1,336	3,667	1,685
Project investigation		-	6,871	-	6,871
Rent		3,786	3,670	7,597	6,117
Shareholder information		799	481	799	1,645
Stock-based compensation	10	4,776	16,060	12,134	27,205
Travel		95	194	962	194
Loss before other items		(52,308)	(86,731)	(97,153)	(133,917)
OTHER ITEMS					
Interest income		1,786	893	3,687	1,553
Gain on sale of marketable securities		-	66,842	-	151,992
		1,786	67,735	3,687	153,545
Net income (loss) for the period		(50,522)	(18,996)	(93,466)	19,628
OTHER COMPREHENSIVE INCOME (LOSS)					
Unrealized gain (loss) on marketable securities		114,750	(134,212)	81,500	(32)
Reclassification adjustments of gain realized on sale of marketable securities		-	(66,842)	-	(151,992)
		114,750	(201,054)	81,500	(152,024)
Comprehensive income (loss) for the period		$ 64,228	$ (220,050)	$ (11,966)	$ (132,396)
Basic and diluted loss per common share	9	$ (0.00)	$ 0.00	$ (0.00)	$ 0.00
Weighted average number of common shares outstanding		24,246,991	24,046,991	24,246,991	24,046,991

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

BEARCLAW CAPITAL CORP.
CONDENSED STATEMENTS OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)

	Note	Number of Shares	Share capital	Share-based payments reserve	Accumulated other comprehensive income	Deficit	Total equity
Balance, January 1, 2010		24,046,991	$ 7,695,780	$ 237,368	$ 314,006	$ (5,479,329)	$ 2,767,825
Comprehensive loss							
Loss for the year		-	-	-	-	(1,040,967)	(1,040,967)
Other comprehensive loss for the year		-	-	-	(147,590)	-	(147,590)
Comprehensive loss for the year		-	-	-	(147,590)	(1,040,967)	(1,188,557)
Transactions with owners							
Acquisition of mineral property	7	200,000	16,000	-	-	-	16,000
Stock-based compensation	10	-	-	42,782	-	-	42,782
Transactions with owners		200,000	16,000	42,782	-	-	58,782
Balance, December 31, 2010		24,246,991	7,711,780	280,150	166,416	(6,520,296)	1,638,050
Comprehensive loss							
Loss for the period		-	-	-	-	(93,466)	(93,466)
Other comprehensive income for the period		-	-	-	81,500	-	81,500
Comprehensive loss for the period		-	-	-	81,500	(93,466)	(11,966)
Transactions with owners							
Stock-based compensation	10	-	-	12,134	-	-	12,134
Transactions with owners		-	-	12,134	-	-	12,134
Balance, June 30, 2011		24,246,991	$ 7,711,780	$ 292,284	$ 247,916	$ (6,613,762)	$ 1,638,218

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

BEARCLAW CAPITAL CORP.
CONDENSED STATEMENTS OF CHANGES IN EQUITY (cont'd…)
(Unaudited – Prepared by Management)

	Note	Number of Shares	Share capital	Share-based payments reserve	Accumulated other comprehensive income	Deficit	Total equity
Balance, January 1, 2010		24,046,991	$ 7,695,780	$ 237,368	$ 314,006	$ (5,479,329)	$ 2,767,825
Comprehensive loss							
Net income for the period		-	-	-	-	19,628	19,628
Other comprehensive loss for the period		-	-	-	(152,024)	-	(152,024)
Comprehensive loss for the period		-	-	-	(152,024)	19,628	(132,396)
Transactions with owners							
Stock-based compensation	10	-	-	27,205	-	-	27,205
Transactions with owners		-	-	27,205	-	-	27,205
Balance, June 30, 2010		24,046,991	$ 7,695,780	$ 264,573	$ 161,982	$ (5,459,701)	$ 2,662,634

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

BEARCLAW CAPITAL CORP.
CONDENSED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30,
(Unaudited – Prepared by Management)

	Note	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) for the period		$ (93,466)	$ 19,628
Items not affecting cash:			
Gain on sale of marketable securities		-	(151,992)
Stock-based compensation	10	12,134	27,205
Changes in non-cash working capital items:			
Receivables		20,438	179,481
Prepaid expenses		3,670	3,994
Accounts payable and accrued liabilities		(13,345)	(7,137)
Net cash provided by (used in) operating activities		(70,569)	71,179
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of marketable securities		-	218,818
Mineral properties		(32,329)	-
Net cash provided by (used in) investing activities		(32,329)	218,818
Change in cash and cash equivalents during the period		(102,898)	289,997
Cash and cash equivalents, beginning of the period		682,518	451,702
Cash and cash equivalents, end of the period	4	$ 579,620	$ 741,699

Supplemental cash flow information (Note 12)

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

1. NATURE OF BUSINESS

Bearclaw Capital Corp. (the "Company") was incorporated on August 11, 1999 under the laws of British Columbia, Canada and maintains its head office at Suite 214, 3540 West 41st Avenue, Vancouver, British Columbia, Canada, V6N 3E6. Its registered office is located at Suite 1900, 1040 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4H3. The Company is primarily engaged in the acquisition, exploration, development and production of mineral properties in Canada. The Company is listed on the TSX Venture Exchange (TSX-V) under the symbol "BRL" and on the Frankfurt Stock Exchange under the symbol "5BQ".

2. BASIS OF PREPARATION

These financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company's financial statements for the year ending December 31, 2011 will be the first annual financial statements that comply with IFRS and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied for the interim and annual reporting periods. The impact of the transition from Canadian Generally Accepted Accounting Principles (Canadian GAAP) to IFRS is explained in note 15. These condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* and do not include all of the disclosures required for a complete set of annual financial statements.

Basis of measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale, which are stated at their fair values. In addition these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Going concern

The Company is an exploration stage company. The Company has a history of losses with no operating revenue. The ability of the Company to recover the costs it has incurred to date on the mineral properties is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the properties. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent on its ability to obtain adequate financing on reasonable terms from lenders, shareholders and other investors and/or to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in which case the Company may be unable to meet its obligations. The Company continues to seek joint venture partners to further its mineral properties. Management believes that the current cash position will be sufficient to fund the Company's operating and capital requirements for the next 12 months. The directors, after reviewing the current cash position and having considered the Company's ability to raise funds in the short term, adopt the going concern basis in preparing the accounts.

These financial statements do not include adjustments that would be required if going concern is not an appropriate basis for preparation of the financial statements. These adjustments could be material.

2. BASIS OF PREPARATION (cont'd…)

New accounting pronouncements

i) Amendments to IFRS 7 *Financial Instruments: Disclosures* (IFRS 7) have been issued to require additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments are applicable for annual periods beginning on or after July 1, 2011, with early adoption permitted.

ii) Amendments to IAS 12 *Income Taxes* (IAS 12) have been issued to introduce an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. The amendments are applicable for annual periods beginning on or after January 1, 2012, with early adoption permitted.

iii) New standard IFRS 9 *Financial Instruments* (IFRS 9) has been issued by IASB to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. IFRS 9 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted.

The Company has not early adopted these revised standards and is currently assessing the impact of these standards on the Company's financial statements.

Use of estimates and judgements

The preparation of the financial statements in accordance with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant areas requiring the use of management estimates include:

(i) Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these properties. The assessment of indications of impairment loss and the reversal of an impairment loss and the measuring of the recoverable amount when impairment tests has been done involve judgment. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.
(ii) The determination of the fair value of stock options or warrants using stock pricing models, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate; therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options and warrants.
(iii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.
(iv) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. BASIS OF PREPARATION (cont'd…)

Reclassification

Certain comparative figures have been reclassified to conform to the presentation of the current period financial statements. The following is a summary of the main changes:

(i) Receivables and taxes recoverable have been grouped as receivables as these items are similar in nature and historically not individually material.

(ii) The Company has renamed certain line items on the statement of financial position. Mineral properties have been renamed as exploration and evaluation assets. Contributed surplus has been renamed as share-based payments reserve. Accounts payable and accrued liabilities have been renamed as trade and other payables.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening IFRS statement of financial position at January 1, 2010 for the purposes of the transition to IFRSs.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash.

Exploration and evaluation assets

Once a license to explore an area has been secured, all direct costs related to the acquisition, exploration and evaluation of mineral property interests are capitalized into intangible assets on a property by property basis until such time that technical feasibility and commercial viability of extracting a mineral resource has been determined for a property, in which case the capitalized exploration and evaluation costs are transferred and capitalized into property, plant and equipment. The Company records expenditures on exploration and evaluation activities at cost.

Management assesses the exploration and evaluation assets for impairment at least annually and whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The assessment is based on the development program, the nature of the mineral deposit, commodity prices and the Company's intentions and ability for development of the undeveloped property. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated recoverable amount. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Provision for decommissioning and restoration

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. As at June 30, 2011, the Company has no known restoration, rehabilitation or environmental liabilities related to its mineral properties.

Financial instruments

(i) Financial assets

The Company classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. Loans and receivables are initially recognized at fair value and subsequently carried at amortized cost less any impairment. The Company's loans and receivables comprise cash and cash equivalents and receivables.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other financial asset categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Changes in the fair value of available-for-sale financial assets other than impairment losses are recognized as other comprehensive income and classified as a component of equity. When available-for-sale financial asset are sold, the accumulated fair value adjustments recognized in other comprehensive income are transferred to profit and loss. The Company's available-for-sale assets include marketable securities in equity securities of other listed entities.

(ii) Financial liabilities

The Company classifies its financial liabilities as other financial liabilities which include trade and other payables. Other financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

(iii) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired.

Loans and receivables

For loans and receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as default or delinquency by a debtor, the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the agreement. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible. 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 recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Available-for-sale financial assets

For equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is evidence that the assets are impaired. The Company will measure impairment on the basis of an instrument's fair value using an observable market price. An amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Impairment losses recognised on equity instruments are not reversed through profit or loss.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Share capital

The Company records proceeds from issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. The diluted loss per share reflects all dilutive potential common shares equivalents, which comprise outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and the share purchase warrants were anti-dilutive for the three and six month periods ended June 30, 2010 and 2011.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Share-based payments

Share-based payments to employees and others providing similar services are measured at grant date at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of options expected to vest. The offset to the recorded cost is to share-based payments reserve. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized as an expense is based on the number of options that eventually vest. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital.

The fair value of the stock options is determined using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience), expected dividends, and the risk-free interest rate (based on government bonds).

Income taxes

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. Deferred income tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profit will be available against which they can be utilized.

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

Flow-through shares

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. Any premium received by the Company on the issuance of flow-through shares is initially recorded as a liability (“flow-through tax liability”) and included in trade and other payables. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow-through tax liability will be reversed. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

4. CASH AND CASH EQUIVALENTS

	June 30, 2011	December 31, 2010	January 1, 2010
Cash	$ 6,779	$ 3,361	$ 1,312
Guaranteed investment certificates	-	-	161,820
Money market instruments	572,841	679,157	288,570
	$ 579,620	$ 682,518	$ 451,702

5. MARKETABLE SECURITIES

	June 30, 2011	December 31, 2010	January 1, 2010
Common shares in listed Canadian companies	$ 329,500	$ 248,000	$ 498,850

Marketable securities are measured at fair value which is determined using quoted closing prices of the shares on the exchange where they are listed, at the end of each reporting period. A change in fair value of the marketable securities is included as a component of other comprehensive income.

6. RECEIVABLES

	June 30, 2011	December 31, 2010	January 1, 2010
GST/HST recoverable	$ 11,975	$ 32,413	$ 85,265
Quebec mining exploration tax credit receivable	202,663	202,663	241,104
Mineral property option proceed receivable	-	-	100,000
	$ 214,638	$ 235,076	$ 426,369

The Company anticipates full recovery of its receivables and therefore no impairment has been recorded against these amounts. The credit risk on the GST/HST recoverable and Quebec mining exploration tax credit receivable has been further discussed in Note 13.

7. EXPLORATION AND EVALUATION ASSETS

2011	Lov Property	Axe Property	Other BC Properties	Total
Acquisition costs				
Cash payments	$ 20,000	$ -	$ 1,659	$ 21,659
Share payments	-	-	-	-
	20,000	-	1,659	21,659
Deferred exploration expenditures				
Assays	-	-	(5,403)	(5,403)
Consulting	7,000	-	-	7,000
Miscellaneous	495	-	-	495
	7,495	-	(5,403)	2,092
Net costs for the year	27,495	-	(3,744)	23,751
Balance, beginning of the year	119,928	104,042	280,164	504,134
Write off of property	-	-	-	-
Balance, June 30, 2011	$ 147,423	$ 104,042	$ 276,420	$ 527,885

2010	Lov Property	Axe Property	Other BC Properties	James Bay Property	Total
Acquisition costs					
Cash payments	$ 3,564	$ -	$ 4,648	$ -	$ 8,212
Share payments	16,000	-	-	-	16,000
	19,564	-	4,648	-	24,212
Deferred exploration expenditures					
Assays	4,872	-	11,100	-	15,972
Consulting	8,700	-	15,158	-	23,858
Geochemistry	6,900	-	7,250	-	14,150
Geophysical survey	65,418	-	-	-	65,418
Miscellaneous	12,606	-	1,939	-	14,545
Project administration	-	-	4,854	-	4,854
Transportation	1,868	-	7,208	-	9,076
	100,364	-	47,509	-	147,873
Net costs for the year	119,928	-	52,157	-	172,085
Balance, beginning of the year	-	104,042	228,007	1,083,064	1,415,113
				-	
Write off of property	-	-	-	(1,083,064)	(1,083,064)
Balance, December 31, 2010	$ 119,928	$ 104,042	$ 280,164	$ -	$ 504,134

7. EXPLORATION AND EVALUATION ASSETS (cont'd…)

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

Lov Property, British Columbia

On August 9, 2010 the Company signed an option agreement with SG Spirit Gold Inc. (formerly Ruby Red Resources Inc.) ("SG") whereby the Company has the option to acquire up to an 80% interest in certain mineral claims located in the Fort Steele Mining Division of British Columbia. To earn the initial 65% interest in the property, the Company is required to make cash payments of $90,000 ($20,000 paid), issue 800,000 common shares (200,000 shares issued with a fair value of $16,000) and fulfill work commitments of $1,190,000 ($90,000 completed) over three years. Pursuant to the amendment signed during the first quarter of 2011, the remaining option terms are due as follows:

- Issue an additional 200,000 shares, and incur additional work costs of $90,000 by October 31, 2011;
- Pay $20,000, issue an additional 200,000 shares, and incur additional work costs of $300,000 by October 31, 2012;
- Pay $50,000, issue an additional 200,000 shares, and incur additional work costs of $300,000 by October 31, 2013;
- Incur additional work costs of $410,000 by October 31, 2014.

The Company also has the right to earn an additional 15% interest in the property by making an additional cash payment of $50,000, issuing an additional 200,000 common shares and delivering a positive pre-feasibility study to SG by October 31, 2016.

Once the Company has earned its 65%, the Company and SG will jointly fund and manage the property in accordance with their participating interests held. If a party's interest is at any time diluted below 20%, then such party's interest shall be converted to a 0.4% production royalty interest.

Axe Property, British Columbia

During the year ended December 31, 2005, the Company signed an option agreement with Weststar Resources Corp. ("Weststar") whereby Weststar had an option to earn a 70% interest in the property, located in the Similkameen Mining Division of British Columbia. Weststar earned its 70% interest by spending $500,000 of exploration expenditures on the property and by making certain cash payments and share issuances required under the agreement.

The Company and Weststar have executed the joint venture agreement, as amended, contemplated by the 2005 option agreement. Each party has the right to elect to contribute to the costs of a proposed program and budget in an amount up to its proportionate interest. If a party elects to contribute a lesser amount, then its interest in the mineral properties will be diluted. If a party's interest is reduced below 10%, then its interest will be automatically converted to a carried interest. As at June 30, 2011, the Company held a 30% interest in the property.

Other British Columbia properties

The Company holds a 100% interest in the Aplite, Bam, Castle, Gnat Pass and Rey Lake properties. The Company also retains a 1.25% net smelter returns royalty ("NSR") in the Man/Prime property and a 2.25% NSR in the Capoose property.

7. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Other British Columbia properties (cont'd…)

The Company has granted property options to acquire interests in three of these BC properties as follows:

Rey Lake Property

The Company holds an amended option agreement with Keyser Resources Inc. ("KRI") whereby KRI may earn up to a 90% interest in the property located in southern British Columbia between Merritt and Logan Lake. To earn its 90% interest in the property, KRI is required to make cash payments totaling $12,500 (received) and incur $150,000 in exploration expenditures. During the year ended December 31, 2010, KRI decided not to proceed with the option agreement. The property thus reverted 100% back to the Company.

Man/Prime Property

In January 2007, the Company entered into an option agreement with Candorado Operating Company Ltd. ("CDO") whereby CDO had an option to earn up to an 80% interest in the property, located in the Similkameen Mining Division of British Columbia. Under the agreement, CDO acquired an initial 51% interest in the property by making a cash payment of $50,000, issuing 700,000 common shares and incurring $800,000 in exploration expenditures. During fiscal 2008 and 2009, the Company sold its remaining 49% interest in the property to CDO for consideration of $300,000 and 450,000 shares of CDO.

The Company retains a 1.25% NSR in the property, which can be purchased by CDO at any time prior to the beginning of commercial production for $1,250,000.

Capoose Property

During the year ended December 31, 2008, the Company entered into an agreement with Silver Quest Resources Ltd. ("SQI") whereby SQI can earn up to a 100% interest in the property, located in the Omineca Mining Division of British Columbia.

During the year ended December 31, 2009, SQI acquired an initial 60% interest in the property by making cash payments of $240,000, issuing 1,040,000 common shares and incurring $1,000,000 in exploration expenditures.

Upon SQI exercise of the initial option, the parties formed a joint venture with each party responsible for their share of approved costs related to the project. During the year ended December 31, 2010, SQI approved a $2,200,000 of exploration program. The Company did not participate in funding and as a result, the Company's interest in the property was diluted and converted to a 2.25% NSR.

James Bay Property, Quebec

During the year ended December 31, 2007, the Company entered into an agreement to acquire a 100% interest in four mineral properties in the James Bay region in Quebec. The Company acquired a 100% interest in the property by paying $1,400,000 and issuing 3,000,000 common shares to the vendors. The Company paid $75,000 and issued 201,250 common shares as a finder's fee in connection with the acquisition. The property is subject to a 2% to 3% royalty and a 2% NSR.

In fiscal 2008 and 2009, the Company wrote off a total of $3,208,048 of acquisition and exploration costs as a result of consultations with independent consultants concerning the exploration results and potential of the property. During the year ended December 31, 2010, the Company decided not to proceed with further exploration of the property and accordingly wrote off the remaining capitalized costs of $1,083,064.

8. TRADE AND OTHER PAYABLES

The Company's trade and other payables are broken down as follows:

		June 30, 2011		December 31, 2010		January 1, 2010
Trade payables	$	3,466	$	1,840	$	398
Amounts due to related parties (Note 14)		-		3,685		56
Accrued liabilities		11,925		31,789		28,784
	$	15,391	$	37,314	$	29,238

Trade payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and accrued liabilities for operating activities. The usual credit period taken for trade purchases is between 30 to 90 days. At June 30, 2011, all trade payables were outstanding less than 30 days.

9. SHARE CAPITAL

Authorized share capital

The Company has authorized 100,000,000 common shares with no par value.

Issued share capital

At June 30, 2011, the Company had 24,246,991 common shares outstanding (December 31, 2010 - 24,246,991).

Share issuance

During the year ended December 31, 2010, the Company issued 200,000 common shares pursuant to the Lov property option agreement with a total fair value of $16,000.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the six month period ended June 30, 2011 was based on the loss attributable to common shareholders of $93,466 (2010 - income of $19,628) and a weighted average number of common shares outstanding of 24,246,991 (2010 - 24,046,991).

At June 30, 2011, 2,000,000 stock options (2010 - 1,850,000) were excluded from the diluted weighted average number of common shares calculation as their effect would have been anti-dilutive.

10. SHARE-BASED PAYMENTS

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 5 years and vest as determined by the board of directors.

The options outstanding at June 30, 2011 have an exercise price in the range of $0.10 to $0.25 (December 31, 2010 - $0.10 to $0.25) and a weighted average remaining contractual life of 3.62 years (December 31, 2010 – 3.92 years).

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Options outstanding, December 31, 2009	815,000	$ 0.16
Options granted	1,200,000	0.10
Expired	(165,000)	0.17
Options outstanding, December 31, 2010	1,850,000	0.12
Options granted	300,000	0.10
Cancelled	(150,000)	0.10
Options outstanding, June 30, 2011	2,000,000	$ 0.12
Options exercisable at June 30, 2011	1,220,000	$ 0.13
Options exercisable at June 30, 2010	915,000	$ 0.14
Weighted average fair value of options granted during the period	$ 0.045	(2010 - $0.046)

The total stock-based compensation calculated for stock options granted during the period under the fair value method was $13,520 (2010 - $55,559) using the Black-Scholes option pricing model. For the six month period ended June 30, 2011, the Company expensed $12,134 (2010 - $27,205) for the vesting portion of stock options to operations.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the period:

	2011	2010
Risk-free interest rate	2.23%	2.75%
Expected life of options	5 Years	5 Years
Annualized volatility	113.29%	123.94%
Dividend rate	Nil	Nil

11. RELATED PARTY TRANSACTIONS

Key management includes directors (executive and non-executive) of the Company. The compensation paid or payable to key management personnel during the six month periods ended June 30 is as follows:

		2011		2010
Short-term employee benefits	$	-	$	-
Share-based payments		10,626		26,008
Total	$	10,626	$	26,008

The Company entered into the following related party transactions during the six month periods ended June 30, 2011:

a) Paid or accrued management fees of $24,000 (2010 - $16,000) to a company controlled by the President of the Company for management services provided.

b) Paid or accrued consulting fees of $9,137 (2010 - $30,281) to two companies controlled separately by the chief financial officer and a non-executive director of the Company for general and geological consulting services provided.

These transactions with related parties were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

Included in trade and other payables is $nil (December 31, 2010 - $3,685) owing to related parties for services rendered to the Company and is unsecured, non-interest bearing, and has no specific terms of repayment.

12. SUPPLEMENTAL CASH FLOW INFORMATION

		2011		2010
Cash paid for income taxes during the period	$	-	$	-
Cash paid for interest during the period	$	-	$	-

There were no significant non-cash investing and financing transactions during the six month periods ended June 30, 2011 and 2010.

13. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows: cash and cash equivalents and receivable are classified as loans and receivables and measured at amortized cost; marketable securities as available-for-sale and measured at fair value; trade and other payables as other financial liabilities and measured at amortized cost. The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

Fair Value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments measured at fair value on the balance sheet are summarized in levels of fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3	Total
Available-for-sale				
Marketable securities	$ 329,500	$ -	$ -	$ 329,500

A market is regarded as active if quoted prices are readily and regularly available from an exchange. The quoted market prices used for marketable securities are the closing price on the TSX-V at June 30, 2011.

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash and cash equivalents, marketable securities and receivables. The credit risk with respect to its cash and cash equivalents and marketable securities are minimal as they are held with high-credit quality financial institutions. The Company's receivables consist of harmonized sale tax ("HST") and Quebec mining exploration tax credit refunds due from the federal and provincial governments of Canada. Management does not expect these counterparties to fail to meet their obligations. The Company's credit risk has not changed significantly during the six month period ended June 30, 2011.

13. FINANCIAL INSTRUMENTS (cont'd…)

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure sufficient cash available to fund its projects and operations. As at June 30, 2011, the Company had a cash and cash equivalents balance of $579,620 to settle current liabilities of $15,391. The Company's financial liabilities include trade and other payables which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities through private placements and the exercise of stock options and warrants. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents maintained at the financial institutions. The interest rate risks on cash and cash equivalents are not considered significant due to their short-term nature and maturity.

14. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes shareholders' equity in the definition of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company's investment policy is to invest its cash in highly liquid investments which are readily convertible into cash with maturities of three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

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

15. TRANSITION TO IFRS

As result of the Accounting Standards Board of Canada's decision to adopt IFRS for publicly accountable entities for financial reporting periods beginning on or after January 1, 2011, the Company has adopted IFRS in its financial statements for the year ending December 31, 2011, making them the first annual financial statements of the Company under IFRS. The Company previously applied the available standards under Canadian generally accepted accounting principles ("Canadian GAAP") that were issued by the Accounting Standards Board of Canada. An explanation of how the transition from Canadian GAAP to IFRS has affected the Company's financial position and financial performance and cash flows is set out in this note.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the period ended June 30, 2011, the comparative information presented in these financial statements for the period ended June 30, 2010 and in the preparation of an opening IFRS balance sheet at January 1, 2010 (the Company's date of transition).

IFRS initial elections upon adoption

IFRS 1 *First-time Adoption of International Financial Reporting Standards* generally requires that first-time adopters retrospectively apply all effective IFRS standards and interpretations in effect as at the reporting date. IFRS 1 also provides for certain optional exemptions and certain mandatory exceptions to this general principle. The IFRS 1 applicable exemptions and exceptions applied in the conversion from Canadian GAAP to IFRS are as follows:

i) Share-based payment transactions

The Company has elected under IFRS 1 to not apply IFRS 2 *Share-based Payment* to all stock options that vested before the date of transition. As a result of applying this exemption, the Company has applied the provision of IFRS 2 to all outstanding stock options that were unvested prior to January 1, 2010.

ii) Estimates

The estimates previously made by the Company under Canadian GAAP were not revised for the application of IFRS except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result, the Company has not used hindsight to create or revise estimates.

<u>Adjustments on transition to IFRS</u>

IFRS has many similarities with Canadian GAAP as it is based on a similar conceptual framework. However, there are differences with regard to recognition, measurement and disclosure. While adoption of IFRS did not change the Company's cash flows, it resulted in changes to the Company's statements of financial position and statements of comprehensive loss as set out below:

(a) The Company grants stock options that have a graded vesting schedule. Under IFRS 2 *Share-based Payment*, each tranche of an award with different graded vesting is accounted for as a separate award and the resulting fair value is amortized over the vesting period of the respective tranches. Under Canadian GAAP, the Company was accounting for the entire grant as a single award and amortized expense on a straight line basis.

A reconciliation of the above noted changes is included in the following balance sheets and statements of comprehensive loss for the dates noted below.

15. TRANSITION TO IFRS (cont'd…)

Reconciliations of Canadian GAAP to IFRS

A reconciliation of equity as at January 1, 2010 reported under the Canadian GAAP to equity under IFRS is as follows:

	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
ASSETS				
Current assets				
Cash and cash equivalents		$ 451,702	$ -	$ 451,702
Marketable securities		498,850	-	498,850
Receivables		100,000	-	100,000
Taxes recoverable		326,369	-	326,369
Prepaid expenses		5,029	-	5,029
		1,381,950	-	1,381,950
Mineral properties		1,415,113	-	1,415,113
Total assets		$ 2,797,063	$ -	$ 2,797,063
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities		$ 29,238	$ -	$ 29,238
Equity				
Share capital		7,695,780	-	7,695,780
Contributed surplus	15(a)	232,203	5,165	237,368
Accumulated other comprehensive income		314,006	-	314,006
Deficit	15(a)	(5,474,164)	(5,165)	(5,479,329)
		2,767,825	-	2,767,825
Total liabilities and equity		$ 2,797,063	$ -	$ 2,797,063

15. TRANSITION TO IFRS (cont'd…)

Reconciliations of Canadian GAAP to IFRS (cont'd…)

A reconciliation of equity as at June 30, 2010 reported under the Canadian GAAP to equity under IFRS is as follows:

	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
ASSETS				
Current assets				
Cash and cash equivalents		$ 741,699	$ -	$ 741,699
Marketable securities		280,000	-	280,000
Taxes recoverable		246,888	-	246,888
Prepaid expenses		1,035	-	1,035
		1,269,622	-	1,269,622
Mineral properties		1,415,113	-	1,415,113
Total assets		$ 2,684,735	$ -	$ 2,684,735
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities		$ 22,101	$ -	$ 22,101
Equity				
Share capital		7,695,780	-	7,695,780
Contributed surplus	15(a)	263,352	1,221	264,573
Accumulated other comprehensive income		161,982	-	161,982
Deficit	15(a)	(5,458,480)	(1,221)	(5,459,701)
		2,662,634	-	2,662,634
Total liabilities and equity		$ 2,684,735	$ -	$ 2,684,735

15. TRANSITION TO IFRS (cont'd…)

Reconciliations of Canadian GAAP to IFRS (cont'd…)

A reconciliation of shareholders' equity as at December 31, 2010 reported under the Canadian GAAP to equity under IFRS is as follows:

	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
ASSETS				
Current assets				
Cash and cash equivalents		$ 682,518	$ -	$ 682,518
Marketable securities		248,000	-	248,000
Taxes recoverable		235,076	-	235,076
Prepaid expenses		5,636	-	5,636
		1,171,230	-	1,171,230
Mineral properties		504,134	-	504,134
Total assets		$ 1,675,364	$ -	$ 1,675,364
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities		$ 37,314	$ -	$ 37,314
Equity				
Share capital		7,711,780	-	7,711,780
Contributed surplus		280,150	-	280,150
Accumulated other comprehensive income		166,416	-	166,416
Deficit		(6,520,296)	-	(6,520,296)
		1,638,050	-	1,638,050
Total liabilities and equity		$ 1,675,364	$ -	$ 1,675,364

Reconciliation of cash flow statements

The transition from Canadian GAAP to IFRS has had no effect on the reported cash flows of the Company for the six month period ended June 30, 2010 and for the year ended December 31, 2010. As the reconciling items between the Canadian GAAP presentation and the IFRS presentation have no net impact on the cash flows generated, no reconciliations have been presented.

15. TRANSITION TO IFRS (cont'd…)

Reconciliations of Canadian GAAP to IFRS (cont'd…)

The Canadian GAAP statement of comprehensive loss for the year ended December 31, 2010 has been reconciled to IFRS as follows:

	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
EXPENSES				
Accounting and audit		$ 39,318	$ -	$ 39,318
Consulting		50,010	-	50,010
Filing and transfer agent fees		14,104	-	14,104
Insurance		8,931	-	8,931
Management fees		40,000	-	40,000
Legal fees		22,130	-	22,130
Office and miscellaneous		6,751	-	6,751
Property investigation		10,303	-	10,303
Rent		13,724	-	13,724
Shareholder information		2,706	-	2,706
Stock-based compensation	15(a)	47,947	(5,165)	42,782
Loss before other items		(255,924)	5,165	(250,759)
OTHER ITEMS				
Interest income		4,925	-	4,925
Gain on sale of marketable securities		287,931	-	287,931
Write-off of mineral properties		(1,083,064)	-	(1,083,064)
		(790,208)	-	(790,208)
Net loss for the year		(1,046,132)	5,165	(1,040,967)
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gain on marketable securities		140,341	-	140,341
Realized gain on sale of marketable securities		(287,931)	-	(287,931)
		(147,590)	-	(147,590)
Comprehensive loss for the year		$ (1,193,722)	$ 5,165	$ (1,188,557)
Basic and diluted loss per common share		$ (0.04)	$ -	$ (0.04)
Weighted average number of common shares outstanding		24,117,128	-	24,117,128

15. TRANSITION TO IFRS (cont'd…)

Reconciliations of Canadian GAAP to IFRS (cont'd…)

The Canadian GAAP statement of comprehensive loss for the three months ended June 30, 2010 has been reconciled to IFRS as follows:

	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
EXPENSES				
Accounting and audit		$ 4,443	$ -	$ 4,443
Consulting		22,055	-	22,055
Filing and transfer agent fees		5,266	-	5,266
Insurance		1,997	-	1,997
Management fees		12,000	-	12,000
Legal fees		12,358	-	12,358
Office and miscellaneous		1,336	-	1,336
Project investigation		6,871	-	6,871
Rent		3,670	-	3,670
Shareholder information		481	-	481
Stock-based compensation		19,759	(3,699)	16,060
Travel and promotion	15(a)	194	-	194
Loss before other items		(90,430)	(3,699)	(86,731)
OTHER ITEMS				
Interest income		893	-	893
Gain on sale of marketable securities		66,842	-	66,842
		67,735	-	67,735
Net loss for the period		(22,695)	3,699	(18,996)
OTHER COMPREHENSIVE LOSS				
Unrealized gain on marketable securities		(134,212)	-	(134,212)
Realized gain on sale of marketable securities		(66,842)	-	(66,842)
		(201,054)	-	(201,054)
Comprehensive loss for the period		$ (223,749)	$ 3,699	$ (220,050)
Basic and diluted income per common share		$ 0.00	$ -	$ 0.00
Weighted average number of common shares outstanding		24,046,991	-	24,046,991

15. TRANSITION TO IFRS (cont'd…)

Reconciliations of Canadian GAAP to IFRS (cont'd…)

The Canadian GAAP statement of comprehensive loss for the six months ended June 30, 2010 has been reconciled to IFRS as follows:

	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
EXPENSES				
Accounting and audit		$ 8,443	$ -	$ 8,443
Consulting		32,901	-	32,901
Filing and transfer agent fees		11,107	-	11,107
Insurance		3,994	-	3,994
Management fees		16,000	-	16,000
Legal fees		17,755	-	17,755
Office and miscellaneous		1,685	-	1,685
Project investigation		6,871	-	6,871
Rent		6,117	-	6,117
Shareholder information		1,645	-	1,645
Stock-based compensation		31,149	(3,944)	27,205
Travel and promotion	15(a)	194	-	194
Loss before other items		(137,861)	(3,944)	(133,917)
OTHER ITEMS				
Interest income		1,553	-	1,553
Gain on sale of marketable securities		151,992	-	151,992
		153,545	-	153,545
Net income for the period		15,684	3,944	19,628
OTHER COMPREHENSIVE LOSS				
Unrealized gain on marketable securities		(32)	-	(32)
Realized gain on sale of marketable securities		(151,992)	-	(151,992)
		(152,024)	-	(152,024)
Comprehensive loss for the period		$ (136,340)	$ 3,944	$ (132,396)
Basic and diluted income per common share		$ 0.00	$ -	$ 0.00
Weighted average number of common shares outstanding		24,046,991	-	24,046,991